

Indiabulls CONSUMER FINANCE

INDIABULLS CONSUMER FINANCE LIMITED

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. The name of our Company was changed to 'IVI Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'. Our Company was incorporated under the Companies Act, 1956 on October 27, 1994 with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). The CIN of our Company is U74899DL1994PLC062407. Our Company is registered as a Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934. For further details regarding changes to the name and registered office of our Company, please see "History and other Corporate Matters" on page 99 of the Shelf Prospectus.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India. **Telephone No.:** +91 11 3025 2900, **Facsimile No.:** +91 11 3015 6901

Corporate Office(s): Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Telephone No.: +91 22 6189 1000, **Facsimile No.:** +91 22 6189 1421

Plot No. 249 D & E, Udyog Vihar, Phase IV, Tower A, Gurugram – 122 016, **Telephone No.:** +91 124 668 5899, **Facsimile No.:** +91 124 668 1240

Website: www.indiabullscustomerfinance.com, **Email:** helpdesk@indiabulls.com

Company Secretary and Compliance Officer: Mr. Manish Rustagi; **Telephone No.:** +91 12 4668 5899; **Facsimile No.:** +91 12 4668 1240; **E-mail:** mrustagi@indiabulls.com

PUBLIC ISSUE BY INDIABULLS CONSUMER FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT OF ₹ 1,000 MILLION ("BASE ISSUE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 9,000 MILLION AGGREGATING UP TO 10,000,000 NCDs AMOUNTING TO ₹ 10,000 MILLION ("TRANCHE II ISSUE LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 30,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED MAY 27, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE II ISSUE ("TRANCHE II PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED JANUARY 30, 2019 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, NATIONAL CAPITAL TERRITORY OF DELHI AND HARYANA, STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS"), THIS TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our promoter is Indiabulls Ventures Limited. For further details refer to the section "Our Promoter" on page 96 of this Tranche II Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved, specific attention of the Investor is invited to "Risk Factors" on page 15 of the Shelf Prospectus and page 16 of this Tranche II Prospectus and "Material Developments" on page 132 of the Shelf Prospectus and page 118 of this Tranche II Prospectus before making any investment in this Tranche II Issue. This Tranche II Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche II Prospectus read together with the Shelf Prospectus contains all information regarding the Issuer. The information contained in this Tranche II Prospectus read together with the Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche II Prospectus as a whole or any part of such information or the expression of any such opinions or intentions misleading, in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, please see "Terms of the Issue" on page 139 of this Tranche II Prospectus. For details relating to Eligible Investors please see "Issue Structure" on page 134 of this Tranche II Prospectus.

CREDIT RATINGS

The NCDs proposed to be issued under this Tranche II Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018, and revaluated vide their letter no. CARE/HO/RL/2018-19/4596 dated January 30, 2019, letter no. CARE/HO/RL/2018-19/5423 dated March 22, 2019, letter no. CARE/HO/RL/2019-20/1070 dated April 16, 2019 and letter no. CARE/HO/RL/2019-20/1295 dated May 15, 2019. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/MM/0468/2018-19 dated October 19, 2018 and revaluated vide their letter no. BWR/NCD/ERC/RB/0615/2018-19 dated January 4, 2019, letter no. BWR/NCD/HO/ERC/RB/0685/2018-19 dated January 30, 2019, letter no. BWR/NCD/HO/ERC/RB/0793/2018-19 dated March 14, 2019, letter no. BWR/NCD/ERC/RB/0030/2019-20 dated April 5, 2019, letter no. BWR/NCD/ERC/RB/0049/2019-20 dated April 25, 2019 and letter no. BWR/NCD/ERC/RB/0101/2019-20 dated May 15, 2019. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rating letter and rationale for these ratings, see Annexures A and B of this Tranche II Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.


LISTING

The NCDs offered through this Tranche II Prospectus are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and along with BSE are referred to as "Stock Exchanges". Our Company has received an "in-principle" approval from the BSE vide its letter no. DCS/BM/PI-BOND/26/18-19 dated January 29, 2019 and NSE vide its letter no. NSE/LIST/72610 dated January 29, 2019 and extension letter no. NSE/LIST/80764 dated May 9, 2019. For the purposes of this Tranche II Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS



The Draft Shelf Prospectus dated January 21, 2019 was filed with BSE and NSE, pursuant to Regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE

