



the new digital ecology

October 25, 2018

Corporate Relations Dept.,

BSE Limited

P. J. Towers,

Dalal Street,

Mumbai – 400 001

(Scrip Code: 526881)

Listing Dept.,

National Stock Exchange of India Limited

Exchange Plaza,

Bandra Kurla Complex,

Bandra (E), Mumbai – 400 051

(Scrip Code: 63MOONS)

Dear Sirs,

Sub: Unaudited Financial Results (Standalone) alongwith Limited Review Report for the Second quarter and half year ended 30th September 2018

Pursuant to applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that the Board of Directors of the Company, at its meeting held today, inter-alia has approved the Unaudited Financial Results (Standalone) alongwith Limited Review Report for the Second quarter and half year ended 30th September 2018.

Please find enclosed herewith a copy of Financial Results and Limited Review Report for your records.

The meeting commenced at 2.00 p.m. and concluded at 4.40 p.m.

Kindly acknowledge receipt and take the above information on your record.

Thanking You,

Yours faithfully,

For 63 moons technologies limited

Hariraj Chouhan

Sr. VP & Company Secretary



Encl: a/a

63 moons technologies limited

(Formerly Financial Technologies (India) Ltd.)

Corporate Office: FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai 400 093, India.

T: +91 22 66868010 | F: +91 22 66868050 | E: info@63moons.com | W: www.63moons.com

Registered Office: Shakti Tower - 1, 7th floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai - 600 002.

T: +91 44 4395 0850 | F: +91 44 4395 0899 | CIN No.: L29142TN1988PLC015586



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63 moons technologies limited
(formerly Financial Technologies (India) Limited)

Regd. Office: Shakti Towers-1,E,7th Floor,766,

Anna Salai, Thousand Lights,

Chennai - 600002.

CIN - L29142TN1988PLC015586

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

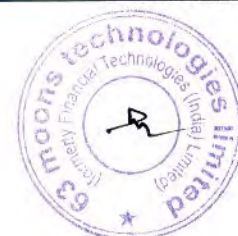
(₹ in lakhs, except per equity share data)

Sr. No.	PARTICULARS	Quarter ended			Six Months ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Operating Income						
	a) Revenue from Operations	3,153.56	4,156.55	3,195.90	7,310.11	16,294.46	22,543.48
	b) Other Operating Income	33.59	33.59	31.49	67.18	62.98	128.06
2	Other Income (net) (Refer Note 3)	3,871.86	3,589.85	5,204.33	7,461.71	10,461.67	20,167.08
3	Total Income (1+2)	7,059.01	7,779.99	8,431.72	14,839.00	26,819.11	42,838.62
4	Expenses						
	a) Employee benefits expense	2,648.27	2,672.77	2,414.12	5,321.04	4,999.93	10,054.03
	b) Legal and professional charges	2,005.44	1,794.13	1,812.86	3,799.57	3,063.49	6,653.64
	c) Net loss on foreign currency transactions and translations	571.84	236.84	42.58	808.68	22.29	73.25
	d) Depreciation and amortisation expense	450.41	441.00	621.47	891.41	1,230.82	2,216.30
	e) Finance costs	134.26	123.22	151.91	257.48	469.44	722.55
	f) Reclassification of fair value loss from OCI on investment	-	-	-	-	1,881.06	1,881.06
	g) Other expenses	1,049.83	1,026.50	1,330.89	2,076.33	2,980.14	6,106.84
	Total expenses	6,860.05	6,294.46	6,373.83	13,154.51	14,647.17	27,707.67
5	Profit before Exceptional Items (3-4)	198.96	1,485.53	2,057.89	1,684.49	12,171.94	15,130.95
6	Exceptional items (Refer Note 4)	-	2,641.58	(1,075.00)	2,641.58	(4,305.00)	(8,157.58)
7	Profit before tax (5+6)	198.96	4,127.11	982.89	4,326.07	7,866.94	6,973.37
8	Tax expense	97.33	629.22	699.90	726.55	4,736.69	5,335.61
9	Net Profit for the period (7-8)	101.63	3,497.89	282.99	3,599.52	3,130.25	1,637.76
10	Other Comprehensive Income	0.80	(27.78)	(109.30)	(26.98)	1,376.02	1,501.59
11	Total Comprehensive Income (9+10)	102.43	3,470.11	173.69	3,572.54	4,506.27	3,139.35
12	Paid-up equity share capital (Face value ₹ 2/- per share)	921.57	921.57	921.57	921.57	921.57	921.57
13	Reserves excluding revaluation reserves						285,654.17
14	Earnings per share (Face Value ₹ 2/- per share) Basic / Diluted (₹) (not annualised)	0.22	7.59	0.61	7.81	6.79	3.55

