

1st Annual Report

2021-2022

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BOARD OF DIRECTORS*

Shri Jugal Kishore Mohapatra	Chairman & Public Interest Director
Shri Balasubramaniam V.	Shareholder Director
Shri Krishnan Ramkumar	Shareholder Director
Shri Samar Pawankumar Banwat	Shareholder Director
Shri Shivanshu Lalit Mehta	Shareholder Director
Smt. Seema Bahuguna	Public Interest Director
Shri Arvind Sahay	Public Interest Director
Shri Gopalaraman Padmanabhan	Public Interest Director
Shri Siddhartha Sengupta	Public Interest Director
Shri Hari Kothandaraman	Shareholder Director
Shri Ashok Kumar Gautam	Managing Director & CEO

MANAGEMENT TEAM*

Shri Neeraj Gupta	Chief Technology Officer
Ms. Kirty Pareek	Company Secretary & Compliance Officer
Shri Vinod Ramachandran	Head- Clearing, Settlement & Risk Management
Shri Mithilesh Brahmabhatt	Chief Financial Officer

*As on 24.11.2022

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

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

Registered Office: Unit No. 1302A, Brigade International Financial Centre,
13th Floor, Building No. 14A, Block 14,
Zone 1, GIFT SEZ, GIFT CITY,
Gandhinagar, 382355, Gujarat

Directors' Report

To the Members,

Your Directors are pleased to present the First Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2022.

Financial Summary / Highlights

The Company's standalone financial performance, for the financial year ended March 31, 2022:

Particulars	Amount in Thousand	
	FY 2021-22	
	INR	USD
Revenue From Operations	-	-
Investment Income	185.71	2.48
Other Income	1,198.21	16.01
Total Income	1,383.92	18.49
Employee Benefits Expense	2,810.11	37.56
Administration and Other Expenses	55,515.83	741.97
Finance Costs	601.72	8.04
Depreciation and Amortisation Expenses	1,223.95	16.35
Total Expense	60,151.61	803.92
Profit/(Loss) Before Tax	(58,767.69)	(785.43)
Provision for tax	-	-
Net Profit/(Loss) After Tax	(58,767.69)	(785.43)
Other comprehensive income (net of tax)	14,118.65	-
Total Comprehensive Income	(44,649.04)	(785.43)
Net Worth	4,55,350.96	6,006.70
Earning per share	(0.1340)	(0.0018)

Financial Results

The Company was incorporated during the financial year 2021-22. The Company had not commenced operations during the financial year 2021-22. The total income consists of income other than operations only. Computer Technology Related Expenses were Rs. 40,711.29 thousand out of total Expenses of Rs. 60,151.61 thousand.

Dividend

Your company had not commenced its operations in the financial year 2021-22. In view of the loss incurred by the company, your Board of Directors do not recommend any dividend for the financial year 2021-22.

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 2021-22.

About India International Bullion Exchange IFSC Limited

Giving a major boost to India's aspiration of having its own International Bullion Exchange and paving the way for India to play a larger role in the global bullion market, India International Bullion Exchange IFSC Limited (IIBX) was launched by the Honorable 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 (subsidiary of BSE), IICCL, NSDL, CDSL and MCX. IIBX is established at GIFT IFSC, Gandhinagar, Gujarat, India. IIBX is regulated by International Financial Services Centres Authority (IFSCA) (<https://www.ifsc.gov.in>).

IIBX enables trading in bullion which adhere to OECD Due Diligence Guidance for Responsible Supply chain of Minerals from Conflict Affected and High-Risk Areas for establishing supply chain integrity.

For the first time, an Indian resident Jeweller (Qualified Jeweller - QJ) can import bullion directly into India through IIBX by being a Client or a Limited Purpose Trading Member of IIBX. Top bullion dealers and jewellers of India have been onboarded by IIBX with many more applications in the pipeline.

Bullion is kept in the vaults authorised by International Financial Services Centres Authority (IFSCA) and empanelled by India International Depository IFSC Limited (IIDI). Bullion on IIBX is traded in the form of Bullion Depository Receipts (BDRs). Demat account is required to be opened with the IIDI where BDRs will be credited.

The global bullion banks, bullion refiners and bullion traders through IIBX, can directly access the bullion buyers in India via IIBX. GIFT IFSC area offers convenience to re-export the Bullion as and when required by bullion suppliers without payment of customs duty. T+0 contracts are currently available for 995 1kg (LBMA & UAEGD) and 999 100 gm (LBMA) with plans to enhance the product suite going forward. IIBX proposes to launch Repo products, Gold metal loan and lease products and introduce Silver shortly. IIBX proposes to have IFSCA approved vaults at multiple SEZs across India.

Business and Operations review

Your company commenced trial operations on April 19, 2022 and commenced formal operations on July 29, 2022.

Your company had not commenced operations during the reporting period ended March 31, 2022.

Subsidiaries

Your company does not have any subsidiary.

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 2021-22 your company had 50,00,00,000 number of shares outstanding. 1,00,00,000 number of shares were issued on initial subscription to India International Bullion Holding IFSC

Limited and subsequently company issued 49,00,00,000 numbers of shares on rights basis to the existing shareholders in the ratio of 49 shares for 1 equity share held by them.