 Edelweiss Ideas create, values protect	 a.k. BUILDING BONDS	 AXIS BANK	 TRUST In Partnership With Trust.
EDELWEISS FINANCIAL SERVICES LIMITED Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, Maharashtra, India Telephone No.: +91 22 4086 3535 Facsimile No.: +91 22 4086 3610 Email: icfl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singh / Mr. Mandeep Singh SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641	A.K.CAPITAL SERVICES LIMITED 30-38, Free Press House 3rd Floor, Free Press Journal Marg 215, Nariman Point, Mumbai 400 021 Telephone No.: +91 22 6754 6500 Facsimile No.: +91 22 6610 0594 Email: icflncd2019@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Ms. Shilpa Pandey/Mr. Krish Sanghvi SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881	AXIS BANK LIMITED Axis House, 8 th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India Telephone No.: +91 22 6604 3293 Facsimile No.: +91 22 2425 3800 Email: icfl.2019@axisbank.com Investor Grievance Email: investor.grievance@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vikas Shinde SEBI Registration No.: INM000006104 CIN: L65110GJ1993PLC020769	TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India Telephone No.: +91 22 4084 5000 Facsimile No.: +91 22 4084 5007 Email: projectshubh@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Mr. Vikram Thirani SEBI Registration No.: INM000011120 CIN: U67190MH2006PTC162464

DEBENTURE TRUSTEE**

REGISTRAR TO THE ISSUE

 IDBI trustee	 KARVY FINTECH
IDBI TRUSTEESHIP SERVICES LIMITED Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Telephone No.: +91 22 40807018 Facsimile No.: +91 22 66311776 Email: anjalee@idbitrustee.com Investor Grievance Email: response@idbitrustee.com Website: www.idbitrustee.com Contact Person: Ms. Anjalee Athalye SEBI Registration No.: IND000000460 CIN: U65991MH2001GOI131154	KARVY FINTECH PRIVATE LIMITED (FORMERLY KNOWN AS KCPL ADVISORY SERVICES PRIVATE LIMITED)*** Karvy Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telangana – 500 032 Telephone No.: +91 40 6716 2222; Facsimile No.: +91 40 2343 1551 Email: icfl.ncd2@karvy.com Investor Grievance Email: einward.ris@karvy.com Website: www.karvyfintech.com Contact Person: Mr. M Murali Krishna SEBI Registration No.: INR000000221 CIN: U72400TG2017PTC117649

TRANCHE II ISSUE PROGRAMME*

TRANCHE II ISSUE OPENS ON: MAY 30, 2019

TRANCHE II ISSUE CLOSES ON: JUNE 21, 2019

* The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated in the Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Bond Issue Committee thereof. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or extended date of Tranche II Issue closure. Applications Forms for the Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days, during the Tranche II Issue Period. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE and NSE.

**IDBI Trusteeship Services Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated January 16, 2019 and its letter dated April 4, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche II Issue. For further details, please see Annexure C of this Tranche II Prospectus.

A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of section 26 and 31 of the Companies Act, 2013, applicable as on date of the Shelf Prospectus and this Tranche II Prospectus along with the endorsed/certified copies of all requisite documents. For further details please see "Material Contracts and Documents for Inspection" beginning on page 179 of this Tranche II Prospectus.

***The SEBI registration no. is currently under the name of Karvy Computershare Private Limited. Karvy Fintech Private Limited has filed an application with the SEBI for obtaining registration under its name, which is currently pending.

TABLE OF CONTENTS

SECTION I-GENERAL..... 2
DEFINITIONS AND ABBREVIATIONS2
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION.....13
FORWARD-LOOKING STATEMENTS15

SECTION II - INTRODUCTION 16
RISK FACTORS16
GENERAL INFORMATION43
CAPITAL STRUCTURE54
OBJECTS OF THE TRANCHE II ISSUE59
STATEMENT OF TAX BENEFITS62
OUR BUSINESS73
OUR MANAGEMENT87
OUR PROMOTER96
FINANCIAL INDEBTEDNESS108
MATERIAL DEVELOPMENTS118
OTHER REGULATORY AND STATUTORY DISCLOSURES.....122

SECTION III-ISSUE RELATED INFORMATION 134
ISSUE STRUCTURE134
TERMS OF THE ISSUE139
ISSUE PROCEDURE.....155

SECTION IV – OTHER INFORMATION 179
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION179
DECLARATION181

ANNEXURE A..... 182
ANNEXURE B..... 183
ANNEXURE C..... 184
ANNEXURE D..... 185
ANNEXURE E..... 186
ANNEXURE F 187
ANNEXURE G 188

