



# India International Bullion Exchange (IIBX)

## 2nd Annual Report FY 2022-2023

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## BOARD OF DIRECTORS (as on July 12, 2023)

<b>Shri Jugal Kishore Mohapatra</b>	Chairman & Public Interest Director
<b>Shri Krishnan Ramkumar</b>	Shareholder Director
<b>Shri Samar Pawankumar Banwat</b>	Shareholder Director
<b>Shri Shivanshu Lalit Mehta</b>	Shareholder Director
<b>Smt. Seema Bahuguna</b>	Public Interest Director
<b>Shri Arvind Sahay</b>	Public Interest Director
<b>Shri Gopalaraman Padmanabhan</b>	Public Interest Director
<b>Shri Siddhartha Sengupta</b>	Public Interest Director
<b>Shri Gurumoorthy Mahalingam</b>	Public Interest Director
<b>Shri Kumar Abhishek</b>	Shareholder Director
<b>Shri Sriram Krishnan</b>	Shareholder Director
<b>Shri Ashok Kumar Gautam</b>	Managing Director & CEO

## MANAGEMENT TEAM

<b>Shri Ashok Kumar Gautam</b>	Managing Director & CEO
<b>Shri Neeraj Gupta</b>	Chief Technology Officer
<b>Ms. Kirty Pareek</b>	Company Secretary & Compliance Officer
<b>Shri Vinod Ramachandran</b>	Head- Clearing, Settlement & Risk Management
<b>Shri Mithilesh Brahmhatt*</b>	Chief Financial Officer
<b>Shri Mahendrasingh Dahiya**</b>	Acting Chief Financial Officer

\*Resigned w.e.f. June 15, 2023

\*\*Designated w.e.f. June 16, 2023

**Statutory Auditors** M/s. Vidya & Co., Chartered Accountants

**Secretarial Auditors:** M/s. Yash Mehta & Associates, Company Secretaries

**CIN** U67190GJ2021PLC124952

## Directors' Report

### To the Members,

Your Directors are pleased to present the Second Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2023.

### Financial Summary / Highlights

The Company's standalone financial performance, for the financial year ended March 31, 2023:

Particulars	Amount in Thousand			
	FY 2022-23		FY 2021-22	
	INR	USD	INR	USD
Revenue From Operations	6,171.17	76.77	-	-
Investment Income	23,585.89	293.39	185.71	2.48
Other Income	3,466.54	43.12	1198.21	16.01
<b>Total Income</b>	<b>33,223.60</b>	<b>413.28</b>	<b>1,383.92</b>	<b>18.49</b>
Computer Technology Related Expenses	97,400.73	1,211.58	39,588.96	529.11
Employee Benefits Expense	45,373.17	564.40	2,810.11	37.56
Administration and Other Expenses	51,453.31	640.04	15,926.87	212.86
Finance Costs	3,475.00	43.23	601.72	8.04
Depreciation and Amortisation Expenses	9,926.82	123.48	1,223.95	16.35
<b>Total Expense</b>	<b>2,07,629.03</b>	<b>2,582.73</b>	<b>60,151.61</b>	<b>803.92</b>
<b>Profit/(Loss) Before Tax</b>	<b>(1,74,405.43)</b>	<b>(2,169.45)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>
Provision for tax	-	-	-	-
<b>Net Profit/(Loss) After Tax</b>	<b>(1,74,405.43)</b>	<b>(2,169.45)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>
Other comprehensive income (net of tax)	56,675.62	-	14,118.65	-
<b>Total Comprehensive Income</b>	<b>56,675.62</b>	<b>-</b>	<b>14,118.65</b>	<b>-</b>
<b>Net Worth</b>	<b>9,87,621.15</b>	<b>12,012.39</b>	<b>4,55,350.96</b>	<b>6,006.70</b>
<b>Earnings per share</b>	<b>(0.179)</b>	<b>(0.002)</b>	<b>(0.134)</b>	<b>(0.002)</b>

### Financial Results

The Company was incorporated during the financial year 2021-22. The Company commenced its operations in the financial year 2022-23. The total income for the financial year 2022-23 was INR 33,223.60 Thousands (USD 413.28 Thousands). The total income consists of Revenue from operations, income from investment and other income. The total expenses incurred during the year was INR 2,07,629.03 Thousands (USD 2,582.73 Thousands), out of which Computer Technology Related Expenses were INR 97,400.73 Thousands (USD 1,211.58

Thousands), Employee Benefit Expenses of INR 45,373.17 Thousands (USD 564.40 Thousands) and Administrative and other Expenses of INR 51,453.31 Thousands (USD 640.04 Thousands). The Company has incurred a total loss after Tax of INR 1,74,405.43 Thousands (USD 2,169.45 Thousands).

### **Dividend**

In view of the loss incurred by the company, your Board of Directors do not recommend any dividend for the financial year 2022-23.

### **Transfer to reserves**

In view of the loss incurred by the company during the year under review, your Board of Directors do not recommend appropriating any amount to be transferred to General Reserves for the financial year 2022-23.

## **About India International Bullion Exchange IFSC Limited**

### **Inception**

India's first India International Bullion Exchange IFSC Ltd. (IIBX), established at GIFT City, Gandhinagar, Gujarat, India, was launched by the Honourable Prime Minister of India, Shri Narendra Modi on 29th of July 2022. IIBX is promoted by India's leading market infrastructure institutions like NSE, INDIA INX and India International Clearing Corporation Limited (subsidiaries of BSE), NSDL, CDSL and MCX. These entities have come together to form India International Bullion Holding IFSC Ltd. (IIBH). IIBH hold 100% equity stake in the IIBX.

### **Ecosystem**

IIBX is regulated by International Financial Services Centres Authority (IFSCA) (<https://www.ifsc.gov.in>). For the first three years of its operations, IIBX also performs its own Clearing functions as approved by the regulator. The Bullion at IIBX is traded in the form of units of Bullion Depository Receipts (BDRs). India International Depository IFSC Ltd. (IIDI) holds BDRs in the Demat accounts opened by Members, Qualified Jewellers and Qualified Suppliers. Qualified Jewellers are the entities meeting the criteria stipulated by IFSCA and are allowed to import Gold directly through IIBX. The Qualified sellers are allowed to sell Bullion through IIBX if they meet relevant criteria as stipulated. At present, there are 101 Qualified Jewellers and 16 Qualified Suppliers onboarded on IIBX. The Gold is stored in the IFSCA approved vaults at GIFT IFSC. These Vaults are empanelled by India International Depository IFSC Ltd (IIDI). At present there are three Vaults in GIFT IFSC. IIDI issues Bullion Depository Receipts against the Gold deposited in the vaults at GIFT IFSC by the Qualified Suppliers. The BDRs and the Gold Bars have one-to-one congruence. It means that any Gold Bar which is in the Vault has a specified BDR in any Demat account and similarly any BDR in any Demat account has a specified Gold Bar in the Vault. The Qualified Jewellers and Qualified Suppliers participate on the Exchange through Trading Members and Trading cum Clearing Members. The Qualified Jewellers and Qualified

Suppliers can also get onboarded as Limited Purpose Trading Members (QJ-LPTM and QS-LPTM) and clear their trades through any Clearing Member of the Exchange. On the Exchange platform the units of BDR gets traded.

### **Objective**

IIBX provides a transparent, democratic, easy to use trading platform using the state-of-the-art technology. IIBX aspires to facilitate Gold price discovery and quick turnaround of Gold inventory and the funds of the participants. The main objectives of IIBX are to become a major Bullion trading hub in Asia, promote IFSC Vaults as regional Vaulting hubs, become a price influencer in the Global Gold market, encourage Global players to come and trade on IIBX platforms.

### **Promoting Responsible Sourcing of Gold**

IIBX is a Signatory to the ‘Gold Industry Declaration of Responsibility & Sustainability Principles’, an initiative of World Gold Council and LBMA along with Global Industry players.

### **Development of Financial Products around Bullion Eco-system**

IIBX is gearing itself to launch Silver products to be traded on IIBX. There are plans to launch Gold Futures with a delivery option, Gold Metal Loan, Repo against BDR, products for investment in BDRs, launch of Digital Gold products targeted towards NRIs, PIOs and Bullion Investors at large.

### **Import of Gold for Domestic Players and Exporters of Jewellery**

IIBX has launched both LBMA and UAE Good Delivery Products for 995 1 Kg and 999 100 gm variants. The UAE Good Delivery contracts are also available for Tariff Rate Quota (TRQ) Holders under the India UAE-CEPA. With the launch of ICEGATE at GIFT SEZ, the first SEZ in the country to get integrated, IIBX is in a position to offer all the benefits of the DGFT Schemes which are available through ICEGATE for importers of Gold.

IIBX is quite keen to offer Gold to the Exporters of Jewellery with the proposed (a) SEZ to SEZ Transfer of Gold traded on IIBX (b) Use of Advanced Authorization Schemes to import Gold to IIBX and (c) Use of ICEGATE to import Duty Free Gold by Exporters of Jewellery through IIBX. IIBX has a unique advantage of being in a position to cater to the small players as it can price Gold as low as in 1Kg or 100 gms denominations.

The global bullion banks, bullion refiners and bullion traders through IIBX, can directly access the bullion buyers in India through IIBX. GIFT IFSC area offers convenience to re-export the Bullion as and when required by bullion suppliers without payment of customs duty. IIBX proposes to have IFSCA approved vaults at multiple SEZs across India.

### **Business and Operations review**

Your company commenced formal operations from July 29, 2022. During the Financial Year 2022-23, the Exchange offered Trading in Gold 995 1 Kg and Gold 999 100 gm for both LBMA and UAE Good Delivery Contracts with T+0 settlement. The total quantity of Gold traded during the financial year was 411 Kg with a total turnover value of USD 22,464,980.

Major issue faced by the Exchange during the last Financial year was non-operationalization of ICEGATE due to which none of the DGFT schemes including the TRQ Gold under India UAE CEPA could be implemented at IIBX. Large number of AD banks in India had not yet formulated the policies for implementing the May 2022 circular issued by Reserve Bank of India to remit USD to IIBX for import of Gold by Qualified Jewellers. In the month of July 2022, the Gold duty was increased to 15% while the duty of Platinum remained at earlier rate of 10.75%. This led to Gold being imported in the form of Platinum alloys by paying duty at the rate fixed for Platinum. This anomaly was later on rectified by authorities, however, for a long time, the market went into discount vis-à-vis International Prices due to large quantity of Gold being imported through this route. India market also has various duty structures for Gold from other least developed countries and other FTAs. This leads to India market remaining in discount whenever supply from such sources increases in India. These factors impact the volumes traded at IIBX.

### **Subsidiaries**

Your company does not have any subsidiary.

India International Bullion Holding IFSC Limited is the Holding company and India International Depository IFSC Limited is the fellow subsidiary of India International Bullion Exchange IFSC Limited.

### **Dematerialisation of equity shares of your company**

The equity shares of your company are admitted with Central Depositories Services Limited (CDSL) and National Securities Depository Limited (NSDL). M/s TSR Darashaw Consultants Private Limited have been appointed as Registrar and Transfer Agent. As on date 100% of your company's equity shares are in dematerialised form.

### **Issue of Shares**

During the financial year 2022-23, the paid-up capital of the company has increased from INR 50,00,00,000 to INR 115,00,00,000. A total of 65,00,00,000 number of shares were issued to India International Bullion Holding IFSC Limited on rights basis in two tranches; 250,000,000 number of shares allotted on June 30, 2022, and 400,000,000 number of shares allotted on July 15, 2022.

### **Details to be reported u/s 134 (3) (ca) of the Companies Act, 2013**

No frauds have been noticed/ or reported by Auditors during the year under review.