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")

Your company was incorporated on August 18, 2021 and following were named as the first directors in the Articles of Association of the company:

- 1. Balasubramaniam Venkataramani
- 2. Ravi Varanasi
- 3. Krishnan Ramkumar
- 4. Samar Pawankumar Banwat

Subsequently, following shareholder Directors and Public Interest Directors were appointed on the Governing Board:

- 1. Shri Shivanshu Lalit Mehta – Shareholder Director – appointed w.e.f. September 7, 2021
- 2. Shri Ashok Kumar Gautam – Managing Director & CEO - appointed w.e.f. February 5, 2022
- 3. Shri Jugal Kishore Mohapatra – Public Interest Director – appointed w.e.f. March 21, 2022
- 4. Smt. Seema Bahuguna - Public Interest Director – appointed w.e.f. March 21, 2022

5. Shri Arvind Sahay - Public Interest Director – appointed w.e.f. March 31, 2022

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

Directors

The current composition of the Board of Directors of the company (as on **24.11.2022**) is as follows:

Shareholder Directors

Shri Balasubramaniam Venkataramani

Shri Krishnan Ramkumar

Shri Samar Pawankumar Banwat

Shri Shivanshu Lalit Mehta

Shri Kothandaraman Hari

Shri Ashok Kumar Gautam, Managing Director &
CEO

Public Interest Directors

Shri Jugal Kishore Mohapatra

Smt. Seema Bahuguna

Shri Arvind Sahay

Shri Padmanabhan Gopalaraman

Shri Siddhartha Sengupta

Key Managerial Personnel

Shri Ashok Kumar Gautam, Managing Director & CEO, Ms. Kirty Pareek, Company Secretary and Shri Mithilesh Brahmhatt, Chief Financial Officer are the Key Managerial Personnel of the company as defined under the Companies Act, 2013. Ms. Kirty Pareek and Shri Mithilesh Brahmhatt joined the company during the Financial Year 2022-23.

Declaration by Public Interest Directors

The terms and conditions of appointment of Public Interest Director (PID) are as per Schedule IV of the Companies Act, 2013 and 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. Further, in compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the company have registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar and have registered their names in the databank of Independent Directors within the statutory timeline and they have also passed online self assessment proficiency test as applicable to them. 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 23 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 (“MII Regulations”). 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

During the year ended March 31, 2022, five Board Meetings were convened and held. The intervening gaps between the meetings were within the period prescribed under the Companies Act, 2013.

The details of meetings are as under:

Sr. No	Name of the Director	Attendance at the Board Meetings held on				
		19.08.2021	07.09.2021	18.10.2021	12.01.2022	23.02.2022
1	Shri Balasubramaniam V.	√	√	√	√	√
2	Shri Ravi Varanasi	√	√	√	Leave of absence	Leave of absence
3	Shri Krishnan Ramkumar	√	√	√	√	√
4	Shri Samar Pawankumar Banwat	√	√	√	√	√
5	Shri Shivanshu Lalit Mehta	NA	√	√	√	√
6	Shri Ashok Kumar Gautam	NA	NA	NA	NA	√

Audit Committee

MCA vide Notification No. G.S.R. 08 (E) & G.S.R. 9 (E) dated January 4, 2017, notified certain exemptions from certain provisions of the Companies Act, 2013 to the Specified IFSC unlisted public company. Amongst other provisions of the Companies Ac, 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 three members out of which two members are Public Interest Directors.

Auditors & Auditor’s Reports

Statutory Auditors

The Statutory Auditors, M/s. Vidya & Co., (Firm Registration No. 308022E) were appointed as the Statutory Auditors of the company at the first meeting of the Board of Directors of the company held on August 20, 2021 till the conclusion of the first AGM to be held in the year 2022. 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, 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.

In their report the Secretarial Auditor have noted that the changes in the composition of Board and KMP that took place during the FY 2021-22 were carried out in compliance of the provisions of Act **except appointment of Company Secretary and Chief Financial Officer as the Key Managerial Personnel of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 for the year under review**. In this regard, it is clarified that in spite of continued efforts, Company Secretary and Chief Financial Officer could not be appointed within six months of incorporation of the company. However, later Company Secretary was appointed w.e.f. July 25, 2022 and Chief Financial Officer was appointed w.e.f. September 29, 2022.

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 payments made to the related parties had been duly approved by the Board of Directors of IIBX in March 2022. 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, 2022 (Note no. 22).

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 2021-22.

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 2021-22, 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

Your company recognizes that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner.

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 2021-22.

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 -

Your company, being an Exchange has 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. For the 1st time in India, the company has introduced T+0 contracts with the same day settlement as against the T+2 / T+1 settlement system prevalent in most of the domestic and International Exchanges. The Exchange is actively working with Depository and Banking system for further reducing the overall settlement time and aims to provide the continuous settlement in T+0 contracts. This would lead to efficient risk management and quicker movements of funds and securities. 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 your company is USD and the presenting currency is INR. Hence, for the purpose of the reporting of foreign exchange earnings and outgo, any earning in currency other than USD is considered while the conversion of currency from USD to INR (for meeting expenses) is reported herein.

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - NIL

Foreign Exchange outgo* – 13,91,868.58 (USD)

(* 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, 2022.