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche II Prospectus to “the Issuer”, “our Company”, “the Company” or “ICFL” are to Indiabulls Consumer Finance Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India. Unless the context otherwise indicates, all references in this Tranche II Prospectus to “we” or “us” or “our” are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche II Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company related terms

Term	Description
₹/Rs./INR/Rupees/Indian Rupees	The lawful currency of the Republic of India
Articles/ Articles of Association/AoA	Articles of Association of our Company
Associate Company	Our associate company, Transerv Private Limited
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Bond Issue Committee	The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way of board resolutions dated September 27, 2018 and December 4, 2018
Corporate Office(s)	Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 and Plot No. 249 D & E, Udyog Vihar, Phase IV, Tower A, Gurugram – 122 016
Director(s)	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Fiscal 2018 under Ind AS	Financial information for financial year ended March 31, 2018 have been prepared based on previously issued financial statements for the year ended March 31, 2018 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended), these financial information have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.
IHFL	Indiabulls Housing Finance Limited
IVL	Indiabulls Ventures Limited
Key Managerial Personnel	The Key Managerial Personnel of the Company appointed in accordance with the provisions of the Companies Act, 2013
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company
Promoter	The promoter of our Company, being Indiabulls Ventures Limited
Promoter Group	Includes the Promoter and entities covered by the definition under regulation 2(1)(pp) of the SEBI ICDR Regulations
Preference Shares	0.001% Compulsorily Convertible Preference Shares of face value of ₹ 10 each
Reformatted Financial Information	Reformatted Financial Information under Indian GAAP and Reformatted Financial Information under IND AS
Reformatted Financial Information under Indian GAAP	The statement of reformatted balance sheet as at March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 and the statement of reformatted profit and loss for the Fiscals 2018, 2017, 2016 and 2015 and the statement of reformatted cash flows for the Fiscals 2018, 2017, 2016 and 2015 and a summary of the significant accounting policies and other explanatory information for the years ended 2018, 2017, 2016 and 2015, each prepared in accordance with Indian GAAP, Our audited financial statements as at and for the years ended March 31, 2018,

Term	Description
	March 31, 2017, March 31, 2016 and March 31, 2015 form the basis for such Reformatted Financial Information under Indian GAAP
Reformatted Financial Information under IND AS	Reformatted Standalone Financial Information under IND AS and Reformatted Consolidated Financial Information under IND AS
Reformatted Standalone Financial Information under IND AS	<p>The reformatted standalone statement of balance sheet as at March 31, 2019 and the reformatted standalone statement of profit and loss for the Fiscal 2019 and the reformatted standalone statement of cash flows for the Fiscal 2019 and the reformatted standalone statement of changes in equity for the Fiscal 2019 and a summary of the significant accounting policies and other explanatory information for the Fiscal 2019, each prepared in accordance with IND AS, as examined by the statutory auditors of our Company, namely, M/s Walker Chandiok & Co LLP, Chartered Accountants</p> <p>Our audited standalone financial statements as at and for the year ended March 31, 2019, form the basis for such Reformatted Standalone Financial Information under IND AS</p>
Reformatted Consolidated Financial Information under IND AS	<p>The reformatted consolidated statement of balance sheet as at March 31, 2019 and the reformatted consolidated statement of profit and loss for the Fiscal 2019 and the reformatted consolidated statement of cash flows for the Fiscal 2019 and the reformatted consolidated statement of changes in equity for the Fiscal 2019, each prepared in accordance with IND AS, as examined by the statutory auditors of our Company, namely, M/s Walker Chandiok & Co LLP, Chartered Accountants</p> <p>Our audited consolidated financial statements as at and for the year ended March 31, 2019, form the basis for such Reformatted Consolidated Financial Information under IND AS</p>
Registered Office	M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Statutory Auditors/Auditors	The statutory auditors of our Company, being M/s Walker Chandiok & Co LLP, Chartered Accountants

Issue related terms

Term	Description
Abridged Prospectus	The memorandum containing the salient features of the Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to this Tranche II Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to this Tranche II Issue
Applicant/ Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus and the Application Form through ASBA process
Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Tranche II Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and Tranche II Prospectus
Application Amount	The aggregate value of the NCDs applied for as indicated in the Application Form for the Tranche II Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Draft Shelf Prospectus, Shelf Prospectus and this Tranche II Prospectus