### **Directors' Responsibility Statement**

To the best of their knowledge and belief, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at March 31, 2022 and of the profit and loss of the company for the year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls were in place and such financial controls are adequate and operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### Details of Directors and Key Managerial Personnel (“KMP”)

Following are the changes in the composition of the Board of Directors during the FY 2022-23:

Sl. No.	Name of the Director	Designation	Date of Appointment	Date of cessation
1	Shri Balasubramaniam Venkataramani	Shareholder Director	August 18, 2021	December 10, 2022
2	Shri Ravi Varanasi	Shareholder Director	August 18, 2021	July 31, 2022
3	Shri Gopalaraman Padmanabhan	Public Interest Director	September 12, 2022	NA
4	Shri Siddhartha Sengupta	Public Interest Director	September 12, 2022	NA
5	Shri Hari Kothandaraman	Shareholder Director	September 27, 2022	March 29, 2023
6	Shri Gurumoorthy Mahalingam	Public Interest Director	November 26, 2022	NA
7	Shri Kumar Abhishek	Shareholder Director	January 16, 2023	NA

**The Composition of Director and KMPs of the Company as on Date is as under:**

The current composition of the Board of Directors of the company (as on **12.07.2023**) is as follows:

**Public Interest Directors**

Shri Jugal Kishore Mohapatra

Smt. Seema Bahuguna

Shri Arvind Sahay

Shri Gopalaraman Padmanabhan

Shri Siddhartha Sengupta

Shri Gurumoorthy Mahalingam

**Shareholder Directors**

Shri Krishnan Ramkumar

Shri Samar Pawankumar Banwat

Shri Shivanshu Lalit Mehta

Shri Kumar Abhishek

Shri Sriram Krishnan\*

Shri Ashok Kumar Gautam, Managing Director & CEO

\*Appointed w.e.f. May 29, 2023

**Key Managerial Personnel**

Shri Ashok Kumar Gautam, Managing Director & CEO and Ms. Kirty Pareek, Company Secretary and Shri Mithilesh Brahmhatt, Chief Financial Officer were the Key Managerial Personnel of the company as defined under the Companies Act, 2013 during the FY 2022-23. Ms. Kirty Pareek was appointed w.e.f. July 25, 2022, and Shri Mithilesh Brahmhatt was appointed w.e.f. September 29, 2022.

Shri Mithilesh Brahmhatt has resigned from the position of Chief Financial Officer w.e.f. June 15, 2023.

**Declaration by Public Interest Directors**

The terms and conditions of appointment of Public Interest Director (PID) are as per IFSCA (Market Infrastructure Institutions) Regulations, 2021. They have submitted a declaration that each one of them meets the criteria of independence as provided in sub section (6) of

Section 149 of the Companies Act, 2013. They have also submitted a declaration confirming the compliance of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, all PIDs have also given the declarations that they satisfy “fit and proper” criteria as stipulated under Regulation 51 of International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020. There has been no change in the circumstances which may affect their status as PIDs during the year.

### Declaration by the Company

None of the Directors of the company are disqualified from being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014

### A Statement Regarding Opinion of the Board with Regard to Integrity, Expertise and Experience (Including the Proficiency) of the Independent Directors appointed during the year

The Board is of the opinion that Public Interest Directors appointed on the Board of the company possess requisite expertise, experience, and integrity.

### Number of Meetings of the Board

In terms of MCA exemption dated January 4, 2017, a Specified IFSC public company shall hold the first meeting of the Board of Directors within sixty days of its incorporation and thereafter hold at least one meeting of the Board of Directors in each half of a calendar year. However, in the interest of good governance, at least four (4) meetings of the Governing Board are held in each financial year. During the year ended March 31, 2023, four (4) Board Meetings were convened and held.

The details of meetings are as under:

Sr. No	Name of the Director	Attendance at the Board Meetings held on			
		April 18, 2022	August 18, 2022	October 19, 2022	January 6, 2023
1	Shri Balasubramaniam V.	√	√	√	Resigned w.e.f. December 10, 2022
2	Shri Ravi Varanasi	√	Resigned w.e.f. July 31, 2022	NA	NA
3	Shri Krishnan Ramkumar	Leave of Absence	√	√	√
4	Shri Samar Pawankumar Banwat	√	√	√	√

Sr. No	Name of the Director	Attendance at the Board Meetings held on			
		April 18, 2022	August 18, 2022	October 19, 2022	January 6, 2023
5	Shri Shivanshu Lalit Mehta	√	√	√	√
6	Shri Jugal Kishore Mohapatra	√	√	√	√
7	Smt. Seema Bahuguna	√	√	√	√
8	Shri Arvind Sahay	√	√	√	√
9	Shri Gopalaraman Padmanabhan	NA	NA	√	√
10	Shri Siddhartha Sengupta	NA	NA	√	√
11	Shri Hari Kothandaraman	NA	NA	√	√
12	Shri Gurumoorthy Mahalingam	NA	NA	NA	√
13	Shri Ashok Kumar Gautam	√	√	√	√

### Audit Committee

MCA vide Notification No. G.S.R. 08 (E) & G.S.R. 9 (E) dated January 4, 2017, notified exemptions from certain provisions of the Companies Act, 2013 to the Specified IFSC unlisted public company. Amongst other provisions of the Companies Act, 2013, section 177, pertaining to constitution of an Audit Committee, was also exempt, therefore Audit Committee was not constituted during the financial year 2021-22.

However, IFSCA vide Circular No. IFSCA/CMD/DMIIT/MII/CG/2022-23/1 dated June 28, 2022 mandated the market infrastructure instructions (MIIs) to constitute certain statutory committees, Audit Committee being one of them. Therefore, your company has constituted an Audit Committee of the Board during the financial year 2022-23 comprising of Four members out of which three members are Public Interest Directors.

### Auditors & Auditor's Reports

#### Statutory Auditors

The Statutory Auditors, M/s. Vidya & Co., (Firm Registration No. 308022E) were re-appointed as the Statutory Auditors of the company for a period of three (3) years from the conclusion of the first Annual General meeting to the conclusion of the fourth Annual General Meeting to be held in the year 2025. The Report given by the Statutory Auditors on the financial statements of the company is part of the Annual Report.

### **Secretarial Auditors Report**

Your company has appointed M/s Yash Mehta & Associates (Unique Code S2016GJ391700), Company Secretaries, Ahmedabad to carry out Secretarial Audit. The Secretarial audit report is given as Annexure- 1 to the Directors' Report.

### **Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer made by auditors:**

There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor.

### **Particulars of Loans, Guarantee and Investments**

Your company has not given any loans, guarantees and investments falling within the ambit of Section 186 of the Companies Act, 2013.

### **Related Party Transactions**

The Company has availed of Services of M/s BSE Technologies Private Limited (wholly owned subsidiary of BSE Limited) as the Technology partner of the company which was approved by the Board of the Holding company (IIBH) in their Board meeting dated August 20, 2021. The company had also availed of services from IIBH, the holding company, and CDSL, NSDL, NSE, India INX which are investing companies of the Holding company. The Company also entered into a transaction with NSE IFSC (New Name: NSE IX), which is a subsidiary of NSE, Investing Company. The payments made to the related parties had been duly approved by the Board of Directors of IIBX in March 2023. The details of the related party transactions entered into by the company are given in notes to accounts of the financial statements for the financial year ended March 31, 2023 (Note no. 22).

Necessary approvals have been taken and all Related Party transactions are on an arm's length basis and in ordinary course of business.

### **Significant and Material Orders Passed by the Regulators or Courts or Tribunal**

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations in future.

### **Disclosure on maintenance of cost records**

The company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

## **Vigil Mechanism**

The company has a Board approved Whistle Blower Policy in place.

## **Constitution of Internal Complaints Committee**

Your company has duly constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2022-23.

## **Details of Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016**

The company has neither made any application, nor any proceedings are pending under The Insolvency and Bankruptcy Code, 2016 during the finance year 2022-23.

## **The details of difference between amount of the Valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

The company has not availed any one-time settlement facility, during the financial year 2022-23, therefore providing of details with respect to difference in the amount of valuation done at the time of one time Settlement and the Valuation done while taking loan from the Banks or Financial Institutions does not apply to the company.

## **Risk Management**

Risk Management is a vital activity for the Company and is the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. It is an enterprise-wide function at the Company, which covers major business and functional areas. Participant Exposure and Settlement Default Risk, Credit Risk, Liquidity Risk, Legal Risk, Operational Risk, Custody and Investment Risk, Technology Risk, Clearing Bank Risk etc. are some of the risks that can be foreseen on a continuous basis. The Company has a sound framework for the comprehensive management of all material risks and established documented policies, procedures, systems and controls to identify, measure, monitor and manage such risks.

Your Company's risk management policies, procedures, systems and controls form a part of a coherent and consistent governance framework which is reviewed and updated regularly. The risk management policy of the Company is in accordance with the Principles for Financial Market Infrastructures ("PFMI") published by the Committee on Payments and Market Infrastructures ("CPMI") and the Technical Committee of the International Organization of Securities Commissions ("IOSCO").

## Corporate Social Responsibility

The provisions of section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility are not applicable to the company for a period of five years from the date of commencement of Business as per the exemption notification no. G.S.R. 08(E) dated January 4, 2017 of the Ministry of Corporate Affairs.

## Particulars of Employees

None of the employees of your company were in receipt of remuneration in excess of the limits as laid down under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Fixed Deposits

Your company has not accepted any Fixed Deposits from the public during the financial year 2022-23.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

### Conservation of energy

Your company does not carry any manufacturing activities.

### Technology Absorption

#### **i) The efforts made towards technology absorption -**

The Exchange is committed towards continued improvement in customer satisfaction through increase in efficiency and accuracy by providing the world class technology with ease of trade and settlement along with robust Risk Management.

As part of our commitment, we have continued putting efforts in customization of Trading, Clearing & Settlement and Risk Management Systems to meet the bullion market requirements while complying with the regulatory requirements. IIBX has become the first Exchange in the world to introduce every 30 Minutes Settlement of Bullion Depository Receipts (BDR) and Direct Pay-out of BDRs to Qualified Jewellers, Clients / LPTMs for pre-funded T+0 contracts. The introduction of 30 Minutes Settlement of BDRs has resulted in expediting the whole process of physical delivery of Bullion after extinguishment of the BDRs, filing of bill of entry and customs clearance.

IIBX has also become one of the few Exchanges which have completed the setup of their full-fledged Disaster Recovery site within first year of their operations. The Disaster Recovery site has been setup in a record time of 3 months to ensure the Business Continuity. In case of any catastrophic event, calamity, or a technical glitch, the Exchange shall be able to recover its operations within a period of 45 minutes. The Exchange has also implemented robust security and recovery system to counter any cyber-attacks and has a strong Security

Operations Centre team to monitor the IT Infrastructure of the Exchange for any security breaches.

The company's Technology team has taken up the challenge for implementation of newer technologies and enhancements of the IT System. All departments within the company are equipped with tech-enabled solutions and applications to deliver best of the services to all its customers.

**ii) the benefits derived like product improvement, cost reduction, product development or import substitution -**

The IT strategy and approach adopted by the Exchange has ensured uninterrupted services and trading facility. The Exchange thrives to compete internationally by providing best in class products and services to all its market participants. The market participants are the beneficiaries of all the technology enhancements made by the Exchange.

**iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable**

- a) the details of technology imported - Not Applicable
- b) the year of import - Not Applicable
- c) whether the technology been fully absorbed - Not Applicable
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable

**iv) the expenditure incurred on Research and Development - Not Applicable**

Foreign exchange earnings and outgo

The functional currency of company is USD and the presentation currency is INR. Foreign currency is a currency other than the functional currency of the entity. Hence, a) for the purpose of reporting of foreign exchange outgo, the conversion of amount from USD to INR is being considered for reporting herein. b) Company generates its revenue from operations and investment income in USD only. Only incentive from government authorities and refunds from authorities is being received in INR which is not being considered for reporting of foreign exchange earnings.