Statement of assets and liabilities

(₹ in lakhs)

SR No	PARTICULARS	As at	As at	SR No	PARTICULARS	As at	As at
		30.09.2018	31.03.2018			30.09.2018	31.03.2018
		Unaudited	Audited			Unaudited	Audited
	ASSETS				EQUITY AND LIABILITIES		
	Non-current assets				Equity		
1	Property, Plant and Equipment	24,269.26	24,351.12	1	Equity Share capital	921.57	921.57
2	Investment Properties	10,384.42	10,481.87	2	Other Equity	287,758.78	285,654.17
3	Capital work-in-progress	514.66	346.03		Total Equity	288,680.35	286,575.74
4	Other Intangible assets	368.84	158.76		LIABILITIES		
5	Financial Assets				Non-current liabilities		
	(i) Investments	110,283.64	109,683.20	1	Financial Liabilities		
	(ii) Loans	33.48	50.99		(i) Borrowings	-	-
	(iii) Other Financial Assets	11,795.89	11,553.71		(ii) Other financial liabilities		
6	Deferred tax Assets (net)	170.36	261.81	2	Provisions	473.56	472.09
7	Other non-current assets	16,367.97	15,924.25	3	Deferred tax liabilities (net)	-	-
	Total Non-current assets	174,188.52	172,811.74	4	Other non-current liabilities	91.32	100.98
	Current assets				Total Non-current liabilities	564.88	573.07
	Financial Assets				Current liabilities		
	(i) Investments	8,945.13	61,352.34	1	Financial Liabilities		
	(ii) Trade receivables	1,573.90	2,064.07		(i) Current Portion of Long Term Borrowings	11,281.12	10,114.36
	(iii) Cash and cash equivalents	2,198.50	42,411.22		(ii) Trade payables	603.79	551.56
	(iv) Bank Balances other than (iii) above	110,709.80	14,300.37		(iii) Other financial liabilities	6,136.77	4,926.43
	(v) Loans	511.75	518.60	2	Provisions	488.49	342.41
	(vi) Other Financial Assets	6,374.08	8,300.35	3	Current Tax Liabilities (Net)	-	-
2	Current tax assets	451.57	374.16	4	Other current liabilities	2,607.27	3,257.36
3	Other current assets	5,409.42	4,208.08		Total current liabilities	21,117.44	19,192.12
	Total current assets	136,174.15	133,529.19		Total equity and liabilities	310,362.67	306,340.93
	Total assets	310,362.67	306,340.93				



Notes:

- These above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on October 25, 2018.
- Effective April 01, 2018, the Company had adopted Ind AS 115 "Revenue from Contract with customers" by applying the cumulative catch-up effect method to all the contracts that were not completed as of April 01, 2018 and accordingly, the comparative information has not been restated. The adoption of the standard did not have any significant impact to the financial statements of the company.
- Other Income consists of:

(₹ in lakhs)

Particulars	Quarter ended			Six Months ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Change in fair valuation of Investments	124.57	107.75	262.54	232.32	165.03	548.84
(b) Interest Income	3,593.81	3,313.78	4,705.92	6,907.59	9,763.23	18,733.57
(c) Others (net)	153.48	168.32	235.87	321.80	533.41	884.67
	3,871.86	3,589.85	5,204.33	7,461.71	10,461.67	20,167.08

- Exceptional item Consists of:

(₹ in lakhs)