Term	Description
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application”	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant
Banker(s) to the Issue	IndusInd Bank Limited and Axis Bank Limited
Base Issue	₹ 1,000 million
Basis of Allotment	Please refer to the chapter titled “ <i>Issue Procedure</i> ” on page 155 of this Tranche II Prospectus
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker Centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
CARE	CARE Ratings Limited
Category I Investor/ QIB	<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with minimum corpus of ₹ 250 million, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹ 5,000 million as per its last audited financial statements; and • Mutual Funds registered with SEBI
Category II Investor/ Corporate	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Societies registered under the applicable laws in India and authorised to invest in the NCDs; • Statutory Bodies/Corporations; • Co-operative bank and regional rural banks; • Public/ private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons

Term	Description
Category III Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1 million across all series of NCDs in Tranche II Issue
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1 million across all series of NCDs in Tranche II Issue
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations
Coupon/ Interest Rate	Please see the section titled “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Credit Rating Agencies	For the Tranche II Issue, the credit rating agencies, being CARE Ratings Limited and Brickwork Ratings India Private Limited
Debenture Trustee Agreement	The agreement dated January 17, 2019 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed entered into between the Debenture Trustee and our Company on March 7, 2019, as amended from time to time
Debenture Trustee/ Trustee	Debenture Trustee for the NCD Holders in this Tranche II Issue being IDBI Trusteeship Services Limited
Debt Application Circular	Circular No. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI
Debt Listing Agreement	The agreement entered into between the Company and the Stock Exchanges in connection with the listing of debt securities of our Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for this Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche II Prospectus and the Public Issue Account Agreement

Term	Description
Designated Intermediary(ies)	Collectively, the Lead Managers, the Members of Syndicate, agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Application Forms from the Applicants in the Tranche II Issue
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange
Designated Stock Exchange	BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the issue in dematerialized form. Please note that the applicants will not have the option to apply for NCDs under the Tranche II Issue, through direct online mechanism of the Stock Exchanges.
Draft Shelf Prospectus/ Draft Offer Document	The Draft Shelf Prospectus dated January 21, 2019 filed by our Company with the Designated Stock Exchange for receiving public comments in accordance with the provisions of the SEBI Debt Regulations and to SEBI for record purpose
Edelweiss	Edelweiss Financial Services Limited
FPI	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
ICRA	ICRA Limited
Interest/ Coupon Payment Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Issue	Public issue by our Company of NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 30,000 million (“ Shelf Limit ”) (“ Issue ”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for respective tranche issue (each a “ Tranche Issue ”), which should be read together with the Draft Shelf Prospectus and the Shelf Prospectus (collectively the “ Offer Documents ”)
Issue Agreement	Agreement dated January 21, 2019 executed between our Company and the Lead Managers
Lead Managers/ LMs	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited
Lead Brokers	Axis Capital Limited, A. K. Stockmart Private Limited, Edelweiss Securities Limited, RR Equity Brokers Private Limited, IIFL Securities Limited, Kotak Securities Limited, Integrated Enterprises (India) Private Limited, Trust Financial Consultancy Services Private Limited, Trust Securities Services Private Limited, Karvy Stock Broking Limited, HDFC Securities Limited, ICICI Securities Limited, JM Financial Services Limited, Tipsons Stock Brokers Private Limited and SMC Global Securities Limited
Lead Broker Agreement	Lead Broker Agreement dated April 15, 2019 entered into between the Company and Lead Brokers, as amended by the amendment agreement dated May 17, 2019
Market Lot	One NCD
Member of Syndicate/ Syndicate	Members of Syndicate includes Lead Managers and Lead Brokers
Members of the Syndicate Bidding Centres	Members of the Bidding Centres established for acceptance of Application Forms
NCDs	Secured redeemable non-convertible debentures of face value of ₹ 1,000 each
NCD Holder/ Debenture Holder(s)/ Bond Holder(s)	Holder of secured redeemable non-convertible debentures of face value of ₹ 1,000 each
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA.OCBs are not permitted to invest in this Tranche