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - NIL

Foreign Exchange outgo\* – USD 29,90,987.21 (P.Y. USD 13,91,868.58)

\*INR 24,29,26,512.06 (P.Y. INR 10,60,24,017.55) credited into Special Non Resident Rupee Account for incurring expenses.

**Annual Return**

MCA vide exemption notification dated January 4, 2017, have exempted the public IFSC companies from complying with provisions of Section 92(3) of the Companies Act, 2013 regarding placing of annual return on the website of the company.

**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There were no material changes and commitments that took place and had affected the financial position of the company after the end of the financial year ended March 31, 2023.

**Change in the Nature of Business**

The company has not undergone any changes in the nature of the business during the financial year.

**Acknowledgements**

The Board places on record its deep appreciation for the excellent support of Government of India, the Government of Gujarat & the concerned Central and State Government departments /agencies, International Financial Services Authority (IFSCA), Reserve Bank of India and Central Board of Indirect Taxes and Customs. The Board also expresses its sincere thanks to Gujarat International Finance Tec-City (Gift City), Kandla Special Economic Zone (KASEZ), National Stock Exchange of India Limited (NSEIL), Bombay Stock Exchange Limited (BSE), India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited, NSE IFSC Limited (NSE IX), NSE IFSC Clearing Corporation Limited, Central Depositories Services Limited, National Securities Depository Limited, India International Depositories IFSC Limited, Directorate General of Foreign Trade, Office of the Senior Development Commissioner of GIFT SEZ, Specified Officer of Customs at GIFT SEZ, Director General (Systems), CBIC, our Bankers and Brigade (Gujarat) Projects Private Limited, for their cooperation and support in various spheres of your company's activities. The Board of Directors also expresses its gratitude for the exemplary services rendered by the employees of your company.

**For and on behalf of the Board of Directors**

**Place : Bhubaneswar**

**Date : July 12, 2023**

**Jugal Kishore Mohapatra**

**Chairman**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**INDIA INTERNATIONAL BULLION EXCHANGE IFSC LIMITED**  
**CIN: U67190GJ2021PLC124952**

Unit-1302A, Brigade International Financial Centre, 13<sup>th</sup> Floor,  
Building-14A, Block 14, Zone 1, GIFT SEZ, GIFT CITY,  
Gandhinagar – 382355, Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIA INTERNATIONAL BULLION EXCHANGE IFSC LIMITED** (hereinafter called the Company) Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company is an International Financial Service Centre (“IFSC”) Company which has obtained necessary approval from Central Government for setting up its centre in SEZ. The main purpose of establishing unit is to provide the services as per the Bullion Exchange Regulations of International Financial Service Centre Authority (“IFSCA”).

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- 3) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)

- (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- 4) The following Regulations prescribed by International Financial Services Centres Authority (IFSCA) under International Financial Services Centres Authority Act, 2019:
  - (a) International Financial Services Centers Authority (Bullion Exchange) Regulations, 2020.
- 5) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 6) Foreign Exchange Management Act, 1999 and the Rules and Regulations framed thereunder and to the extent it is applicable to IFSC Company;
- 7) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **NOT APPLICABLE** to the Company as the Company's Securities are not listed on any Stock Exchange:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
  - (h) The Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (Came into force w.e.f. 01.01.2019)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following Standards / Clauses / Regulations were not required to examine, as the same are **NOT APPLICABLE** to the Company:

- i) Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

We have relied on the representations made by the Company, its officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under applicable Acts, Laws and Regulations to the Company.

### **Auditor's Responsibility**

The responsibility of the Auditor is to express opinion on the compliance with the applicable laws and maintenance of records based on audit. The audit was conducted in accordance with applicable Standards and those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

### **We further report that:**

During the year under review, the Company has **COMPLIED** with all the material aspects of the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above. The Board of Directors of the Company is duly constituted.

The changes in the composition of Board and KMP that took place during the FY 2022-23 were carried out in compliance of the provisions of Act.

Adequate notice is given to all the Directors to schedule the Board Meetings in advance in due compliances of law. Agenda and detailed notes on agenda were also sent in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors / Committees of the Company were carried through on the basis of majority. We were informed that there were no dissenting views by any members of Board / Committee in the meetings held during the year under review that were required to be captured and recorded as part of minutes

**We further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

During the audit period, there were the following major instances;

- a) The Board of Directors of the Company appointed Mr. Jugal Kishore Mahapatra (DIN: 03190289) as Public Interest Director by way of circular resolution passed on 22<sup>nd</sup> March, 2022 and the appointment came into the effect from 21<sup>st</sup> March, 2022 for a period of three years.
- b) The Board of Directors of the Company appointed Ms. Seema Bahuguna (DIN:09527493) as Public Interest Director by way of circular resolution passed on 22<sup>nd</sup> March, 2022 and appointment came into effect from 21<sup>st</sup> March, 2022 for a period of three years.
- c) The Board of Directors of the Company appointed Mr. Arvind Sahay (DIN:03218334) as Public Interest Director by way of circular resolution passed on 4<sup>th</sup> April, 2022 and appointment came into the effect from 31<sup>st</sup> March, 2022 for a period of three years.
- d) The Company has increased its Authorized Capital from Rs. 50 Cr. to Rs. 100 Cr. and altered the Capital Clause of MOA after passing ordinary resolution by the members of the Company in Extra Ordinary General Meeting held on 18<sup>th</sup> April, 2022.
- e) The Company has increased its Authorized Capital from Rs. 100 Cr. to Rs. 150 Cr. and altered the Capital Clause of MOA after passing ordinary resolution by the members of the Company in Extra Ordinary General Meeting held on 24<sup>th</sup> June, 2022.
- f) The Board of Directors on 30<sup>th</sup> June, 2022 approved the allotment of 25,00,00,000 equity shares of Re. 1/- each on right issue basis to the India International Bullion Holding IFSC Limited by way of circular resolution.
- g) The Board of Directors on 15<sup>th</sup> July, 2022 approved the allotment of 40,00,00,000 equity shares of Re. 1/- each on right issue basis to the India International Bullion Holding IFSC Limited by way of circular resolution.
- h) The Board of Directors of the Company appointed Ms. Kirty Pareek (Membership No: 51812) as Company Secretary and Compliance Officer by way of circular resolution passed on 26<sup>th</sup> July, 2022.
- i) Mr. Ravi Varansi resigned from Directorship of the company with effect from 31<sup>st</sup> July, 2022.

- j) The Board of Directors of the Company appointed Mr. Gopalaraman Padmanabhan (DIN: 07130908) as Public Interest Director by way of circular resolution passed on 15<sup>th</sup> September 2022 and appointment came into the effect from 12<sup>th</sup> September 2022 for a period of three years.
- k) The Board of Directors of the Company appointed Mr. Siddhartha Sengupta (DIN:08467648) as Public Interest Director by way of circular resolution passed on 15<sup>th</sup> September 2022 and appointment came into the effect from 12<sup>th</sup> September 2022 for a period of three years.
- l) Mr. Mithilesh Brahmhatt was appointed as Chief Financial Officer of the Company in the Meeting of Board of Directors of the company held on 19<sup>th</sup> October 2022 and appointment came into effect from 29<sup>th</sup> September 2022.
- m) The Board of Directors of the Company appointed Mr. Gurumoorthy Mahalingam (DIN:09660723) as Public Interest Director by way of circular resolution passed on 24<sup>th</sup> November 2022 and appointment came into the effect from 26<sup>th</sup> November, 2022 for a period of three years
- n) Mr. Balasubramaniam Venkataramani resigned from the Directorship of the company with effect from 10<sup>th</sup> December 2022
- o) Mr. Shivanshu Lalit Mehta regularised as Director of the company at the 1<sup>st</sup> Annual General Meeting of the members held on 19<sup>th</sup> December 2022.
- p) M/s Vidya & Co, Chartered Accountant was appointed as statutory auditor of the company at the 1<sup>st</sup> Annual General Meeting of members held on 19<sup>th</sup> December 2022 for a period of three years.
- q) Mr. Ashok Gautam (DIN: 02756851) regularized as Executive Director of the company at the 1<sup>st</sup> Annual General Meeting of the members held on 19<sup>th</sup> December 2022.
- r) Mr. Kothandaraman Hari regularized as Non-Executive Director of the company at the 1<sup>st</sup> Annual General Meeting of the Company held on 19<sup>th</sup> December 2022 who was appointed as Additional Director of the company by way of circular resolution passed on 27<sup>th</sup> September 2022 and appointment came into the effect from 27<sup>th</sup> September 2022.
- s) The Board of Directors of the Company appointed Mr. Kumar Abhishek (DIN: 09840810) as an Additional Shareholder Director by way of circular resolution passed on 16<sup>th</sup> January 2023
- t) Mr. Kothandaraman Hari resigned from Directorship of the company w.e.f 29<sup>th</sup> March 2023.

There were no other instances of:

- a) Public issue / Debentures / Sweat Equity etc.
- b) Redemption / Buy – Back of Securities.
- c) Merger / amalgamation / Reconstruction etc.
- d) Foreign Technical Collaboration.

**FOR YASH MEHTA & ASSOCIATES  
COMPANY SECRETARIES**

**Date:** 08.07.2023  
**Place:** Ahmedabad

**YASH MEHTA  
PROPRIETOR  
FCS: 12143  
COP: 16535  
Peer Review: 1269/2021  
UDIN: F012143E000571779**

\*Note 1: The Company being an IFSC Company is exempted from complying with certain provisions of Companies Act, 2013 pursuant to the Notification issued by MCA dated January 4, 2017.

\*Note 2: IFSCA is an Authority established under sub-section (1) of Section 4 of International Financial Services Centres Authority Act, 2019 to develop and regulate the financial services market in the International Financial Services Centres in India for matter connected therewith or incidental thereto.

This report is to be read with our letter of even date which is annexed as “ANNEXURE - A” and forms an integral part of this report.

**“ANNEXURE - A”**

To,  
The Members,  
**INDIA INTERNATIONAL BULLION EXCHANGE IFSC LIMITED**  
**CIN: U67190GJ2021PLC124952**  
Unit-1302A, Brigade International Financial Centre, 13<sup>th</sup> Floor,  
Building-14A, Block 14, Zone 1, GIFT SEZ, GIFT CITY,  
Gandhinagar – 382355, Gujarat, India.

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR YASH MEHTA & ASSOCIATES**  
**COMPANY SECRETARIES**

**YASH MEHTA**  
**PROPRIETOR**  
**FCS: 12143**  
**COP: 16535**  
**Peer Review: 1269/2021**  
**UDIN: F012143E000571779**

**Date:** 08.07.2023  
**Place:** Ahmedabad

## **Independent Auditor's Report**

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To The Members of **India International Bullion Exchange IFSC Limited**

Report on the Audit of the Standalone Financial Statements

### **Opinion**

We have audited the accompanying standalone financial statements of India International Bullion Exchange IFSC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements. The result of our procedures, including the procedures performed provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of

the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act and in pursuance of sub-section (2) of the said section of Companies Act 2013(18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Company (licenced to operate by RBI or SEBI or IRDA) to its directors are not applicable to the Company situated in IFSC centres. Hence reporting under section 197(16) of the Act is not applicable to the Company;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 2)
- a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- 3) As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Vidya& Co.,  
Chartered Accountants  
FRN: 308022E

Rajendra K Nagar  
Partner  
M. No. 057240  
Ahmedabad,  
UDIN: 23057240BGSAD1728

## **Annexure “A” to the Independent Auditor’s Report**

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(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of India International Bullion Exchange IFSC Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of India International Bullion Exchange IFSC Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (IFCoR) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vidya& Co.,  
Chartered Accountants  
FRN: 308022E

Rajendra K Nagar  
Partner  
M. No. 057240  
Ahmedabad,

## **Annexure 'B' to the Independent Auditor's Report**

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(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of India International Bullion Exchange IFSC Limited of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 1) In respect of the Company's Property, Plant and Equipment and Intangible assets:
  - a)
    - i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - ii) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Intangible Assets.
  - b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanation given to us and based on the examination of registered lease deed provided to us in respect of immovable property of office premise that has been taken on lease and disclosed as fixed asset, the lease agreement is in the name of the Company.
  - d) the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
  - e) To the best of our knowledge and according to the information and explanations given to us , no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- 2) (a) The Company is a service company, primarily rendering financial services in the Capital market. Accordingly, it does not hold any physical inventories. Hence reporting under paragraph 3 (ii) of the Order is not applicable to the Company.  
  