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 at IFSC, Gift City. 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 IFSC Clearing Corporation Limited, Brigade (Gujarat) Projects Private Limited, Central Depositories Services Limited, National Securities Depository Limited, India International Depositories IFSC Limited and our Bankers 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 : November 24, 2022

Sd/-

Jugal Kishore Mohapatra

Chairman



Independent Auditor's Report

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 Exchange Holding IFSC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, the profit 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS 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 specified under Section 133 of the Act, read with relevant rules issued thereunder 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 Ind AS 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 Ind AS 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 Ind AS financial statements.



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

Identify and assess the risks of material misstatement of the standalone Ind AS 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.

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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 Ind AS 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.

Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS 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 Ind AS 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 Ind AS financial statements comply with Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 to its directors are not applicable to the Company. 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.

iv)

- 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

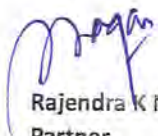


funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any 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 it's 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.
- v) No dividend has been declared or paid during the year by the Company.

- 2) 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, April 18th, 2022

UDIN: 22057240AHKJOD3476



Annexure “A” to the Independent Auditor’s Report

(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, 2022 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.

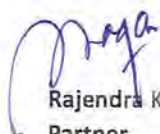
Limitations of Internal Financial Controls Over Financial Reporting

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, 2022, 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, April 18th, 2022

UDIN: 22057240AHKJOD3476



Annexure 'B' to the Independent Auditor's Report

(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 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)
 - a) The Company has not provided any loans or advances in the nature of loans, guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) The company has made investments during the year. In our opinion, the investments made are not prejudicial to the Company's interest. There is no grant of loans during the year. Hence, reporting under clause 3(iii)(c)(d)(e)(f) is not applicable.

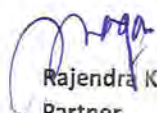


- 4) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable. According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect investments made by the Company.
- 5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 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 and on the basis of our examination of the books of account, and records, 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, 2022 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) To the best of our knowledge and according to the information and explanations given to us, there are no unrecorded transactions in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- 9) To the best of our knowledge and according to the explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or has not issued any debentures. Hence reporting under paragraph 3 (ix) of the Order is not applicable to the Company.
- 10) 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.
- 11)
 - a) 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. Accordingly, clauses (a) (b) of paragraph 3 (xi) of the Order are not applicable.
 - c) 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) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13) 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 Ind AS financial statements as required by the applicable accounting standards.



- 14) 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.
- 15) 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.
- 16)
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - b) 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;
 - c) 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;
 - d) To the best of our knowledge and according to the information and explanations given to us, the Group does not have any Core Investment Company (CIC) as part of the Group;
- 17) During the period under reporting company had incurred cash losses of Rs. 57.54 million (USD-769,070) in the financial year and this year is being first year of operation no any figures of the immediately preceding financial year is provided.
- 18) During the period under reporting no auditor has resigned in company. Accordingly, paragraph 3(xviii) of the order is not applicable.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and 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.
- 20) 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.
- 21) Being standalone financials, paragraph 3(xxi) of the order is not applicable to the company.

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



Rajendra K Nagar
Partner

M. No. 057240

Ahmedabad, April 18th, 2022

UDIN: 22057240AHKJOD3476



FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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 13th 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, 2022** 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, 2022** 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 Centres 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 2021-22 were carried out in compliance of the provisions of Act ***except appointment of Company Secretary and Chief Financial Officer as the Key Managerial Personnel of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 for the year under review.***

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 on 14th September, 2021 approved allotment of 49,00,00,000 equity shares of Re. 1/- each on right issue basis to the India International Bullion Holding IFSC Limited by way of circular resolution.
- b) The Board of Directors at their meeting held on 7th September, 2021 approved appointment of Shri Shivanshu Mehta as an Additional Director of the Company till the conclusion of 1st Annual General Meeting.
- c) The Board of Directors of the Company appointed Mr. Ashok Kumar Gautam (DIN: 02756851) as Managing Director and CEO of the Company on 31.12.2021 by way of circular resolution and appointment came into the effect on 05.02.2022.

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: 22.11.2022
Place: Ahmedabad

**YASH MEHTA
PROPRIETOR
FCS: 12143
COP: 16535
Peer Review: 1269/2021
UDIN: F012143D002006951**

*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 13th 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