Term	Description
	II Issue
Offer Document	The Draft Shelf Prospectus, Shelf Prospectus, Tranche II Prospectus, abridged prospectus and Application Form
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus
Public Issue Account Bank	IndusInd Bank Limited and Axis Bank Limited
Public Issue Account Agreement	Agreement dated April 15, 2019 entered amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof, as amended by the amendment agreement dated May 17, 2019
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days (as specified under Tranche II Prospectus) prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Bond Issue Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Redemption Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Redemption Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made
Refund Bank(s)	IndusInd Bank Limited
Register of Debenture Holders	The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registered Broker or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Registrar Agreement	Agreement dated January 18, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Series/ Options	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 134 of this Tranche II Prospectus
Security	The NCDs proposed to be issued will be secured by a first ranking <i>pari passu</i> charge on present and future receivables and current assets of the Issuer for the principal amount and accrued interest thereon. The NCDs will have an asset cover of one time on the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on <i>pari passu</i> or exclusive basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection, provided that a minimum security cover of one time on the principal amount and accrued interest thereon, is maintained
Self-Certified Syndicate Banks or SCsBs	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or

Term	Description
	at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Managers, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Shelf Limit	The aggregate limit of the Issue, being ₹ 30,000 million to be issued under the Draft Shelf Prospectus, the Shelf Prospectus and Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated January 30, 2019 was filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations. The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013
Specified Cities/Specified Locations	Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Member of Syndicate, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Stock Exchanges	BSE and NSE
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers and Designated Intermediaries
Syndicate ASBA	Applications through the Members of the Syndicate or the Designated Intermediaries
Syndicate Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I Capital means owned fund as reduced by investment in shares of other NBFC and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II capital	Tier II capital includes the following: <ul style="list-style-type: none"> (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non- deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock

Term	Description
	Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche I Issue	Public issue by Indiabulls Consumer Finance Limited of secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount of ₹ 2,500 million with an option to retain oversubscription up to ₹ 27,500 million aggregating up to 30,000,000 NCDs amounting to ₹ 30,000 million which is within the Shelf Limit of ₹ 30,000 million, through which ₹ 6,262.05 million was raised by our Company
Tranche I Prospectus	The Tranche I Prospectus dated January 30, 2019 issued by our Company containing, inter alia, the details of NCDs including interest, other terms and conditions in relation to the Tranche I Issue
Tranche II Issue	Public issue by Indiabulls Consumer Finance Limited, (“ Company ” or “ Issuer ”) of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“ NCDs ”) for an amount of ₹ 1,000 million (“ Base Issue ”) with an option to retain oversubscription up to ₹ 9,000 million aggregating up to 10,000,000 NCDs amounting to ₹ 10,000 million (“ Tranche II Issue Limit ”) (“ Tranche II Issue ”) which is within the Shelf Limit of ₹ 30,000 million
Tranche II Issue Closing Date	June 21, 2019
Tranche II Issue Opening Date	May 30, 2019
Tranche II Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II Issue Closing Date inclusive of both days of this Tranche II Prospectus and during which prospective Applicants may submit their Application Forms as specified in this Tranche II Prospectus
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, and any other information in respect of the relevant Tranche Issue
Tranche II Prospectus	This Tranche II Prospectus containing, inter alia, the details of NCDs including interest, other terms and conditions
Tripartite Agreements	Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL
Working Day(s)	Working Day means all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche II Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai, as per SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.
Wilful Defaulter	A person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting

Term/Abbreviation	Description/ Full Form
	one from the subsequent result
CDSL	Central Depository Services (India) Limited
Companies Act/ Act	The Companies Act, 1956 or the Companies Act 2013, to the extent notified by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended and replaced from time to time
Companies Act, 1956	Companies Act, 1956, as amended and as applicable
Companies Act, 2013	The Companies Act, 2013, as amended
CRAR	Capital to Risk-Weighted Assets Ratio
CRPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
ECB	External Commercial Borrowings
ECS	Electronic Clearing Scheme
ESOP	Employee Stock Option Plan
Depositories Act	Depositories Act, 1996
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
FCNR	Foreign Currency Non-Repatriable
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended
India	Republic of India
IND AS / Ind AS	Indian accounting standards (Ind AS) as per Indian Companies (Indian accounting standards) rules, 2015, as amended notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013
Indian GAAP	Accounting standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881, as amended
NPA	Non-Performing Assets
NRI or "Non-Resident"	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited

Term/Abbreviation	Description/ Full Form
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
QIP	Qualified Institutions Placement
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
WC DL	Working Capital Demand Loan