(b) the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets;
- 3) To the best of our knowledge and according to the information and explanations given to us, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs or other parties covered in the register maintained under Section 189 of the

Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company.

- 4) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms of provisions of section 185 and 186 of the Act. Hence reporting under paragraph 3 (iv) of the Order is not applicable
- 5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6) As informed to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
  - i) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - ii) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - iii) According to the information and explanation given to us, there are no dues of income tax, goods and services tax, duty of customs outstanding on account of any dispute.
- 8) The company has no outstanding dues to any financial institutions or banks or any government or any debenture holders or any lender during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- 9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and also not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (x) of the Order is not applicable to the Company.
- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 11) To the best of our knowledge and according to the information and explanations given to us, no whistle – blower complaints received during the year by the company;
- 12) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 13) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

- 14) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 15) As per section 138 of Companies Act, 2013, provisions regarding internal audit and auditor is not applicable to company as company is not crossing threshold limit given under such section. Accordingly, paragraph 3(xiv) of the order is not applicable.
- 16) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 17) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- 18) To the best of our knowledge and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- 19) To the best of our knowledge and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- 20) To the best of our knowledge and according to the information and explanations given to us, the Group does not have any CIC as part of the Group;
- 21) During the period under reporting company had incurred cash losses of Rs. 164.48 million (USD- 2,045,973 ) PY- Rs 57.54 million ( USD-769,070) in the financial year.
- 22) During the period under reporting no auditor has resigned in company. Accordingly, paragraph 3(xviii) of the order is not applicable.
- 23) No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 24) As per section 135 of companies Act, 2013, provisions regarding CSR is not applicable to company as company is not crossing threshold limit given under such section. Accordingly, paragraph 3(xx) of the order is not applicable.

For Vidya& Co.,  
Chartered Accountants  
FRN: 308022E

Rajendra K Nagar  
Partner  
M. No. 057240  
Ahmedabad,  
UDIN: 23057240BGSIA1728

## 1. General Information

India International Bullion Exchange IFSC Limited was incorporated in August 17, 2021, to carry on business as an international bullion exchange, international bullion clearing and to promote, assist, regulate, control and associate with the business of purchasing, selling, dealing, clearing and settlement services in all kind of precious metals including gold, silver or any other precious metal in the form of bars or unallocated gold, silver or such other precious metals, as the International Financial Services Centers Authority (IFSCA) may consider relevant in this regard. It is incorporated to facilitate investment, hedging, trading and other related requirements to undertake all activities, functions and responsibilities as may be permitted under the applicable Law, to facilitate and regulate financial services relating to bullion market, bullion clearance and settlement in International Financial Services Centers, set up under Special Economic Zones Act, 2005. It is incorporated to provide specialized, advanced, automated and modern facilities and mechanism for trading, clearing, holding, transacting and settlement of depository receipts of precious metals/products/instruments/contracts/derivatives to ensure trading, completion and guarantee of settlement and to facilitate, promote, assist, regulate and manage dealings and generally facilitate clearing and settlement of transactions in precious metals, products and instruments.

International Financial Services Centers Authority (IFSCA) is a unified authority for the development and regulation of financial products, financial services and financial institutions in GIFT IFSC.

## 2. Significant Accounting Policies

### 2.1 *Basis of preparation of financial statement*

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the International Financial Services Centers Authority (IFSCA). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands, as per the requirement of schedule III, unless stated otherwise.

### 2.2 *Functional and presentation currency*

#### a) *Functional and presentation currency*

United State Dollars (USD) is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial

statements are presented in Indian rupees. The presentation currency is different from functional currency to comply with Income tax and other statutory law.

**b) Transactions and balances**

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

**At the end of each reporting period**

- (a) foreign currency monetary items shall be translated using the closing rate;
- (b) nonmonetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and
- (c) nonmonetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined

**c) Translation to presentation currency (Foreign Currency Translation Reserve)**

For the Purpose of Preparation of financial statements in Indian rupees, income and expenses are translated at average rates and the assets and liabilities except equity share capital are stated at closing rate. The net impact of such changes is presented under foreign exchange translation reserve.

**2.3 Use of Estimates and judgment**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- a. *Income taxes:* The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Company is eligible to claim deduction of income, an amount equal to one hundred per cent of

the income for any ten consecutive assessment years, out of fifteen years as per section 80LA of Income tax Act, 1961.

- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c. *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## 2.4 ***Financial instruments***

Financial assets and financial liabilities are recognised when company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through Other Comprehensive Income (FVTOCI), equity instruments at FVTOCI and fair value through Profit and Loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

### ***Financial assets***

- a. Financial assets at amortised cost: A financial asset shall be measured at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

- b. Equity instruments at FVTOCI and FVTPL:

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

- c. Financial assets at FVTPL:

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

### ***Financial liabilities***

- (a) Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

(b) Financial liabilities at FVTPL:

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

## 2.5 Property, plant and equipment

- a. *Recognition and measurement:* Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- b. *Depreciation:* The Company depreciates property, plant and equipment over the estimated useful life on a Straight Line method basis from the date the assets are ready for intended use. The estimated useful lives of assets of significant items of property, plant and equipment are as follows:

Category	Useful life
Electrical installations	10 years
Networking Equipments – Owned	6 years
Computers Hardware – Owned	3 years
Furniture, fixtures	10 years
Office equipments	5 years
Motor vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

## 2.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a “Straight Line method”, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category	Useful life
Computer software	6 years

### De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

### 2.7 Employee benefit

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

#### Defined Contribution Plan

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service.

#### Defined benefit Plan

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

#### a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains or losses are recognized in full in the other comprehensive income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

**b. Leave Encashment**

The employee's compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

**2.8 Provisions and Contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract and is adjusted to the cost of such assets.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates.

## 2.9 Lease

### a) As a Lessee:

- i. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- ii. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
  - the contract involves the use of an identified asset;
  - the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
  - the Company has the right to direct the use of the asset.
- iii. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
- iv. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.
- v. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
- vi. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
- vii. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile and jurisdiction of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the

Company changes its assessment if whether it will exercise an extension or a termination option.

- viii. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**b) As a Lessor:**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.10 Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a. Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b. Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

### 2.11 *Earnings per share*

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### 2.12 *Current and Non-current classification*

The company present assets and liabilities in the balance sheet based on current/non-current classification

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within twelve months after the balance sheet date; or
- d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date

All other assets are classified as non-current.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in, the entity's normal operating cycle;

- b. It is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
- c. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### ***Operating Cycle***

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **2.13 *Cash Flow Statement***

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **2.14 *Cash and cash equivalents (for purposes of Cash Flow Statement)***

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

**India International Bullion Exchange IFSC Limited**  
**CIN : U67190GJ2021PLC124952**  
**Balance Sheet as at March 31, 2023**

Amount in `000

Particulars	Note No.	As at			
		March 31, 2023		March 31, 2022	
		Rs Audited	USD Audited	Rs Audited	USD Audited
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, plant and equipment	3(a)	1,72,272.53	2,095.34	65,280.30	861.14
(b) Intangible Assets	3(b)	15,631.50	190.13	-	-
(c) Financial assets					
(i) Other financial assets	4	44,116.82	536.59	4,048.78	53.41
(d) Other Non-current assets	5	2,585.80	31.45	2,916.38	38.47
<b>Total non-current assets</b>		<b>2,34,606.65</b>	<b>2,853.51</b>	<b>72,245.46</b>	<b>953.02</b>
<b>Current assets</b>					
(a) Financial assets					
(i) Trade receivables	4	174.14	2.12	-	-
(ii) Cash and cash equivalents	4	68,198.07	829.49	4,56,022.61	6,015.57
(iii) Bank balance other than (ii) above	4	8,62,990.66	10,496.51	-	-
(iv) Others financial assets	4	954.77	11.61	110.00	1.45
(b) Current tax assets	6	4,227.28	51.42	18.35	0.24
(c) Other current assets	5	42,833.47	520.98	52,402.56	691.26
<b>Total current assets</b>		<b>9,79,378.39</b>	<b>11,912.13</b>	<b>5,08,553.52</b>	<b>6,708.52</b>
<b>Total Assets</b>		<b>12,13,985.04</b>	<b>14,765.64</b>	<b>5,80,798.98</b>	<b>7,661.54</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	7	11,50,000.00	14,967.27	5,00,000.00	6,792.13
Other equity	8	(1,62,378.85)	(2,954.88)	(44,649.04)	(785.43)
<b>Total equity</b>		<b>9,87,621.15</b>	<b>12,012.39</b>	<b>4,55,350.96</b>	<b>6,006.70</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial liabilities					
(i) Lease Liability	21	55,660.46	677.00	59,506.00	784.97
(b) Long-term Provisions	9	2,590.81	31.51	-	-
<b>Total non-current liabilities</b>		<b>58,251.27</b>	<b>708.51</b>	<b>59,506.00</b>	<b>784.97</b>
<b>Current liabilities</b>					
(a) Financial liabilities					
(i) Trade payables					
Total outstanding dues of micro and small enterprises	10	-	-	664.68	8.77
Total outstanding dues of creditors other than micro and small enterprises	10	75,557.61	919.00	27,235.30	359.28
(ii) Lease Liability		3,845.51	46.77	3,294.72	43.46
(iii) Other financial liabilities	10	85,930.68	1,045.17	31,979.53	421.85
(b) Short-term provisions	9	1,003.97	12.21	10.61	0.14
(c) Other current liabilities	11	1,774.85	21.59	2,757.18	36.37
<b>Total current liabilities</b>		<b>1,68,112.62</b>	<b>2,044.74</b>	<b>65,942.02</b>	<b>869.87</b>
<b>Total equity and liabilities</b>		<b>12,13,985.04</b>	<b>14,765.64</b>	<b>5,80,798.98</b>	<b>7,661.54</b>
Summary of significant accounting policies	1-2				

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
For Vidya & Co.  
Firm Registration No. 308022E  
Chartered Accountants

For and on behalf of the Board of Directors

Rajendra K Nagar  
Partner  
Membership No. 057240  
Gandhinagar  
April 19, 2023  
UDIN: 23057240BGSAD1728

Jugal Kishore Mohapatra  
Chairman  
DIN: 03190289

Ashok Kumar Gautam  
Managing Director & CEO  
DIN: 02756851

Mithilesh Brahmhatt  
Chief Financial Officer

Kirty Pareek  
Company Secretary

**India International Bullion Exchange IFSC Limited**  
**CIN : U67190GJ2021PLC124952**  
**Statement of profit and loss for the year ended March 31, 2023**

Amount in `000

Particulars	Note No.	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
		Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Income</b>					
Revenue from operations	12	6,171.17	76.77	-	-
Other income	13	27,052.43	336.51	1,383.92	18.49
<b>Total income (I)</b>		<b>33,223.60</b>	<b>413.28</b>	<b>1,383.92</b>	<b>18.49</b>
<b>Expenses</b>					
Computer Technology Related Expenses		97,400.73	1,211.58	39,588.96	529.11
Employee benefits expense	14	45,373.17	564.40	2,810.11	37.56
Finance costs	15	3,475.00	43.23	601.72	8.04
Depreciation and amortisation expense	16	9,926.82	123.48	1,223.95	16.35
Other expenses	17	51,453.31	640.04	15,926.87	212.86
<b>Total expenses (II)</b>		<b>2,07,629.03</b>	<b>2,582.73</b>	<b>60,151.61</b>	<b>803.92</b>
<b>Profit/(Loss) before tax (III) = (I-II)</b>		<b>(1,74,405.43)</b>	<b>(2,169.45)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>
<b>Tax expense</b>					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Total tax expense (IV)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the period (V) = (III-IV)</b>		<b>(1,74,405.43)</b>	<b>(2,169.45)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss in subsequent periods:					
Re-measurement gains/(losses) on defined benefit plans		-	-	-	-
Income tax effect		-	-	-	-
Items that will be reclassified to profit or loss in subsequent periods:					
Foreign Currency Translation Reserve		56,675.62	-	14,118.65	-
Income tax effect		-	-	-	-
<b>Total other comprehensive income for the period</b>		<b>56,675.62</b>	<b>-</b>	<b>14,118.65</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>(1,17,729.81)</b>	<b>(2,169.45)</b>	<b>(44,649.04)</b>	<b>(785.43)</b>
<b>Earning per Equity share</b> [Nominal Value per share Rs. 1/- (Previous year Rs. 1/-)]					
Basic & Diluted		<b>(0.179)</b>	<b>(0.002)</b>	<b>(0.134)</b>	<b>(0.002)</b>
Weighted average number of shares (Nos.)		97,32,87,671		43,74,00,881	
Summary of significant accounting policies	1-2				

The accompanying notes are an integral part of the financial statements.