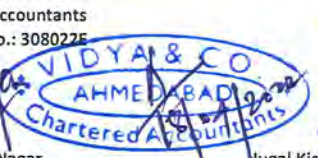


COP: 16535





Peer Review: 1269/2021

UDIN: F012143D002006951

Date: 22.11.2022

Place: Ahmedabad

India International Bullion Exchange IFSC Limited			
Balance Sheet as at March 31, 2022			
		Amount in Thousand	
Particulars	Note No.	As at March 31, 2022	
		(Rs)	(USD)
		Audited	Audited
ASSETS			
1 Non-current Assets			
a. Property, Plant and Equipment	3	2,012.00	26.54
b. Right of Use Assets		63,268.30	834.60
c. Financial Assets			
(i) Other Financial Assets	5	4,048.78	53.41
d. Non-current Tax Assets (net)		18.35	0.24
e. Other assets	6	2,916.38	38.47
Total		72,263.81	953.26
2 Current Assets			
a. Financial assets			
(i) Cash and Cash Equivalents	4	4,56,022.61	6,015.57
(ii) Bank Balance other than Above (i)		-	-
(iii) Trade Receivables		-	-
(iv) Other Financial Assets	5	110.00	1.45
b. Other Assets	6	52,402.56	691.26
Total		5,08,535.17	6,708.28
Total Assets		5,80,798.98	7,661.54
EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share Capital	7	5,00,000.00	6,792.13
b. Other Equity	8	(44,649.04)	(785.43)
Total		4,55,350.96	6,006.70
LIABILITIES			
2 Non-current Liabilities			
a. Financial Liabilities			
(i) Lease Liability		59,506.00	784.97
b. Other Liabilities		-	-
Total		59,506.00	784.97
3 Current Liabilities			
a. Financial Liabilities			
(i) Trade Payables	9		
a. Total outstanding dues of micro enterprises and small enterprises		664.68	8.77
b. Total outstanding dues of creditor other than micro enterprises and small enterprises		27,235.30	359.28
(ii) Other Financial Liabilities	10	31,979.53	421.85
(iii) Lease Liability		3,294.72	43.46
b. Provisions	11	10.61	0.14
c. Other Liabilities	12	2,757.18	36.37
Total		65,942.02	869.87
Total Equity and Liabilities		5,80,798.98	7,661.54
See accompanying notes forming part of the financial statements		1-2	
<div> <div> In terms of our report attached For Vidya & Co. Chartered Accountants Firm Reg. No.: 3080225 </div> <div> For and on behalf of the Board of Directors </div> </div> <div>     </div> <div> Rajendra K Nagar Partner Membership No.: 057240 </div> <div> Jugal Kishore Mohapatra Chairman </div> <div> Ashok Kumar Gautam Managing Director & CEO </div> <div> Date : April 18, 2022 Place : Gandhinagar ICAI UDIN : 22057240AHKJOD3476 </div> <div> Place : Gandhinagar </div>			

India International Bullion Exchange IFSC Limited			
Statement of Profit and Loss For The Period From August 17, 2021 to March 31, 2022			
Particulars	Note No.	Amount in Thousand	
		For the Period Ended March 31, 2022	
		(Rs)	(USD)
		Audited	Audited
1 Revenue From Operations		-	-
2 Investment Income		185.71	2.48
3 Other Income		1,198.21	16.01
4 Total Revenue (1+2+3)		1,383.92	18.49
5 Expenses			
Employee Benefits Expense	13	2,810.11	37.56
Administration and Other Expenses	14	55,515.83	741.97
Finance Costs		601.72	8.04
Depreciation and Amortisation Expenses		1,223.95	16.35
Total Expenses		60,151.61	803.92
6 Profit / (loss) before tax (4 - 5)		(58,767.69)	(785.43)
7 Tax Expense:			
Current tax and Deferred tax		-	-
8 Profit / (loss) For The year From Continuing Operations (6 - 7)		(58,767.69)	(785.43)
9 Profit from discontinuing operations		-	-
10 Tax expenses of discontinuing operations		-	-
11 Profit from Discontinuing Operations (after tax) (9+10)		-	-
12 Profit / (loss) For The period (8+11)		(58,767.69)	(785.43)
13 Other Comprehensive Income			
A Items that will be reclassified to profit or loss			
(i) Foreign Currency Translation Reserve		14,118.65	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income For the period		14,118.65	-
14 Total Comprehensive Income For the period (12+13)		(44,649.04)	(785.43)
15 Earning per equity share :	16		
Basic and Diluted EPS		(0.134)	(0.0018)
Par value of share Rs		1.00	NA
Weighted average number of shares (Nos.)		43,74,00,881	43,74,00,881
See accompanying notes forming part of the financial statements	1-2		
In terms of our report attached For Vidya & Co. Chartered Accountants Firm Reg. No.: 308022E		For and on behalf of the Board of Directors	
 Rajendra K Nagar Partner Membership No.: 057240		 Jugal Kishore Mohapatra Chairman	
		 Ashok Kumar Gautam Managing Director & CEO	
Date : April 18, 2022 Place : Gandhinagar ICAI UDIN : 22057240AHKJOD3476		Place : Gandhinagar	

India International Bullion Exchange IFSC Limited
Cash Flow Statement For The Period ended March 31, 2022

Amount in Thousand

Particulars	For The Period ended March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
A. Cash Flow from Operating Activities		
Profit / (loss) for the period	(58,767.69)	(785.43)
Depreciation and Amortisation Expenses	1,223.95	16.36
Foreign Currency Translation Reserve	14,118.65	-
Finance cost	601.72	8.04
Unrealised forex on Lease liability	-	(13.21)
Interest Income on Fixed Deposits	(185.71)	(2.48)
<u>Adjustments for Changes in operating Liability and Assets</u>		
Trade Payable	26,776.73	353.12
Provisions	10.61	0.14
Other Liabilities	2,757.18	36.37
Other Financial Liabilities	31,979.53	421.85
Other Financial Assets	(4,158.78)	(54.86)
Other Assets	(55,318.94)	(729.73)
	(40,962.75)	(749.83)
Taxes Paid	(18.35)	(0.24)
Net Cash Generated (Used in) Operating Activities	(40,981.10)	(750.07)
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(3,182.00)	(28.97)
Interest Income Received	185.71	2.48
Net Cash Generated (Used in) / from Investment Activities	(2,996.29)	(26.49)
C. Cash Flow From Financing Activities		
Proceeds From Allotment of Equity Share	5,00,000.00	6,792.13
Net Cash Generated From Financing Activities	5,00,000.00	6,792.13
D. Net increase / (decrease) in Cash and Cash Equivalents	4,56,022.61	6,015.57
Cash and Cash Equivalents at the end of the period		
In Current Account	76,982.33	1,015.51
In Deposit Account	3,79,040.28	5,000.06
	4,56,022.61	6,015.57
Cash and Cash Equivalents at the beginning of the period	-	-
Changes In Cash and Cash Equivalents	4,56,022.61	6,015.57
Cash and Cash Equivalents at the end of the period	4,56,022.61	6,015.57
Cash and Cash Equivalents (Refer note 4)	4,56,022.61	6,015.57