Particulars	Quarter ended			Six Months ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Allowance for expected credit loss on investment in	-	(501.67)	(1,075.00)	(501.67)	(4,305.00)	(6,311.66)
(b) Impairment of Bonds	-	-	-	-	-	(3,145.92)
(c) Net Gain on Sale of Equity Shares*	-	-	-	-	-	1,300.00
(d) Reversal of credit loss on loan given to subsidiary	-	3,143.25	-	3,143.25	-	-
	-	2,641.58	(1,075.00)	2,641.58	(4,305.00)	(8,157.58)

* Partial amount released from balance in escrow account created on sale of shares

- Segment wise Revenues and Results (standalone):

(₹ in lakhs)

Particulars	Quarter ended			Six Months ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
STP Technologies / Solutions	3,071.71	4,043.21	2,746.02	7,114.92	15,348.71	21,280.08
Others	115.44	146.93	481.37	262.37	1,008.73	1,391.46
Total Income From Operations	3,187.15	4,190.14	3,227.39	7,377.29	16,357.44	22,671.54
Segment Results						
STP Technologies / Solutions	1,221.76	2,223.02	1,098.27	3,444.78	11,878.82	14,406.19
Others	106.98	138.12	83.25	245.10	203.24	348.10
Total	1,328.74	2,361.14	1,181.52	3,689.88	12,082.06	14,754.29
Less : Finance Costs	134.26	123.22	151.91	257.48	469.44	722.55
Add : Unallocable Income [other income (net)]	3,871.86	3,589.85	5,204.33	7,461.71	10,461.67	20,167.08
Less : Unallocable Expenses	4,867.38	4,342.24	4,176.05	9,209.62	9,902.34	19,067.87
Add : Exceptional Item	-	2,641.58	(1,075.00)	2,641.58	(4,305.00)	(8,157.58)
Profit before tax	198.96	4,127.11	982.89	4,326.07	7,866.94	6,973.37



- a) Segments have been identified considering the organization structure and the return/risk profiles of the business.
- b) STP Technologies / Solutions segment represents Straight through Processing Solutions and includes an integrated mix of various products, projects and activities incidental thereto. Others represent trading activities, process management services and shared business support and IT Infrastructure sharing services.
- c) Due to diversified nature of business, significant assets are interchangeably used between segments and the management believes that it is currently not practicable to provide segment disclosure relating to capital employed since a meaningful segregation is not possible.
6. Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. This Notice of Motion was filed in one of the suits. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013. The Notice of Motions is pending for hearing. Further, the shareholders of the Company have approved final dividend for year 2016-17 and 2017-18 @ ₹ 2/- per share for each year, aggregating to ₹ 1,843.14 lakhs, subject to appropriate judicial order which is also pending for distribution to the shareholders due to aforesaid restrictions.
7. The writ petition filed by the Company challenging the legality and propriety of the Forward Markets Commission's (FMC) order on the Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. The Company has filed civil appeals before Hon'ble Supreme Court challenging the Security Exchange Board of India (SEBI) Order and Central Electricity Regulatory Commission (CERC) order inter alia declaring the "Company not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively", which are pending for hearing. The same will come up for hearing in due course before the respective courts.
8. On February 12, 2016, Ministry of Corporate Affairs ("MCA") passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 of the Companies Act, 1956. The Company had challenged the Final Order by way of a Writ Petition before the Hon'ble Bombay High Court, which was dismissed by the Hon'ble Bombay High Court by its order dated December 4, 2017. The Company has filed a Special Leave Petition against the said order dated December 4, 2017 before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India was pleased to continue the relief of stay order of the Hon'ble Bombay High Court order dated December 4, 2017. Matter is pending for hearing.
9. The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition inter alia under Sections 397 and 398 read with Section 388B, 388C, 401, 402, 403, 406 and 408 of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Company. Subsequently, the matter has been transferred to NCLT, Chennai. The NCLT has by consent formed a committee to consider sale of the assets of the Company pursuant to regulatory directions / requirements, treasury management and funding requirements of the subsidiaries.