**As per our report of even date attached**  
**For Vidya & Co.**  
**Firm Registration No. 308022E**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**

**Rajendra K Nagar**  
**Partner**  
**Membership No. 057240**  
**Gandhinagar**  
**April 19, 2023**  
**UDIN: 23057240BGSIAD1728**

**Jugal Kishore Mohapatra**  
**Chairman**  
**DIN: 03190289**

**Ashok Kumar Gautam**  
**Managing Director & CEO**  
**DIN: 02756851**

**Mithilesh Brahmabhatt**  
**Chief Financial Officer**

**Kirty Pareek**  
**Company Secretary**

**India International Bullion Exchange IFSC Limited**  
**CIN : U67190GJ2021PLC124952**  
**Statement of cash flows for the year ended March 31, 2023**

Amount in `000

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>A Operating activities</b>				
<b>Profit/(Loss) Before taxation</b>	<b>(1,74,405.43)</b>	<b>(2,169.45)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Depreciation/Amortization	9,926.82	123.48	1,223.95	16.35
Interest Income	(23,585.89)	(293.39)	(185.71)	(2.48)
Interest and Other Borrowing Cost	3,475.00	43.23	601.72	8.04
Foreign Currency Translation Reserve	56,675.62	-	14,118.65	-
Unrealised foreign Exchange (Gain)/Loss on Lease liability	-	(62.92)	-	(13.20)
<b>Operating Profit before Working Capital Changes</b>	<b>(1,27,913.88)</b>	<b>(2,359.05)</b>	<b>(43,009.08)</b>	<b>(776.72)</b>
Working Capital Changes:				
Changes in trade payables	47,657.63	550.95	27,899.98	368.05
Changes in other current liabilities	(982.33)	(14.78)	2,757.18	36.37
Changes in other financial liabilities	53,951.15	623.32	31,979.53	421.85
Changes in provisions	3,584.17	43.58	10.61	0.14
Changes in trade receivables	(174.14)	(2.12)	-	-
Changes in other assets	9,899.67	177.30	(55,318.94)	(729.73)
Changes in other financial assets	(40,912.81)	(493.34)	(4,154.04)	(54.80)
<b>Net Changes in Working Capital</b>	<b>73,023.34</b>	<b>884.91</b>	<b>3,174.32</b>	<b>41.88</b>
<b>Cash Generated from Operations</b>	<b>(54,890.54)</b>	<b>(1,474.14)</b>	<b>(39,834.76)</b>	<b>(734.84)</b>
Direct Taxes paid	(4,208.93)	(51.18)	(18.35)	(0.24)
<b>Net Cash from Operating Activities</b>	<b>(59,099.47)</b>	<b>(1,525.32)</b>	<b>(39,853.11)</b>	<b>(735.08)</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of property, plant & equipment	(1,16,409.66)	(1,351.35)	(3,182.00)	(28.97)
Purchase of Intangible Assets	(16,140.89)	(196.46)	-	-
Changes in Investments in Fixed Deposits	(8,62,990.66)	(10,496.51)	-	-
Interest Income	23,585.89	293.39	180.97	2.42
<b>Net cash flow from Investing Activities</b>	<b>(9,71,955.32)</b>	<b>(11,750.93)</b>	<b>(3,001.03)</b>	<b>(26.55)</b>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Issue of Equity Shares	6,50,000.00	8,175.14	5,00,000.00	6,792.13
Principal payment of lease liability	(6,764.96)	(84.91)	(1,123.25)	(14.93)
Interest and Other Borrowing Cost Paid	(4.79)	(0.06)	-	-
<b>Net Cash flow from Financing Activities</b>	<b>6,43,230.25</b>	<b>8,090.17</b>	<b>4,98,876.75</b>	<b>6,777.20</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(3,87,824.54)</b>	<b>(5,186.08)</b>	<b>4,56,022.61</b>	<b>6,015.57</b>
Cash & Cash equivalent at the beginning of the year	4,56,022.61	6,015.57	-	-
Cash & Cash equivalent at the end of the year	68,198.07	829.49	4,56,022.61	6,015.57

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our report of even date attached  
For Vidya & Co.  
Firm Registration No. 308022E  
Chartered Accountants

Rajendra K Nagar  
Partner  
Membership No. 057240  
Gandhinagar  
April 19, 2023  
UDIN: 23057240BGSIAD1728

For and on behalf of the Board of Directors

Jugal Kishore Mohapatra  
Chairman  
DIN: 03190289

Ashok Kumar Gautam  
Managing Director & CEO  
DIN: 02756851

Mithilesh Brahmhatt  
Chief Financial Officer

Kirty Pareek  
Company Secretary

India International Bullion Exchange IFSC Limited  
CIN : U67190GJ2021PLC124952  
Statement of changes in Equity for the year ended March 31, 2023

**A. Equity share capital**

Particulars	Amount in `000	
	Rs	USD
<b>As at August 17, 2021</b>	-	-
Changes in Equity Share Capital during the year	5,00,000.00	6,792.13
<b>As at March 31, 2022</b>	<b>5,00,000.00</b>	<b>6,792.13</b>
Changes in Equity Share Capital during the year	6,50,000.00	8,175.14
<b>As at March 31, 2023</b>	<b>11,50,000.00</b>	<b>14,967.27</b>

**B. Other equity**

Particulars	Amount in `000					
	OCI		Reserves & Surplus		Total Other Equity	
	Foreign Currency translation reserve		Retained Earnings			
Rs	USD	Rs	USD	Rs	USD	
<b>Balance as at August 17, 2021</b>	-	-	-	-	-	-
Profit/(Loss) for the year	-	(785.43)	(58,767.69)	(785.43)	(58,767.69)	(785.43)
Other comprehensive income for the year	14,118.65	-	-	14,118.65	14,118.65	-
Total Comprehensive income for the year	14,118.65	(785.43)	(58,767.69)	(785.43)	(44,649.04)	(785.43)
<b>Balance as at March 31, 2022</b>	<b>14,118.65</b>	<b>(785.43)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>	<b>(44,649.04)</b>	<b>(785.43)</b>
<b>Balance as at April 1, 2022</b>	<b>14,118.65</b>	<b>(785.43)</b>	<b>(58,767.69)</b>	<b>(785.43)</b>	<b>(44,649.04)</b>	<b>(785.43)</b>
Profit/(Loss) for the year	-	(2,169.45)	(1,74,405.43)	(2,169.45)	(1,74,405.43)	(2,169.45)
Other comprehensive income for the year	56,675.62	-	-	56,675.62	56,675.62	-
Total Comprehensive income for the year	56,675.62	(1,74,405.43)	(1,74,405.43)	(2,169.45)	(1,17,729.81)	(2,169.45)
<b>Balance as at March 31, 2023</b>	<b>70,794.27</b>	<b>(2,33,173.12)</b>	<b>(2,33,173.12)</b>	<b>(2,954.88)</b>	<b>(1,62,378.85)</b>	<b>(2,954.88)</b>

The accompanying notes are an integral part of the financial statements.

**As per our report of even date attached  
For Vidya & Co.  
Firm Registration No. 308022E  
Chartered Accountants**

**For and on behalf of the Board of Directors**

**Rajendra K Nagar  
Partner**

**Jugal Kishore Mohapatra  
Chairman  
DIN: 03190289**

**Ashok Kumar Gautam  
Managing Director & CEO  
DIN: 02756851**

**Membership No. 057240  
Gandhinagar  
April 19, 2023  
UDIN: 23057240BGSIAAD1728**

**Mithilesh Brahmhatt  
Chief Financial Officer**

**Kirty Pareek  
Company Secretary**

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 3(a) : Property, plant and equipment**

Particulars	Rs in `000				Total
	Right of Use Assets	Computer, server & network	Furniture & fixture	Office equipment	
<b>Gross Carrying Value</b>					
<b>As at August 17, 2021</b>	-	-	-	-	-
Additions	63,322.25	1,193.42	180.70	794.09	65,490.46
Deductions	-	-	-	-	-
Currency Fluctuation	1,001.42	15.70	2.38	10.45	1,029.95
<b>As at March 31, 2022</b>	<b>64,323.67</b>	<b>1,209.12</b>	<b>183.08</b>	<b>804.54</b>	<b>66,520.41</b>
<b>As at April 1, 2022</b>	64,323.67	1,209.12	183.08	804.54	66,520.41
Additions	-	1,06,771.01	2,173.56	1,760.64	1,10,705.21
Deductions	-	-	-	-	-
Currency Fluctuation	5,438.83	551.63	2.90	29.71	6,023.07
<b>As at March 31, 2023</b>	<b>69,762.50</b>	<b>1,08,531.76</b>	<b>2,359.54</b>	<b>2,594.89</b>	<b>1,83,248.69</b>
<b>Accumulated Depreciation</b>					
<b>As at August 17, 2021</b>	-	-	-	-	-
Depreciation for the year	1,055.37	142.09	1.05	39.13	1,237.64
Deductions	-	-	-	-	-
Currency Fluctuation	-	1.87	0.01	0.59	2.47
<b>As at March 31, 2022</b>	<b>1,055.37</b>	<b>143.96</b>	<b>1.06</b>	<b>39.72</b>	<b>1,240.11</b>
<b>As at April 1, 2022</b>	1,055.37	143.96	1.06	39.72	1,240.11
Depreciation for the year	6,332.23	2,781.54	77.18	367.39	9,558.34
Deductions	-	-	-	-	-
Currency Fluctuation	89.20	75.07	1.96	11.48	177.71
<b>As at March 31, 2023</b>	<b>7,476.80</b>	<b>3,000.57</b>	<b>80.20</b>	<b>418.59</b>	<b>10,976.16</b>
<b>Net Carrying Value</b>					
<b>As at March 31, 2023</b>	<b>62,285.70</b>	<b>1,05,531.19</b>	<b>2,279.34</b>	<b>2,176.30</b>	<b>1,72,272.53</b>
As at March 31, 2022	63,268.30	1,065.16	182.02	764.82	65,280.30