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
Adjusted CRAR	Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments)
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ALM	Asset Liability Management
AUM under Ind AS	Loan book as per Reformatted Financial Information under IND AS and includes loan assets sold under direct assignment
AUM as per Indian GAAP	Loan book as per Reformatted Financial Information under Indian GAAP
CAGR	Compounded Annual Growth Rate
CIBIL	Credit Information Bureau (India) Limited
ECB	External Commercial Borrowings
ECL	ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate
EMI	Equated monthly instalment
FSI	Floor Space Index
ICRA Research Report/ ICRA Report	Report on “Indian Retail Non-Banking Finance Market Overall demand drivers intact; access to funding to determine performance” dated June 2018 by ICRA Limited
KYC	Know Your Customer
LAP	Loan Against Property
Loan Book as per Ind AS / Loans excluding Impairment loss allowance	Aggregate of loan assets, accrued interest on loan assets, unamortized loan origination costs, less unamortized processing fee as determined under Ind AS
Loan Book as per Indian GAAP	Aggregate of loan assets (secured and unsecured which has been shown as part of short-term and long-term loans and advances)
LTV	Loan-to-value ratio
Net NPAs	Gross NPAs less provisions for NPAs
PMLA	Prevention of Money Laundering Act, 2002, as amended
ROE	Return on Equity
SCB	Scheduled Commercial Bank

Term/Abbreviation	Description/ Full Form
Stage 1 Asset	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under IND AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under IND AS
Stage 2 Asset	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under IND AS
Stage 2 Provision	Stage 2 provision are life time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under IND AS
Stage 3 Asset	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS
Stage 3 Provision	Stage 3 provision are life time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under IND AS
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade

Notwithstanding the foregoing:

1. *In the chapter titled “Issue Procedure” beginning on page 155 of this Tranche II Prospectus, defined terms have the meaning given to such terms in that section.*
2. *In the paragraph titled “Disclaimer Clause of NSE” and “Disclaimer Clause of BSE” beginning on page 123 of this Tranche II Prospectus in the chapter “Other Regulatory and Statutory Disclosures” beginning on page 122 of this Tranche II Prospectus, defined terms shall have the meaning given to such terms in those paragraphs.*

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Tranche II Prospectus to “*India*” are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Tranche II Prospectus are to the page numbers of this Tranche II Prospectus.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (“**IndAS**”). Accordingly, our Company’s financial statements as at and for the year ended March 31, 2019 has been prepared in accordance with IND AS. Unless otherwise stated, all numbers presented under Reformatted Financial Information under IND AS have been stated on standalone basis.

The Reformatted Financial Information, have been included in this Tranche II Prospectus. The report on the Reformatted Financial Information, as issued by the Statutory Auditors, M/s Walker Chandiok & Co LLP, Chartered Accountants, of our Company, are included in the Tranche II Prospectus in “*Annexure E*” on page 186 of this Tranche II Prospectus.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, the financial data for the financial year ended on March 31, 2019 is derived from the Reformatted Financial Information under IND AS used in this Tranche II Prospectus, and the financial data for the financial years ended on March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 is derived from the Reformatted Financial Information under Indian GAAP used in this Tranche II Prospectus and the financial data for the financial year ended March 31, 2018 under IND AS is derived from our Company’s audited standalone financial information.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche II Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche II Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche II Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

Currency and Unit of Presentation

In this Tranche II Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. Dollars” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Tranche II Prospectus, data will be given in ₹ in million.

Certain figures contained in the Shelf Prospectus and Tranche II Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, certain figures in decimals, including percentage figures, have been rounded off to two decimal points, and certain figures in decimals, including percentage figures, have been rounded off to one decimal point. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from

third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Any industry and market data used in this Tranche II Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including ICRA Research Report issued by ICRA, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche II Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche II Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In this Tranche II Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche II Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche II Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations and/or directions issued by the RBI in connection with NBFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in the Shelf Prospectus and Tranche II Prospectus, including under the chapter “*Risk Factors*” on page 16 of this Tranche II Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Our Business*” on page 85 of the Shelf Prospectus and page 73 of this Tranche II Prospectus and “*Outstanding Litigations and Defaults*” on page 146 of the Shelf Prospectus and page 118 of this Tranche II Prospectus. The forward-looking statements contained in this Tranche II Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Tranche II Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange(s).

SECTION II - INTRODUCTION

RISK FACTORS

Prospective investors should carefully consider all the information in this Tranche II Prospectus, including the risks and uncertainties described below, and under the section “Our Business” on page 73 of this Tranche II Prospectus and under “Annexure E” on page 186 of this Tranche II Prospectus, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations, cash flows and financial condition. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. If any of the following or any other risks actually occur, our business prospects, results of operations, cash flows and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to “our Company”, is a reference to Indiabulls Consumer Finance Limited. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Information.

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Tranche II Issue. You must rely on your examination of our Company and this Tranche II Issue, including the risks and uncertainties involved.