The NCLT vide its order dated June 4, 2018, (1) rejected the prayer of the Union of India for removal and supersession of the Board of the Company, (2) declared some of the directors of the company as not fit and proper persons to hold the office as directors, however, Hon'ble tribunal was pleased to order that the Government may nominate not more than 3 directors to the Board of the Company. The Company has preferred appeal against the said order of the NCLT before the NCLAT, Delhi. The NCLAT was pleased to stay the order of the NCLT. Matter is pending for hearing.



10. a) During the previous years, civil suits have been filed against the Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Company has been made a party. In these proceedings certain reliefs have been claimed against the Company, inter-alia, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Plaintiffs therein. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Company. The matters are pending for hearing before the Hon'ble Bombay High Court.

b) First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets. It is pertinent to note that till date, no charge sheet has been filed against the Company by EOW. All investigations are presently pending. CBI has filed charge-sheets against the Company for alleged loss caused to PSUs – PEC Ltd. & MMTC Ltd. on NSEL platform and the case is pending for trial before the CBI court.

c) The CBI - EOW, has also registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to MCX Stock Exchange Limited (MCX-SX) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Company in the FIR. Therefore, the Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.

d) The CBI - EOW, has registered complaint against the Company along with certain officials of FMC, SEBI and other for giving illegal benefits to Multi Commodity Exchange of India Limited (MCX) and allowing MCX trading as private commodity exchange. The investigation in the matter is still in progress.

11. The Company has challenged EOW letter dated February 28, 2015 before Hon'ble Bombay High Court wherein Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015. The matter is pending for hearing before Hon'ble Bombay High Court. This will come up for hearing in due course.

12. a) On July 18, 2016, the Company received a notice from the EOW Mumbai inter alia directing the Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest, in, to, upon or in respect of any of the assets of the Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated September 21, 2016, notified the attachments of certain assets of the Company.

The Company has filed a Writ Petition before the Bombay High Court challenging inter alia, the provisions of the MPID act are violative of Article 14 and 19 of the Constitution and the notification dated September 21, 2016, attaching the assets of the Company under the provisions of the Maharashtra Protection of Interest of Depositors Act.

b) EOW issued a letter dated January 31, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated January 31, 2017 of the Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Company challenged the letter dated January 31, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The matter is pending for hearing.



c) The State Government under the MPID Act has attached several Bonds, bank accounts, investments, Fixed Deposits and ODIN software and its receivables of the Company vide gazette notifications dated April 04, 2018, April 07, 2018, April 11, 2018, April 17, 2018, April 19, 2018 May 15, 2018, September 19, 2018 and corrigendum dated September 27, 2018. The Competent Authority has filed Misc. Applications before the MPID Court to make absolute the attached properties mentioned in aforesaid gazette notifications. The said Misc. Applications are pending for hearing before Hon'ble MPID Court, Mumbai. The Company has filed a writ petition before the Bombay High Court challenging the validity of the aforesaid notifications attaching the various assets of the Company under the provisions of the MPID Act. Matter is pending for hearing. Hon'ble Bombay High Court granted interim reliefs on October 24, 2018 and order is awaited.

13. Certain assets of the Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The three Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority confirming three attachments. Matter is pending for hearing.
14. The Serious Frauds Investigation Office (SFIO) published a Public Notice during December 2016 in a newspaper wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Company and also inviting the members of the public to lodge their alleged grievances against the Company with them. The Company has furnished the information as requested by the SFIO from time to time.
15. Modulus Financial Engineering filed a copyright infringement suit against the Company claiming that the Company had breached the license granted by Modulus to the Company in the use of its ODIN software. The Company has denied all these claims in its reply and written statement. The Notice of Motion seeking interim relief against the Company has been disposed of by a consent order. The suit is pending for final hearing and disposal.
16. The Company has a total MAT credit entitlement of ₹ 9,115.62 lakhs as at September 30, 2018. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future unexpired years.
17. During the quarter ended September 30, 2018, the Company has made additional long-term investments aggregating ₹ 419.03 lakhs in subsidiaries.
18. Previous year/period figures have been regrouped/reclassified, wherever necessary, to conform to current period's presentation.
19. The qualifications made by the Statutory Auditors vide their Independent Auditors Review Report dated October 25, 2018 on the unaudited financial results for the quarter and half year ended Sept 30, 2018 and the Management responses thereto are as under and basis for qualified opinion and Management responses thereto are as under:-