Particulars	USD in `000				Total
	Computer, server & network	Furniture & fixture	Office equipment		
<b>Gross Carrying Value</b>					
<b>As at August 17, 2021</b>	-	-	-	-	-
Additions	848.52	15.95	2.42	10.60	877.49
Deductions	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>848.52</b>	<b>15.95</b>	<b>2.42</b>	<b>10.60</b>	<b>877.49</b>
<b>As at April 1, 2022</b>	848.52	15.95	2.42	10.60	877.49
Additions	-	1,304.12	26.28	20.95	1,351.35
Deductions	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>848.52</b>	<b>1,320.07</b>	<b>28.70</b>	<b>31.55</b>	<b>2,228.84</b>
<b>Accumulated Depreciation</b>					
<b>As at August 17, 2021</b>	-	-	-	-	-
Depreciation for the year	13.92	1.90	0.01	0.52	16.35
Deductions	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>13.92</b>	<b>1.90</b>	<b>0.01</b>	<b>0.52</b>	<b>16.35</b>
<b>As at April 1, 2022</b>	13.92	1.90	0.01	0.52	16.35
Depreciation for the year	77.02	34.60	0.96	4.57	117.15
Deductions	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>90.94</b>	<b>36.50</b>	<b>0.97</b>	<b>5.09</b>	<b>133.50</b>
<b>Net Carrying Value</b>					
<b>As at March 31, 2023</b>	<b>757.58</b>	<b>1,283.57</b>	<b>27.73</b>	<b>26.46</b>	<b>2,095.34</b>
As at March 31, 2022	834.60	14.05	2.41	10.08	861.14

India International Bullion Exchange IFSC Limited  
Notes to the Financial Statements

Note 3(b) : Intangible assets

Particulars	Rs in `000	
	Computer Software	Total
<b>Gross Carrying Value</b>		
<b>As at August 17, 2021</b>	-	-
Additions	-	-
Deductions	-	-
Currency Fluctuation	-	-
<b>As at March 31, 2022</b>	-	-
<b>As at April 1, 2022</b>	-	-
Additions	15,973.95	15,973.95
Deductions	-	-
Currency Fluctuation	178.50	178.50
<b>As at March 31, 2023</b>	<b>16,152.45</b>	<b>16,152.45</b>
<b>Accumulated Amortisation</b>		
<b>As at August 17, 2021</b>	-	-
Amortisation for the Year	-	-
Deductions	-	-
Currency Fluctuation	-	-
<b>As at March 31, 2022</b>	-	-
<b>As at April 1, 2022</b>	-	-
Amortisation for the Year	520.95	520.95
Deductions	-	-
Currency Fluctuation	-	-
<b>As at March 31, 2023</b>	<b>520.95</b>	<b>520.95</b>
<b>Net Carrying Value</b>		
<b>As at March 31, 2023</b>	<b>15,631.50</b>	<b>15,631.50</b>
As at March 31, 2022	-	-

Particulars	USD in `000	
	Computer Software	Total
<b>Gross Carrying Value</b>		
<b>As at August 17, 2021</b>	-	-
Additions	-	-
Deductions	-	-
<b>As at March 31, 2022</b>	-	-
<b>As at April 1, 2022</b>	-	-
Additions	196.46	196.46
Deductions	-	-
<b>As at March 31, 2023</b>	<b>196.46</b>	<b>196.46</b>
<b>Accumulated Amortisation</b>		
<b>As at August 17, 2021</b>	-	-
Amortisation for the Year	-	-
Deductions	-	-
<b>As at March 31, 2022</b>	-	-
<b>As at April 1, 2022</b>	-	-
Amortisation for the Year	6.33	6.33
Deductions	-	-
<b>As at March 31, 2023</b>	<b>6.33</b>	<b>6.33</b>
<b>Net Carrying Value</b>		
<b>As at March 31, 2023</b>	<b>190.13</b>	<b>190.13</b>
As at March 31, 2022	-	-

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 4 : Financial assets**

**4(a) : Trade receivables**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Secured, considered good	-	-	-	-
Unsecured, considered good	174.14	2.12	-	-
<b>Total</b>	<b>174.14</b>	<b>2.12</b>	<b>-</b>	<b>-</b>

**Ageing Schedule of trade receivable:**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Undisputed trade receivable considered Good:</b>				
Less than 6 months	174.14	2.12	-	-
<b>Total</b>	<b>174.14</b>	<b>2.12</b>	<b>-</b>	<b>-</b>

**4(b) : Cash and cash equivalent**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Balance with Bank				
In Current Accounts - Own Funds	27,085.05	329.43	45,522.38	600.51
In Current Accounts - Member Funds	-	-	31,459.95	415.00
In Deposits with original maturity of less than 3 months - Own Funds	41,108.45	500.00	3,79,035.54	5,000.00
Accrued Interest	4.57	0.06	4.74	0.06
<b>Total</b>	<b>68,198.07</b>	<b>829.49</b>	<b>4,56,022.61</b>	<b>6,015.57</b>

**4(c) : Other bank balance**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Deposits with original maturity of more than 3 months but less than 12 months				
- Own Funds	8,22,169.00	10,000.00	-	-
- Member Funds	40,697.37	495.00	-	-
Accrued Interest	124.29	1.51	-	-
<b>Total</b>	<b>8,62,990.66</b>	<b>10,496.51</b>	<b>-</b>	<b>-</b>

**4(d) : Other financial assets**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Unsecured</b>				
<b>Non-current</b>				
Bank Deposits with original maturity more than 12 months - Member Funds	39,053.03	475.00	-	-
Interest accrued on Bank Deposits	764.79	9.30	-	-
Security deposits				
Considered good	4,299.00	52.29	4,048.78	53.41
	<b>44,116.82</b>	<b>536.59</b>	<b>4,048.78</b>	<b>53.41</b>
<b>Current</b>				
Security deposits				
Considered good	810.00	9.85	110.00	1.45
Others	144.77	1.76	-	-
	<b>954.77</b>	<b>11.61</b>	<b>110.00</b>	<b>1.45</b>
<b>Total</b>	<b>45,071.59</b>	<b>548.20</b>	<b>4,158.78</b>	<b>54.86</b>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 5 : Other assets**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Unsecured</b>				
<b>Non-current</b>				
Prepaid expenses	2,585.80	31.45	2,916.38	38.47
	<b>2,585.80</b>	<b>31.45</b>	<b>2,916.38</b>	<b>38.47</b>
<b>Current</b>				
Advance to suppliers				
To Related Party	-	-	-	-
To Others	453.45	5.51	35.86	0.47
GST Receivable	-	-	1.44	0.02
Prepaid expenses	42,380.02	515.47	52,365.26	690.77
	<b>42,833.47</b>	<b>520.98</b>	<b>52,402.56</b>	<b>691.26</b>
<b>Total</b>	<b>45,419.27</b>	<b>552.43</b>	<b>55,318.94</b>	<b>729.73</b>

**Note 6 : Current Tax Assets**

Particulars	Amount in `000			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Tax Deducted at Source	4,227.28	51.42	18.35	0.24
<b>Total</b>	<b>4,227.28</b>	<b>51.42</b>	<b>18.35</b>	<b>0.24</b>

Note 7 : Equity share capital

Particulars	Amount in `000			
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
<b>Authorised share capital</b>				
1,50,00,00,000 Equity shares of Rs.1 each (Previous Year 50,00,00,000 Shares)	15,00,000.00	Not Applicable	5,00,000.00	Not Applicable
<b>Issued and subscribed share capital</b>				
1,15,00,00,000 Equity shares of Rs.1 each (Previous Year 50,00,00,000 Shares)	11,50,000.00	Not Applicable	5,00,000.00	Not Applicable
<b>Subscribed and fully paid up</b>				
1,15,00,00,000 Equity shares of Rs.1 each (Previous Year 50,00,00,000 Shares)	11,50,000.00	14,967.27	5,00,000.00	6,792.13
<b>Total</b>	<b>11,50,000.00</b>	<b>14,967.27</b>	<b>5,00,000.00</b>	<b>6,792.13</b>

7(a) : Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	Amount in `000			
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	No. of shares	Rs	No. of shares	Rs
At the beginning of the period	50,00,00,000	5,00,000.00	-	-
Add :				
Addition during the year	65,00,00,000	6,50,000.00	50,00,00,000	5,00,000.00
Outstanding at the end of the period	1,15,00,00,000	11,50,000.00	50,00,00,000	5,00,000.00

7(b) : Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.1 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

7(c) : Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at			
	March 31, 2023		March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
India International Bullion Holding IFSC Limited	1,15,00,00,000	100.00	50,00,00,000	100.00

7(d) : Number of Shares held by promoters of the company

Name of the Shareholder	As at			
	March 31, 2023		March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
India International Bullion Holding IFSC Limited	1,15,00,00,000	100.00	50,00,00,000	100.00

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 8 : Other Equity**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Note 8(a) : Reserves &amp; Surplus</b>				
<b>Share Application Money</b>	-	-	-	-
<b>Surplus in statement of profit and loss</b>				
Balance as per last financial statements	(58,767.69)	(785.43)	-	-
Add: Profit/(Loss) for the year	(1,74,405.43)	(2,169.45)	(58,767.69)	(785.43)
Add/(Less): OCI for the year (Other than Foreign Currency Translation Reserve)	-	-	-	-
Balance at the end of the year	<u>(2,33,173.12)</u>	<u>(2,954.88)</u>	<u>(58,767.69)</u>	<u>(785.43)</u>
<b>Total reserves &amp; surplus</b>	<u>(2,33,173.12)</u>	<u>(2,954.88)</u>	<u>(58,767.69)</u>	<u>(785.43)</u>
<b>Note 8(b) : Other comprehensive income</b>				
<b>Other Comprehensive Income</b>				
Balance as per last financial statements	14,118.65	-	-	-
Remeasurements Gain/(Loss) on the Defined Employee Benefit Plans	-	-	-	-
Foreign Currency Translation Reserve (FCTR) During The Period	56,675.62	-	14,118.65	-
Balance at the end of the year	<u>70,794.27</u>	<u>-</u>	<u>14,118.65</u>	<u>-</u>
<b>Total Other Comprehensive Income</b>	<u>70,794.27</u>	<u>-</u>	<u>14,118.65</u>	<u>-</u>
<b>Total</b>	<u>(1,62,378.85)</u>	<u>(2,954.88)</u>	<u>(44,649.04)</u>	<u>(785.43)</u>

**Note 9 : Provisions**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Long-term</b>				
<b>Provision for employee benefits</b>				
Provision for Gratuity	749.45	9.11	-	-
Provision for Leave Encashment	1,841.36	22.40	-	-
	<u>2,590.81</u>	<u>31.51</u>	<u>-</u>	<u>-</u>
<b>Short-term</b>				
<b>Provision for employee benefits</b>				
Provision for Gratuity	31.85	0.39	10.61	0.14
Provision for Leave Encashment	972.12	11.82	-	-
	<u>1,003.97</u>	<u>12.21</u>	<u>10.61</u>	<u>0.14</u>
<b>Total</b>	<u>3,594.78</u>	<u>43.72</u>	<u>10.61</u>	<u>0.14</u>

**Note 10 : Financial liabilities**

**10(a) : Trade payable**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Current</b>				
Total outstanding dues of micro and small enterprises	-	-	664.68	8.77
Total outstanding dues of creditors other than micro and small enterprises				
Due to Related party	38,696.44	470.66	25,529.03	336.76
Other trade payable (Refer note below)	36,861.17	448.34	1,706.27	22.52
<b>Total</b>	<u>75,557.61</u>	<u>919.00</u>	<u>27,899.98</u>	<u>368.05</u>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs	USD	Rs	USD
(a) Principal amount and interest thereon remaining unpaid at the end of period/year Interest paid including payment made beyond appointed day	-	-	664.68	8.77
(b) Interest due and payable for delay during the period / year	-	-	-	-
(c) Amount of interest accrued and unpaid as at period / year end	-	-	-	-
(d) The amount of further interest due and payable even in the succeeding period / year	-	-	-	-