A. Risk Factors Relating to our Company

1. *Instability of global and Indian economies and banking sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company’s financial condition.*

The credit markets in India have faced significant volatility, dislocation and liquidity constraints since the autumn of this year. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies. Additionally, restructuring of assets under the newly enacted Insolvency and Bankruptcy Code, 2016, as amended, has also not yet resulted in significant recoveries by banks in India, amongst other lenders. Furthermore, there has been extreme volatility in the Indian equity markets and a sharp decline in the share prices of Indian finance companies including banks, housing finance companies and non-banking financial companies.

There can be no assurance that the current liquidity shortage in the Indian credit systems will materially improve in the near to medium term; and in some cases, at all. Additionally, if our Company were unable to rely on the capital markets as a source of funding, the scale and nature of its operation would be affected. If the measures adopted by the central government in conjunction with the RBI on November 19, 2018, in relation to easing of liquidity constraints, is not implemented or if other sources of short term funding including funding from the capital markets are not available, at a commercially viable spread or at all, our Company’s business, financial condition, results of operations, prospects and solvency, as well as the value of NCDs, could be materially adversely affected.

2. *High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance.*

Our Company's business comprises personal, business and other loans; and accordingly, our Company is subject to risks of customer default which includes default or delays in repayment of principal and/or

interest on the loans our Company provides to its customers. Additionally, we offer unsecured personal loans targeted at a wide range of customers that meet our eligibility criteria. Defaults or delays in repayment of loans, particularly unsecured loans, could materially impact our business, financial condition and results of operations. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our Company's control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates and changes in regulations. Any negative trends or financial difficulties affecting our Company's customers could increase the risk of their default. Customers could also be adversely affected by factors such as bankruptcy, lack of liquidity, lack of business and operational failure. If customers fail to repay loans in a timely manner or at all, our Company's financial condition and results of operations will be adversely impacted. To the extent our Company is not able to successfully manage the risks associated with lending to these customers, it may become difficult for our Company to make recoveries on these loans. In addition, our Company may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. An increase in delinquency rates could result in a reduction in our Company's total interest income (i.e., our Company's accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from its operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans, and make loan loss provisions as per applicable regulations. Our Company may also be required to make additional provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

Our Company has in the past faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by our Company. Our Company had in certain instances initiated legal proceedings to recover the dues from its delinquent customers. For further details in relation to litigations, see "*Outstanding Litigations and Defaults*" on page 146 of the Shelf Prospectus and page 118 of this Tranche II Prospectus. Customer defaults could also adversely affect our Company's levels of NPAs and provisions made for its NPAs, which could in turn adversely affect our Company's operations, cash flows and profitability. Our Company's gross NPAs as at March 31, 2018 and March 31, 2019 was ₹ 20.80 million and ₹ 841.30 million, respectively. As at March 31, 2019, our gross NPAs as a percentage of our AUM under Ind AS was 0.75%, and as at March 31, 2018, and March 31, 2017, our gross NPAs as a percentage of our AUM as per Indian GAAP was 0.01% and nil respectively. As at March 31, 2019, our net NPAs (which reflect our gross NPAs less provisions for NPAs, except counter-cyclical provision) as a percentage of our AUM under Ind AS was 0.24%, and as at March 31, 2018 and March 31, 2017, our net NPAs (which reflect our gross NPAs less provisions for NPAs, except counter-cyclical provision) as a percentage of our AUM as per Indian GAAP was 0.05% and nil, respectively.

Moreover, as our Company's loan portfolio as per IND AS matures, our Company may experience increased defaults in principal or interest repayments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its loan portfolio as per IND AS may deteriorate and its results of operations may be adversely affected. Our Company's Stage 3 Provision was ₹ 578.15 million as at March 31, 2019 and our Company's total provisions for its NPAs was ₹ 16.71 million in Fiscal 2018 and nil in Fiscal 2017, respectively, and its provisioning coverage ratio (i.e., Stage 3 Assets for which Stage 3 Provision had been created/ gross NPAs for which provisions had been created) was 69%, 75% and nil, respectively, during these periods, which may not be comparable to that of other similar financial institutions. Moreover, there can be no assurance that there will be no further deterioration in our Company's provisioning coverage ratio or that the percentage of NPAs that our Company will be able to recover will be similar to its past experience in recovering its NPAs. In the event of any further deterioration in the quality of our Company's loan portfolio as per IND AS, there could be further adverse impact on its results of operations. Defaults for a period of more than 90 days result in such loans being classified as "non-performing". If our Company is unable to effectively monitor credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of its loan portfolio as per IND AS, the proportion of NPAs in its loan portfolio as per IND AS could increase, which may, in turn, have a material adverse effect on our Company's business, financial condition, results of operation and future financial performance.