See accompanying notes forming part of the financial statements

Note :

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".

In terms of our report attached
For Vidya & Co.
Chartered Accountants
Firm Reg. No.: 308022E

For and on behalf of the Board of Directors


Rajendra K Nagar
Partner
Membership No.: 057240


Vidya & Co.
AHMEDABAD
Chartered Accountants


Jugal Kishore Mohapatra
Chairman


Ashok Kumar Gautam
Managing Director & CEO

Date : April 18, 2022
Place : Gandhinagar
ICAI UDIN : 22057240AHKJOD3476

Place : Gandhinagar

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India International Bullion Exchange IFSC Limited
Statement of Changes in Equity For The Period ended March 31, 2022

A. Equity Share Capital


Particulars	Amount in Thousand	
	(Rs)	(USD)
Balance at August 17, 2021	-	-
Changes in Equity Share Capital during the period	5,00,000.00	6,792.13
Balance as at March 31, 2022	5,00,000.00	6,792.13

B. Other Equity


Particulars	Reserve & Surplus		Items of Other Comprehensive Income	Total Other equity	Total Other equity
	Retained earning	Retained earning	Foreign Currency translation reserve		
	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance at August 17, 2021					
Profit / (Loss) for the Period ended March 31, 2022	(58,767.69)	(785.43)	-	(58,767.69)	(785.43)
Other Comprehensive Income for the Period ended March 31, 2022			14,118.65	14,118.65	-
Balance as at March 31, 2022	(58,767.69)	(785.43)	14,118.65	(44,649.04)	(785.43)


In terms of our report attached
Vidya & Co.
Chartered Accountants
Firm Reg. No.: 308022E

For and on behalf of the Board of Directors


Rajendra K Nagar
Partner
Membership No.: 057240




Jugal Kishore Mohapatra
Chairman


Ashok Kumar Gattam
Managing Director & CEO

Date : April 18, 2022
Place : Gandhinagar
ICAI UDIN : 22057240AHKJOD3476

Place : Gandhinagar

INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements *for the period from August 17, 2021 to March 31, 2022*

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, providing depository 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 Centres Authority (IFSCA) is a unified authority for the development and regulation of financial products, financial services and financial institutions in GIFT IFSC.

The financial statements were authorized for issuance by the Company's Board of Directors on April 18, 2022.

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 Centres 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.

Company was incorporated on August 17, 2021 and its first financial year start from the date of incorporation, hence the Company has adopted the Ind AS on the date of incorporation.

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



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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.



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

- 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 credit-worthiness 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).



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

- 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 equipment's	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



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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.

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



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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

INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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 of 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

INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the balance sheet date; or
- 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.



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements *for the period from August 17, 2021 to March 31, 2022*

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.



3. Property, Plant and Equipment				
(USD) in Thousand				
Particulars	Computers-Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Total
Gross block				
Balance as at August 17, 2021				-
Additions during the period	15.95	2.42	10.60	28.97
Deductions / adjustments				-
Balance as at March 31,2022	15.95	2.42	10.60	28.97
Accumulated Depreciation and Impairment				
Balance as at August 17, 2021				-
Depreciation for the period	1.90	0.01	0.52	2.43
Deductions / Adjustments				-
Balance as at March 31,2022	1.90	0.01	0.52	2.43
Net Book Value				
Balance as at March 31,2022	14.05	2.41	10.08	26.54
(Rs) in Thousand				
Particulars	Computers-Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Total
Gross block				
Balance as at August 17, 2021				-
Additions during the period	1,193.42	180.70	794.09	2,168.21
Deductions / adjustments	-	-	-	-
Currency Fluctuation	15.70	2.38	10.45	28.53
Balance as at March 31,2022	1,209.12	183.08	804.54	2,196.74
Accumulated Depreciation and Impairment				
Balance as at August 17, 2021				-
Depreciation for the period	142.09	1.05	39.13	182.27
Deductions / Adjustments				-
Currency Fluctuation	1.87	0.01	0.59	2.47
Balance as at March 31,2022	143.96	1.06	39.72	184.74
Net Book Value				
Balance as at March 31,2022	1,065.16	182.02	764.82	2,012.00