**Ageing Schedule of trade Payables:**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs	USD	Rs	USD
<b>Outstanding for the following periods from the due date of payment :</b>				
<b>MSME:</b>				
Less than 1 Year	-	-	664.68	8.77
<b>Others:</b>				
Less than 1 Year	70,500.65	850.15	26,835.27	354.00
<b>Unbilled dues:</b>	5,056.96	68.85	400.03	5.28
<b>Total</b>	<b>75,557.61</b>	<b>919.00</b>	<b>27,899.98</b>	<b>368.05</b>

**10(b) : Other financial liabilities**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Current</b>				
Deposits from Members	79,750.39	970.00	31,459.97	415.00
Payable in respect of Employees	6,180.29	75.17	519.56	6.85
<b>Total</b>	<b>85,930.68</b>	<b>1,045.17</b>	<b>31,979.53</b>	<b>421.85</b>

**Note 11 : Other liabilities**

Amount in `000

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>Current</b>				
Statutory dues	1,774.85	21.59	2,757.18	36.37
<b>Total</b>	<b>1,774.85</b>	<b>21.59</b>	<b>2,757.18</b>	<b>36.37</b>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 12 : Revenue from operations**

Particulars	Amount in `000			
	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
Transaction Charges	255.32	3.18	-	-
Clearing Charges	127.66	1.59	-	-
Application Processing Fees	5,788.19	72.00	-	-
<b>Total</b>	<b>6,171.17</b>	<b>76.77</b>	<b>-</b>	<b>-</b>

**Note 13 : Other income**

Particulars	Amount in `000			
	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
Interest Income on Fixed Deposits	23,585.89	293.39	185.71	2.48
Interest Income on Income Tax Refund	0.71	0.01	-	-
Interest Income on Fair Value of Security Deposits	246.21	3.06	37.92	0.51
Foreign Exchange Gain (Net)	3,219.62	40.05	1,160.29	15.50
<b>Total</b>	<b>27,052.43</b>	<b>336.51</b>	<b>1,383.92</b>	<b>18.49</b>

**Note 14 : Employee benefits expense**

Particulars	Amount in `000			
	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	43,365.02	539.42	2,764.77	36.95
Contribution to provident and other funds	1,986.11	24.71	45.34	0.61
Staff Welfare Expense	22.04	0.27	-	-
<b>Total</b>	<b>45,373.17</b>	<b>564.40</b>	<b>2,810.11</b>	<b>37.56</b>

**Note 15 : Finance costs**

Particulars	Amount in `000			
	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
Interest expense - other than Loans	4.79	0.06	-	-
Interest on lease liability (Refer Note 21)	3,470.21	43.17	601.72	8.04
<b>Total</b>	<b>3,475.00</b>	<b>43.23</b>	<b>601.72</b>	<b>8.04</b>

**Note 16 : Depreciation and amortization expense**

Particulars	Amount in `000			
	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
Depreciation on Tangible assets (Refer Note 3)	3,225.80	40.13	182.29	2.43
Amortization on Intangible assets (Refer Note 3)	509.39	6.33	-	-
Depreciation on Right of use asset (Refer Note 3)	6,191.63	77.02	1,041.66	13.92
<b>Total</b>	<b>9,926.82</b>	<b>123.48</b>	<b>1,223.95</b>	<b>16.35</b>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 17 : Other expenses**

<b>Particulars</b>	<b>Amount in `000</b>			
	<b>For the Year ended</b>		<b>For the Year ended</b>	
	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
	<b>Rs</b>	<b>USD</b>	<b>Rs</b>	<b>USD</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
Advertisement Expenses	-	-	2,736.70	36.58
Seminar & Sponsorship Expenses	22,232.61	276.55	-	-
Auditors Remuneration	79.74	0.99	22.21	0.30
Contract Labour	1,746.00	21.72	1,122.34	15.00
Bank Charges	10.61	0.13	1.35	0.01
Printing, stationery & xerox Expense	194.83	2.42	35.98	0.48
Rent (Refer Note 21)	900.92	11.21	98.50	1.32
Electricity Expenses	477.22	5.94	-	-
Rates and taxes	7,903.85	98.32	3,979.91	53.19
Repairs :				
To Building	2,090.86	26.01	254.17	3.40
Legal & Professional charges	2,293.05	28.53	3,956.48	52.88
Director Sitting fees	5,478.88	68.15	-	-
Conveyance & Travelling expense	4,364.31	54.29	274.08	3.66
Regulatory Fees	170.36	2.12	3,142.55	42.00
Miscellaneous expenses	3,510.07	43.66	302.60	4.04
<b>Total</b>	<b>51,453.31</b>	<b>640.04</b>	<b>15,926.87</b>	<b>212.86</b>

**Payment to Auditors**

<b>Particulars</b>	<b>Amount in `000</b>			
	<b>For the Year ended</b>		<b>For the Year ended</b>	
	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
	<b>Rs</b>	<b>USD</b>	<b>Rs</b>	<b>USD</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
<b>Payment to Auditors as</b>				
Auditors	76.81	0.95	19.74	0.27
For Other certification work	2.93	0.04	2.47	0.03
For reimbursement of expenses	-	-	-	-
<b>Total</b>	<b>79.74</b>	<b>0.99</b>	<b>22.21</b>	<b>0.30</b>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 18 : Contingent liabilities**

There are no contingent liabilities as on March 31, 2023 (March 31,2022: NIL)

**Note 19 : Capital commitment and other commitments**

Particulars	As at				Amount in `000	
	March 31, 2023		March 31, 2022			
	Rs	USD	Rs	USD		
	Audited	Audited	Audited	Audited		
<b>Capital commitments</b>						
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-		-
<b>Other commitments</b>						
	-	-	-	-		-

**Note 20 : Earning Per Share**

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022		Amount in `000	
	Rs	USD	Rs	USD		
	Audited	Audited	Audited	Audited		
Profit/(Loss) for the period	(1,74,405.43)	(2,169.45)	(58,767.69)	(785.43)		
Weighted average no. of Equity Shares	97,32,87,671		43,74,00,881			
Nominal value of Equity Shares (Rs.)	1.00	Not Applicable	1.00	Not Applicable		
Basic and Diluted Earning per Equity Share (Rs.)	(0.179)	(0.002)	(0.134)	(0.002)		(0.002)

**Note 21 : Leases**

- a** The Company has taken office premises on lease period of 10 years. Disclosures as per Ind AS 116 - Leases are as follows:

**Movement in lease liabilities**

Particulars	Amount in `000			
	March 31, 2023		For the year ended	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Balance as per last financial statements	62,800.72	828.43	-	-
Additions	-	-	63,322.25	848.52
Deletions	-	-	-	-
Finance cost accrued during the year	3,549.01	43.17	609.67	8.04
Payment of lease liabilities	(6,843.76)	(84.91)	(1,131.20)	(14.93)
Currency Fluctuation	-	(62.92)	-	(13.20)
<b>Balance at the end of the year</b>	<b>59,505.97</b>	<b>723.77</b>	<b>62,800.72</b>	<b>828.43</b>
<b>Current</b>	<b>3,845.51</b>	<b>46.77</b>	<b>3,294.72</b>	<b>43.46</b>
<b>Non-current</b>	<b>55,660.46</b>	<b>677.00</b>	<b>59,506.00</b>	<b>784.97</b>

**Contractual maturities of lease liabilities**

Particulars	Amount in `000			
	March 31, 2023		For the year ended	
	Rs Audited	USD Audited	Rs Audited	USD Audited
Less than one year	7,185.89	87.40	6,843.76	90.28
One to five years	32,502.44	395.33	30,960.08	408.41
More than five years	37,655.05	458.00	46,383.30	611.86
<b>Total</b>	<b>77,343.38</b>	<b>940.72</b>	<b>84,187.14</b>	<b>1,110.54</b>

- b** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- c** The Company directly charges rent expenses relating to short-term leases and leases of low-value assets to Statement of Profit & Loss.

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 22 : Related Party Disclosures**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows:

**a List of Related Parties & Nature of Relationship :**

India International Bullion Holding IFSC Limited	Holding Company
Central Depository Services (India) Limited	Investing Company of Holding Company
India International Exchange (IFSC) Limited	Investing Company of Holding Company
National Securities Depository Limited	Investing Company of Holding Company
National Stock Exchange of India Limited	Investing Company of Holding Company
India International Clearing Corporation (IFSC) Limited	Investing Company of Holding Company
Multi Commodity Exchange of India Limited	Investing Company of Holding Company
BSE Technologies Private Limited	Fellow Subsidiary of Investing Company of Holding Company
NSE IFSC Limited	Subsidiary of Investing Company of Holding Company
Mr. Ashok Kumar Gautam - Managing Director & CEO (w.e.f. Feb 5, 2022)	Key Management Personnel

**b Related Party Transactions :**

Particulars	Amount in `000			
	For the year ended		March 31, 2022	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	Rs Audited	USD Audited	Rs Audited	USD Audited
<b>India International Bullion Holding IFSC Limited</b>				
Reimbursement of Expenses:				
Rates & Taxes	-	-	4,426.63	59.16
Regulatory Fees	-	-	3,142.55	42.00
Printing & Stationery	-	-	12.73	0.17
Miscellaneous Expense	-	-	31.73	0.42
Reimbursement of Security Deposit:	-	-	7,590.41	100.13
Issue of Equity Shares:	6,50,000.00	8,175.13	5,00,000.00	6,792.13
<b>National Securities Depository Limited</b>				
Professional Fees paid:	5.00	0.06	15.89	0.21
<b>Central Depository Services (India) Limited</b>				
Professional Fees paid:	66.72	0.83	15.63	0.21
<b>National Stock Exchange of India Limited</b>				
Reimbursement of Legal Fees paid:	990.00	11.98	1,332.47	17.18
<b>India International Exchange (IFSC) Limited</b>				
Computer Technology Related Expense paid:	6,097.00	75.84	3,702.97	49.49
Amount unpaid:	14.18	0.17	-	-
<b>BSE Technologies Private Limited</b>				
Computer Technology Related Expense paid:	63,050.03	763.17	36,070.72	482.08
Amount unpaid:	38,682.27	470.49	25,529.03	336.76
<b>NSE IFSC Limited</b>				
Reimbursement Of Launch Event Expenses received:	16,688.73	207.59	-	-
Amount Receivable:	29.04	0.35	-	-
<b>Mr. Ashok Kumar Gautam</b>				
Employee benefits expense paid:	13,000.00	161.71	1,970.89	26.40

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 23 : Disclosure pursuant to Employee benefits**

**A. Defined contribution plan:**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and pension fund. Provident fund and pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund and contributions into the pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

During the period, contribution to Provident fund and Pension fund amounting to Rs 1,986.11 thousand (USD 24.71 thousand), Previous year Rs. 45.34 thousand (USD 0.61 thousand) have been charged to the Statement of Profit and Loss, under Contributions to provident and other funds in note 14 "Employee benefits expense".