Note no. 10, 11, 12, 13 and 14 form basis for our qualified conclusion. As stated by the Management of the Company in Note 10 to the Statement, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 10, 11, 12, 13 and 14 to the Statement, there are First Information Reports/ complaints/ letters/ orders/ notices registered/ received against various parties including the Company from/ with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Home Department - Government of Maharashtra under MPID Act, the Directorate of Enforcement



and the Serious Frauds Investigation Office (SFIO). Above matters are pending at various stages of adjudication/investigation.

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said notes to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement and that the ability of the Company to carry out its day-to-day operations/activities is not seriously affected due to any such letters/ orders/ notices as aforesaid.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and half year ended September 30, 2018.

Management Response: Refer Note 10, 11, 12, 13 and 14 above.

For 63 moons technologies limited
(formerly Financial Technologies (India) Limited)



A handwritten signature in black ink, appearing to read "S Rajendran".

S Rajendran

Managing Director & CEO
DIN- 02686150

Place : Mumbai

Date : October 25, 2018

Corporate Office: FT Tower, CTS No 256-257, Suren Road, Chakala, Andheri (East), Mumbai – 400093



To,
The Board of Directors,
63 moons technologies limited [formerly Financial Technologies (India) Limited]
Corporate office:
FT Tower, CTS no. 256 & 257,
Suren Road, Chakala,
Andheri (East), Mumbai 400 093

Dear Sirs,

Sub: Limited review report on standalone unaudited financial results of 63 moons technologies limited [formerly Financial Technologies (India) Limited] for the quarter and half year ended 30 September 2018

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results (the 'Statement') of **63 moons technologies limited [formerly Financial Technologies (India) Limited]** ('the Company'), for the quarter and half year ended 30 September 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('SEBI Regulation 2015') read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 ('the Circular').

The preparation of this statement in accordance with the recognition and measurement principles as laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read together with relevant rules and other accounting principles generally accepted in India and above referred circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company on 25 October 2018. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

3. Note no. 10, 11, 12, 13 and 14 form basis for our qualified conclusion. As stated by the Management of the Company in Note 10 to the Statement, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 10, 11, 12, 13 and 14 to the Statement, there are First Information Reports/ complaints/ letters/ orders/ notices registered/ received against various parties including the Company from/ with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Home Department - Government of Maharashtra under MPID Act, the Directorate of Enforcement and the Serious Fraud Investigation Office (SFIO). Above matters are pending at various stages of adjudication/investigation.



In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said notes to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement and that the ability of the Company to carry out its day-to-day operations/activities is not seriously affected due to any such letters/ orders/ notices as aforesaid.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and half year ended 30 September 2018.

Qualified Conclusion

4. *Except for the possible effects of the matter specified under 'Basis for Qualified Conclusion', and based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards i.e. Ind AS as prescribed under section 133 of Companies Act, 2013 and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of SEBI Regulation 2015 read together with Circular including the manner in which it is to be disclosed or that it contains any material misstatement.*

Emphasis of Matter

5. We draw attention to Note 8 to the Statement, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Company, by Ministry of Corporate Affairs, Government of India. The Honourable Bombay High Court in due course has dismissed the Writ Petition challenging the said order filed by the Company. The Company has filed a Special Leave Petition against the said order of Honourable Bombay High Court before the Honourable Supreme Court of India and the matter is sub-judice. In future, any unfavorable outcome may impact company's ability to function as a going concern.
6. We draw attention to Note 9 to the Statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company. The matter is pending before National Company Law Appellate Tribunal ("NCLAT") and is currently sub-judice.
7. We draw attention to Note 16 to the Statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs.9,116 Lakhs as at 30 September 2018. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in eligible projected years.

Our conclusion is not qualified in respect of these matters of emphasis.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no. 109983W
by the hand of




Pramod Bhise
Partner

Membership No.(F) 047751

Mumbai, 25 October 2018