4. Cash and Cash Equivalents			
		Amount in Thousand	
Particulars	As at March 31, 2022		
	(Rs)	(USD)	
	Audited	Audited	
Balance with Banks			
In Current Accounts	76,982.33	1,015.51	
In Deposit Accounts - Original maturity less than 3 months	3,79,040.28	5,000.06	
Cash and Cash Equivalents	4,56,022.61	6,015.57	
5. Other Financial Assets			
		Amount in Thousand	
Particulars	As at March 31, 2022		
	(Rs)	(USD)	
	Audited	Audited	
Current			
Deposit with Public Body	110.00	1.45	
Total (A)	110.00	1.45	
Non - Current			
Security Deposits for premises	4,048.78	53.41	
Total	4,048.78	53.41	
6. Other Assets			
		Amount in Thousand	
Particulars	As at March 31, 2022		
	(Rs)	(USD)	
	Audited	Audited	
Non current			
Prepaid Expenses	2,916.38	38.47	
	2,916.38	38.47	
Current			
Advance to Vendors	35.86	0.47	
Prepaid Expenses	52,365.26	690.77	
Good & Service Tax Receivable	1.44	0.02	
Total Current	52,402.56	691.26	
Total	55,318.94	729.73	
7. Equity Share Capital			
		Amount in Thousand	
Particulars	As at March 31, 2022		
	(Rs)	(USD)	
	Audited	Audited	
Equity Share Capital			
Authorised share capital:			
50,00,00,000 Equity Shares of Rs. 1/- each with voting rights	5,00,000.00	Not Applicable	
Issued, Subscribed and Fully Paid - up Share Capital:			
50,00,00,000 Equity Shares of Rs. 1/- each with voting rights	5,00,000.00	6,792.13	
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period			
Particulars	As at March 31, 2022		
	(Rs)	(USD)	
	Audited	Audited	
No. of shares at the beginning of the Period			
Initial subscription	10,000.00	-	
Right issue	4,90,000.00	-	
No. of shares at the end of the Period	5,00,000.00	-	
Shareholders holding more than 5% of the shares in the company			
Equity Shares			
Name of Shareholder	As at March 31, 2022		
	Number of Shares	Percentage of Shareholding	
India International Bullion Holding IFSC Limited	50,00,00,000	100%	
Total	50,00,00,000	100%	
Shares held by Promoters at the end of the Quarter			
Sr no	Promoter Name	No of shares	% of Total shares
1	India International Bullion Holding IFSC Limited	50,00,00,000	100%



8. Other Equity		
Particulars	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
Share application money (Refer Note 11)	-	-
Retained Earnings		
Balance At The Beginning Of The Period	-	-
Total Comprehensive Income During the Period Other Than FCTR	(58,767.69)	(785.43)
Closing Balance	(58,767.69)	(785.43)
Other Comprehensive Income		
Balance At The Beginning Of The Period	-	-
Foreign Currency Translation Reserve (FCTR) During The Period	14,118.65	-
Closing Balance	14,118.65	-
Total	(44,649.04)	(785.43)
9. Trade Payables		
Particulars	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
Current		
Total outstanding dues of micro, small and medium enterprises (A)	664.68	8.77
Payable to Service Providers	1,306.24	17.24
Unbilled dues from service provider	400.03	5.28
Payable to Related Parties	25,529.03	336.76
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	27,235.30	359.28
Total	27,899.98	368.05
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(a) Principal amount and interest thereon remaining unpaid at the end of period/year	664.68	8.77
Interest paid including payment made beyond appointed day	-	-
(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		
Outstanding for the following periods from the due date of payment	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
MSME		
Less than 1 year	664.68	8.77
Unbilled dues from service provider	400.03	5.28
Others		
Less than 1 Year	26,835.27	354.00
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Others Total	26,835.27	354.00
Total	27,899.98	368.05
10. Other Financial Liabilities		
Particulars	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
Current		
Accrued Employee Benefits	519.58	6.85
Deposits from Members	31,459.95	415.00
Total	31,979.53	421.85
11. Provisions		
Particulars	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
Current		
Gratuity Liability	10.61	0.14
Total	10.61	0.14
12. Other Liabilities		
Particulars	Amount in Thousand	
	As at March 31, 2022	
	(Rs)	(USD)
	Audited	Audited
Statutory Liabilities	2,757.18	36.37
Total	2,757.18	36.37



13. Employee Benefits Expense		
Particulars	For the Period From August 17, 2021 to March 31, 2022	
	(Rs)	(Rs)
	Audited	Audited
Salaries, Allowances and Bonus	2,754.29	36.81
Contribution to Provident and Other Funds	55.82	0.75
Total	2,810.11	37.56
14. Administration and Other Expenses		
Particulars	For the Period From August 17, 2021 to March 31, 2022	
	(Rs)	(Rs)
	Audited	Audited
Advertisement Expenses	2,736.70	36.57
Auditors Remuneration	19.75	0.26
Bank Charges	1.35	0.02
Building Repair and Maintenance	254.17	3.40
Computer Technology Related Expenses	40,711.29	544.11
Legal Fees	1,341.34	17.93
Lease Rent	51.70	0.69
Professional Fees	2,140.90	28.61
Printing and Stationery Expenses	35.99	0.48
Rates & Taxes	4,474.91	59.81
Regulatory Fees	3,142.55	42.00
Rent	93.23	1.25
Travelling Expenses	274.08	3.66
Miscellaneous Expenses	237.87	3.18
Total	55,515.83	741.97
15. Exchange Rate :- Amounts of Balance Sheet other than shareholder funds, in these financial statements have been translated into Indian rupees at the closing rate as at March 31, 2022 which is 1 USD = Rs 75.8071, amount of Statements of Profit and Loss at the average rate from August 17, 2021 to March 31, 2022 which is 1 USD = Rs 74.8225.		