**B. Defined benefit plan:**

**(a) Gratuity**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Currently, the Gratuity scheme is unfunded.

Assumptions	For the year ended March 31, 2023
Expected Return on Plan Assets	N.A.
Rate of Discounting	7.48%
Rate of Salary Increase	8.00%
Rate of Employee Turnover	3.00%
Mortality Rate During Employment	Indian Assured Lives Mortality

**Table Showing Change in the Present Value of Defined Benefit Obligation**

Particulars	Amount in `000	
	For the year ended March 31, 2023	
	Rs	USD
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	-	-
Interest Cost	-	-
Current Service Cost	781.29	9.72
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	-	-
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>781.29</b>	<b>9.72</b>

**Amount Recognized in the Balance Sheet**

Particulars	Amount in `000	
	For the year ended March 31, 2023	
	Rs	USD
(Present Value of Benefit Obligation at the end of the Period)	(781.29)	(9.50)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(781.29)	(9.50)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(781.29)</b>	<b>(9.50)</b>

**Expenses Recognized in the Statement of Profit or Loss for Current Period**

Particulars	Amount in `000	
	For the year ended March 31, 2023	
	Rs	USD
Current Service Cost	781.29	9.72
Net Interest Cost	-	-
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expenses Recognized</b>	<b>781.29</b>	<b>9.72</b>

**Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**

Particulars	Amount in `000	
	For the year ended March 31, 2023	
	Rs	USD
Actuarial (Gains)/Losses on Obligation For the Period	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	-	-

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Maturity Analysis of the Benefit Payments**

Particulars	Amount in `000	
	For the year ended	
	March 31, 2023	
	Rs	USD
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	31.85	0.39
2nd Following Year	31.04	0.38
3rd Following Year	30.26	0.37
4th Following Year	29.51	0.36
5th Following Year	32.34	0.39
Sum of Years 6 To 10	224.95	2.74
Sum of Years 11 and above	1,802.72	21.93

**Sensitivity Analysis**

Particulars	Amount in `000	
	For the year ended	
	March 31, 2023	
	Rs	USD
Defined Benefit Obligation on Current Assumptions	781.29	9.50
Delta Effect of +1% Change in Rate of Discounting	(80.11)	(0.97)
Delta Effect of -1% Change in Rate of Discounting	94.60	1.15
Delta Effect of +1% Change in Rate of Salary Increase	88.36	1.07
Delta Effect of -1% Change in Rate of Salary Increase	(75.87)	(0.92)
Delta Effect of +1% Change in Rate of Employee Turnover	(125.60)	(1.53)
Delta Effect of -1% Change in Rate of Employee Turnover	(92.84)	(1.13)

**(b) Leave encashment**

Amount of Rs. 2,792.18 thousand (USD 34.73 thousand), Previous year: NIL is recognised as expenses and included in Note No. 14 "Employee benefit expense".

**Note 24 : Financial Instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.4 to the financial statements.

**Fair Value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Ø Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Ø Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Ø Level 3 — Inputs are not based on observable market data (unobservable inputs).

The carrying value of financial instruments by categories is as follows and the Company consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	Amount in `000			
	For the period ended		March 31, 2022	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	Rs	USD	Rs	USD
	Audited	Audited	Audited	Audited
<b>Financial Assets carried at amortized cost</b>				
Trade Receivables	174.14	2.12	-	-
Cash and cash equivalents	68,198.07	829.49	4,56,022.61	6,015.57
Other Bank Balances	8,62,990.66	10,496.51	-	-
Other financial assets	45,071.59	548.20	4,158.78	54.86
<b>Total</b>	<b>9,76,434.46</b>	<b>11,876.32</b>	<b>4,60,181.39</b>	<b>6,070.43</b>
<b>Financial Liabilities carried at amortized cost</b>				
Lease Liability	59,505.97	723.77	62,800.72	828.43
Trade payables	75,557.61	919.00	27,899.98	368.05
Other current financial liabilities	85,930.68	1,045.17	31,979.53	421.85
<b>Total</b>	<b>2,20,994.26</b>	<b>2,687.94</b>	<b>1,22,680.23</b>	<b>1,618.33</b>

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 25 : Financial Risk Management**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets includes Cash and cash equivalents.

The Company's activities expose it to a variety of risks: Liquidity risk, Foreign Currencies risk, Interest rate risk.

**Foreign currency risk:**

United State Dollars (USD) is the functional currency of the Company, thus the Company's exchange risk arises from its foreign currency expenses. Currency other than USD is considered as foreign currency. Company is using Special Non-Resident Rupee account for discharging the liability of INR.

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control. Interest rate risk can be controlled by the Company by making investments for tenors not exceeding the pre stipulated period and normally holding investments till its maturity.

**Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below provides details regarding the contractual maturities of significant financial liabilities as follows.

	Rs in `000				
Particulars	On demand	Within 1 year	1 year to 5 years	More than 5 years	Total
<b>Year ended March 31, 2023</b>					
Lease Liability	-	7,185.89	32,502.44	37,655.05	77,343.38
Trade payables	-	75,557.61	-	-	75,557.61
Deposits from Members	79,750.39	-	-	-	79,750.39
Other financial liabilities	-	6,180.29	-	-	6,180.29
	<b>79,750.39</b>	<b>88,923.79</b>	<b>32,502.44</b>	<b>37,655.05</b>	<b>2,38,831.67</b>
<b>Year ended March 31, 2022</b>					
Lease Liability	-	6,843.76	30,960.08	46,383.30	84,187.14
Trade payables	-	27,899.98	-	-	27,899.98
Deposits from Members	31,459.97	-	-	-	31,459.97
Other financial liabilities	-	519.56	-	-	519.56
	<b>31,459.97</b>	<b>35,263.30</b>	<b>30,960.08</b>	<b>46,383.30</b>	<b>1,44,066.65</b>

	USD in `000				
Particulars	On demand	Within 1 year	1 year to 5 years	More than 5 years	Total
<b>Year ended March 31, 2023</b>					
Lease Liability	-	87.40	395.33	458.00	940.72
Trade payables	-	919.00	-	-	919.00
Deposits from Members	970.00	-	-	-	970.00
Other financial liabilities	-	75.17	-	-	75.17
	<b>970.00</b>	<b>1,081.57</b>	<b>395.33</b>	<b>458.00</b>	<b>2,904.89</b>
<b>Year ended March 31, 2022</b>					
Lease Liability	-	90.28	408.41	611.86	1,110.54
Trade payables	-	368.05	-	-	368.05
Deposits from Members	415.00	-	-	-	415.00
Other financial liabilities	-	6.85	-	-	6.85
	<b>415.00</b>	<b>465.18</b>	<b>408.41</b>	<b>611.86</b>	<b>1,900.44</b>

**Note 26 : Ratio Analysis**

Particulars	UOM	For the year ended		% Variance	Reason for Variance
		March 31, 2023	March 31, 2022		
<b>i) Current Ratio :</b>					
Current Assets (a)	USD in '000	11,912.13	6,708.52		
Current Liabilities (b)	USD in '000	2,044.74	869.87		
Current Ratio (a/b)	Times	5.83	7.71	-24.46%	Due to higher trade payables and deposits from members in the current year
<b>ii) Debt-Equity Ratio:</b>					
Debt (a)	USD in '000	723.77	828.43		
Equity (b)	USD in '000	12,012.39	6,006.70		
Debt - Equity Ratio (a/b)	%	6.03%	13.79%	-56.31%	Due to Issue of Equity shares during the current year
<b>iii) Debt Service coverage Ratio :</b>					
Earnings available for Debt services (a)	USD in '000	(2,002.74)	(761.04)		
Interest + Installments (b)	USD in '000	128.08	22.97		
Debt Service coverage Ratio (a/b)	%	-1563.66%	-3313.19%	52.80%	Due to uncomparable figure in previous year
<b>iv) Return on Equity Ratio :</b>					
Profit/(Loss) after Taxes	USD in '000	(2,169.45)	(785.43)		
Equity (b)	USD in '000	12,012.39	6,006.70		
Return on Equity Ratio (a/b)	%	-18.06%	-13.08%	-38.12%	Due to higher loss in the current year
<b>v) Inventory Turnover Ratio :</b>					
	NA	NA	NA		
<b>vi) Trade Receivables turnover Ratio :</b>					
Annual net Credit Sales (a)	USD in '000	76.77	-		
Average Accounts Receivable (b)	USD in '000	2.12	-		
Trade Receivables turnover Ratio (a/b)	Times	36.21	-	-	
<b>vii) Trade Payables turnover Ratio :</b>					
Costs (a)	USD in '000	1,851.62	741.97		
Average Accounts Payable (b)	USD in '000	643.53	919.00		
Trade Payables turnover Ratio (a/b)	Times	2.88	0.81	-256.38%	Due to uncomparable figure in previous year
<b>viii) Net Capital turnover Ratio :</b>					
Net Sales (a)	USD in '000	76.77	-		
Working Capital (b)	USD in '000	9,867.39	5,838.65		
Net Capital turnover Ratio (a/b)	%	0.78%	0.00%	-	
<b>ix) Net Profit Ratio :</b>					
Profit/(Loss) after Tax (a)	USD in '000	(2,169.45)	(785.43)		
Net Sales (b)	USD in '000	76.77	-		
Net Profit Ratio (a/b)	%	-2825.91%	0.00%	-	
<b>x) Return on Capital Employed :</b>					
Earnings before Interest and Taxes (a)	USD in '000	(58,165.97)	(777.39)		
Capital Employed (b)	USD in '000	12,736.16	6,835.13		
Return on Capital Employed (a/b)	%	-456.70%	-11.37%	3915.49%	Due to higher loss in the current year
<b>xi) Return on Investment :</b>					
Income generated from Invested funds (a)	USD in '000	293.39	2.48		
Avg invested funds in Treasury Investments (b)	USD in '000	7,750.00	5,000.00		
Return on Investment (a/b)	%	3.79%	0.05%	7532.41%	Due to Higher investment in the current year

**India International Bullion Exchange IFSC Limited**  
**Notes to the Financial Statements**

**Note 27 : Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in fixed deposit.

IFSCA vide the letter no. 329/IFSCA/DPM/TS/2022-23/1 dated June 17, 2022, had advised IIBX to maintain a minimum Net Worth of USD equivalent of INR 110 crore. As on March 31, 2023, IIBX is below the minimum net worth requirement of Rs. 110 Crore.

IFSCA has issued circular F. No. 329/IFSCA/Bullion MIs/2022-23 dated March 1, 2023, whereby IIBX shall be required to maintain, at all times, a minimum net worth of USD 20 million by June 30, 2023.

IIBX has requested IFSCA that the earlier time sought to meet the erstwhile minimum Net Worth requirement of USD equivalent of Rs. 110 crores till March 31, 2023, be extended till June 30, 2023 along with meeting the enhanced Net Worth requirement of USD 20 million vide letter no. IIBX/IFSCA/2022-23/425 dated March 27, 2023.

**Note 28 : Exchange Rate**

In these financial statements, amounts reflected in Balance Sheet other than shareholder funds have been translated into Indian rupees at the closing rate as at March 31, 2023 which is 1 USD = Rs 82.2169, whereas amounts reflected in Statements of Profit and Loss at the average rate from April 01, 2022 to March 31, 2023 which is 1 USD = Rs 80.3914.

**Note 29 : Segment Reporting**

The Company operated in one reportable business segment viz: Bullion Exchange Operations i.e., Facilitating Trading in Bullion and other related ancillary Services as at the reporting date, and therefore has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments".

**Note 30 : Other Notes**

a. During the year ended March 31, 2023 and March 31, 2022, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Further, during the year ended March 31, 2023 and March 31, 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

b. The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2023 (Previous year: Nil).

c. No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2023 (Previous year: Nil).

d. The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2023 (Previous year: Nil).

e. The Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year ended March 31, 2023 (Previous year: Nil).

f. The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2023 (Previous year: Nil).

**India International Bullion Exchange IFSC Limited  
Notes to the Financial Statements**

**Note 31 : Regrouped or Reclassified**

Material regroupings: Appropriate adjustments have been made in the statements of assets and liabilities, statement of profit and loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at March 31, 2023, prepared in accordance with amended Schedule III of Companies Act 2013.

**As per our report of even date attached  
For Vidya & Co.  
Firm Registration No. 308022E  
Chartered Accountants**

**For and on behalf of the Board of Directors**

**Rajendra K Nagar  
Partner  
Membership No. 057240  
Gandhinagar  
April 19, 2023  
UDIN: 23057240BGSAD1728**

**Jugal Kishore Mohapatra  
Chairman  
DIN: 03190289**

**Ashok Kumar Gautam  
Managing Director & CEO  
DIN: 02756851**

**Mithilesh Brahmhatt  
Chief Financial Officer**

**Kirty Pareek  
Company Secretary**