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

16. Earnings Per Share

Particulars	Amount in Thousand	
	For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Profit / (Loss) for the Period	(58,767.69)	(785.43)
Weighted average number of equity shares (Nos)	43,74,00,881	43,74,00,881
Earnings per share basic and diluted	1	NA
Face value per equity share	(0.134)	(0.0018)

17. Segment Reporting

The "Company" operates in two Business Segment i.e. "Bullion Exchange and Bullion Clearing Corporation.", however Company has not commenced its business operation yet. hence no disclosure is made as on March 31, 2022 as per Indian Accounting Standard 108 "Operating Segments".

18. Disclosure as required on "Employee Benefits" is as under:

18.1 Defined Benefit Plan – 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.

Considering less number of employee on payroll of the Company, Company has not taken actuarial valuation for the same.

Gratuity liability as at the year ended March 31, 2022 is Rs 10.61 thousand (USD-0.14 thousand) as shown under current provision. During the current period, contribution to gratuity amounting to Rs 10.47 thousand (USD- 0.14 thousand) have been charged to the Statement of Profit and Loss, under Contribution to Provident and Other Funds in note 13 "Employee benefits expense".

18.2 Defined Contribution Plan – Provident Fund, Pension Fund

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 family pension fund. Provident fund and family 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 family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

During the current year, provident fund contributions amounting to Rs 45.35 thousand (USD- 0.61 thousand) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 13 "Employee benefits expense".



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

19. 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:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- Level 3 — Inputs are not based on observable market data (unobservable inputs).

The carrying value of financial instruments by categories as of March 31, 2022 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	Amounts in Thousand	
	As at March 31, 2022 (Rs)	As at March 31, 2022 (USD)
Financial Assets carried at amortized cost		
Cash and cash equivalents	4,56,022.61	6,015.57
Other non current financial assets	4,048.78	53.41
Trade Receivable	-	-
Other current financial assets	110.00	1.45
Total	4,60,181.39	6,070.43
Financial Liabilities carried at amortized cost		
Other non-current financial liabilities	59,506.00	784.97
Trade payables	27,899.98	368.05
Other current financial liabilities	35,274.25	465.31
Total	1,22,680.23	1,618.33

20. Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2022.



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

21. Lease disclosures:

Company has taken premises on lease for a period of 10 years. The relevant disclosure of lease is given below:

Amounts in Thousand

Particulars	As at March 31, 2022	As at March 31, 2022
	(Rs)	(USD)
Right of use asset	63,322.25	848.52
Less: Amortization of ROU	1,055.37	13.92
Net Right of use asset	62,266.88	834.60
Forex impact	1,001.42	-
Net Right of use asset	63,268.30	834.60
Lease liability		
Current lease Liability	3,294.72	43.46
Noncurrent lease Liability	59,506.00	784.97
Total Lease Liability	62,800.72	828.43

Maturity profile:

Amounts in Thousand

Particulars	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Rs in Thousand				
Minimum Lease Payments	6,843.76	30,960.08	46,383.30	84,187.14
Finance Charge	3,549.04	11,758.97	6,078.41	21,386.42
Present value of Minimum Lease Payments	3,294.72	19,201.11	40,304.89	62,800.72
USD in Thousand				
Particulars	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments	90.28	408.41	611.86	1,110.55
Finance Charge	46.82	155.12	80.18	282.12
Present value of Minimum Lease Payments	43.46	253.29	531.68	828.43



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

22. Related Party Transactions

1. Names of related parties and nature of relationship

Category of related parties	Name
Holding Company	India International Bullion Holding IFSC Limited
Investing Company of Holding Company	Central Depository Services (India) Limited
	India International Exchange (IFSC) Limited
	National Securities Depository Limited
	National Stock Exchange of India Limited
	India International Clearing Corporation (IFSC) Limited
	Multi Commodity Exchange of India Limited
Fellow Subsidiary of Holding Company's Investing Company	BSE Technologies Private Limited
Key Management Personnel	Mr. Ashok Kumar Gautam - Managing Director and Chief Executive Officer (w.e.f February 05, 2022)

2. Transactions with Related Parties

(a) India International Bullion Holding IFSC Limited (Holding company):

Particulars	Amount in Thousand	
	For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenditure		
Rates & Taxes	4,426.63	59.16
Regulatory Fees	3,142.55	42.00
Printing & Stationery	12.73	0.17
Miscellaneous Expenses	31.73	0.42
Other Transaction		
Reimbursement of Security Deposit	7,590.41	100.13
Equity Share Capital	5,00,000	6,792.13

(b) National Securities Depository Limited (Investing Company of Holding Company):

Particulars	Amount in Thousand	
	For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenditure		



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

Particulars	For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Professional Fees	15.89	0.21

(c) National Stock Exchange of India Limited (Investing Company):

Particulars	Amount in Thousand For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenditure		
Legal Fees	1,332.47	17.18

(d) India International Exchange (IFSC) Limited (Investing Company):

Particulars	Amount in Thousand For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenses		
Computer Technologies Related Expenses	3,702.97	49.49

(e) BSE Technologies Private Limited (Fellow Subsidiary of Holding Company's Subsidiary Company):

Particulars	Amount in Thousand For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenses		
Computer Technology related Expense	36,070.72	482.08

Particulars	Amount in Thousand As at March 31, 2022	
	(Rs)	(USD)
Liability		
Payable	25,529.03	336.76



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

(f) Central depository services Limited (Investing Company of Holding Company):

Particulars	Amount in Thousand	
	For the Period from August 17, 2021 to March 31, 2022	
	(Rs)	(USD)
Expenditure		
Professional Fees	15.63	0.21

(g) Key Managerial remuneration:

Particulars	Amount in Thousand	
	For the Period from June 04, 2021 to March 31, 2022	
	(Rs)	(USD)
Salaries, allowances & bonus and contribution to Funds*	1970.89	26.40

* Remuneration is for the period from February 05, 2022 to March 31, 2022.

23. 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



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

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.

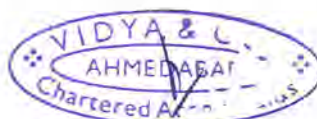
<i>Amount Rs in thousand</i>					
Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
lease obligation					
March 31, 2022	-	6,843.76	30,960.08	46,383.30	84,187.14
Deposits from Members					
March 31, 2022	31,459.95	-	-	-	31,459.95
Other Current Financial Liabilities					
March 31, 2022	-	519.98	-	-	519.98
Trade Payables					
March 31, 2022	-	27,899.98	-	-	27,899.98

<i>Amount USD in thousand</i>					
Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
lease obligation					
March 31, 2022	-	90.28	408.41	611.86	1,110.55
Deposits from Members					
March 31, 2022	415.00	-	-	-	415.00
Other Current Financial Liabilities					
March 31, 2022	-	6.85	-	-	6.85
Trade Payables					
March 31, 2022	-	368.05	-	-	368.05

24. 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.



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

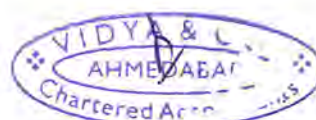
IFSCA has directed to Company that minimum net worth of USD 6 million shall be kept for carrying out the functions of the Exchange and Clearing Corporation. Company is in compliance of the same.

25. Additional Regulatory Requirements

Sr No	Ratios	Current Period
1	Current ratio	7.71
2	Debt - Equity ratio	0.1379
3	Debt Service coverage ratio	-32.91
4	Return on equity ratio	-12.91%
5	Inventory turn over ratio	NA
6	Trade Receivable turnover ratio	-
7	Trade Payables turnover ratio*	1.99
8	Net Capital turnover ratios	0.00%
9	Net Profit ratio	-
10	Return on capital Employed	-11.23%
11	Return on Investment - Fixed Deposits	0.05%

- 1 Current Ratio $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
- 2 Debt-Equity ratio $\frac{\text{Debt (lease liability)}}{\text{Total equity}}$
- 3 Debt-service coverage ratio $\frac{\text{Earnings available for debt service}}{\text{Debt service}}$

 Earnings available for debt service = Net profit after tax + Non cash Expenses like depreciation and amortizations + Interest+ Loss on sale of asset etc
 Debt service = Interest & lease payments + principal repayments
- 4 ROE $\frac{\text{Net Profits after taxes – Preference Dividend (if any)}}{\text{Average Shareholder's Equity}}$
- 6 Trade receivables turnover ratio $\frac{\text{Net Credit Sales}}{\text{Avg. Accounts Receivable}}$
 a) Net credit sales consist of gross credit sales minus sales return.
 b) Trade receivables includes sundry debtors and bills receivables.
 Average trade debtors = (Opening + Closing balance / 2)
 c) Trade Receivables : Gross of ECL Provision
- 7 Trade payables turnover ratio $\frac{\text{Net Credit Purchases}}{\text{Avg. Accounts Payable}}$



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements for the period from August 17, 2021 to March 31, 2022

Average Trade Payables

8 Net capital turnover ratio

Net Sales

Average Working Capital

Working capital = Current asset - current liability

9 Net profit ratio

Net Profit

Net Sales

a) Net profit is after tax.

b) Net sales is calculated as total sales minus sales returns.

10 Return on capital employed (ROCE)

Earning before interest and taxes

Capital Employed

a) Capital Employed = Net Worth+ lease liability

Net worth is calculated as per Companies Act

11 Return on investment

Investment Income

Average Investment

26. During the period, Company has not done any transaction with companies struck off under section 248 of the Companies Act, 2013.



INDIA INTERNATIONAL BULLION EXCHANGE IFSC Limited

Notes of the Financial Statements *for the period from August 17, 2021 to March 31, 2022*

27. Company was incorporated on August 17, 2021 and its first financial year start from the date of incorporation, accordingly comparative figures are not applicable.

In terms of our report of attached

For and on behalf of the Board of Directors

For Vidya & Co.

Chartered Accountants

Firm Reg. No.: 308022E



Rajendra K Nagar
Partner

Membership No.: 057240



Jugal Kishore Mohapatra
Chairman



Ashok Kumar Gautam
Managing Director & CEO

Date: April 18, 2022

Place: Gandhinagar

ICAI UDIN: 22057240AHKJOD3476

Place: Gandhinagar