3. ***Our business has been growing consistently in the past. Any inability to manage and maintain our growth effectively may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

We have experienced consistent growth in our business in the past. Our revenue from operations was ₹ 6,540.85 million in Fiscal 2018 under Ind AS and our revenue from operations was ₹ 16,480.59 million in Fiscal 2019 under Ind AS, which resulted in growth in CAGR by 152%. Our profit after tax was ₹ 1,700.34 million in Fiscal 2018 under Ind AS and our profit after tax was ₹ 4,001.94 million in Fiscal 2019 under Ind AS, which resulted in growth in CAGR by 135%. Our AUM as per Ind AS was ₹ 40,175.28 million as of March 31, 2018 and our AUM under Ind AS was ₹ 112,277.31 million as of March 31, 2019, which resulted in growth in CAGR by 179%. Further, our revenue from operations and profit after tax as of March 31, 2019 was ₹ 16,480.59 million and ₹ 4,001.94 million, respectively. Our revenue from operations and profit after tax grew at a CAGR of 436.88% and 673.2%, respectively, from Fiscal 2017 to Fiscal 2019.

Our growth exposes us to a wide range of increased risks within India, including business risks, operational risks, fraud risks, regulatory and legal risks and the possibility that the quality of our AUM may decline. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth.

Our results of operations depend on a number of internal and external factors, including demand for finance in India, competition, our ability to expand geographically and diversify our product offerings and also significantly on our net interest income. Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Our business depends significantly on our marketing initiatives. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage its brand value. There can also be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Furthermore, any adverse publicity, about or loss of reputation of, our Company could negatively impact our results of operations.

If our Company grows its Loan Book too rapidly, or fails to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of the Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets and its business, prospects, financial condition and results of operations.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our AUM which may in turn have a material adverse effect on our business, results of operations, financial condition and cash flows.

4. *We, our Promoter and certain of our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.*

We are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations and these involve proceedings filed by and against our Company. We, our Promoter and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings and cases filed by us under the Negotiable Instruments Act. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, see "*Outstanding Litigations and Defaults*" on page 146 of the Shelf Prospectus and page 118 of this Tranche II Prospectus.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts

for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

5. *Our inability to maintain relationship with our top 20 customers or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.*

Our concentration of advances with our top 20 borrowers is 6.65% of our total advances as on March 31, 2019. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations. Moreover, failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/ or financial condition.

6. *We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.*

Our operations are particularly vulnerable to volatility and mismatch in interest rates. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability. If interest rates rise, some or all of our lenders may increase the interest rates at which we borrow resulting in an increase in our effective cost of funds. We may or may not be able to pass on the increased interest rates to our borrowers simultaneously with the increase in our borrowing rates, or at all, thereby affecting our net interest income. Further, an increase in interest rates may result in some of our borrowers prepaying their loans by arranging funds from other sources, thereby impacting our growth and profitability. Additionally, an increase in general interest rates in the economy could reduce the overall demand for finance and impact our growth. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations and financial condition. We may also face potential liquidity risks due to mismatch in the maturity of our assets and liabilities. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium-term funding sources such as bank loans, non-convertible debentures, commercial paper, cash credit or overdraft facilities. Our inability to obtain additional credit facilities or renew our existing credit facilities for matching tenure of our liabilities in a timely and cost effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

7. ***Our Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities and changes in the RBI's regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates could adversely affect its business.***

Our Company is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. It also has reporting obligations to the RBI. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business and financial performance. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs.

Our Company is also subject to corporate, taxation and other laws in force in India. These regulations are subject to frequent amendments and are dependent on government policy and there can be no assurance that any changes in the laws and regulations relating to the Indian financial services sector will not adversely impact our Company's business and results of operations. As a result of high costs of compliance, our Company's profitability may be affected. Further, if our Company is unable to comply with such regulatory requirements, its business and results of operations may be materially and adversely affected.

8. ***Our Company's inability to comply with observations made by the RBI or any adverse action by the RBI may have a material adverse effect on its business, financial condition and results of operations.***

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all NBFCs registered with it under the RBI Act. Our Company, being an NBFC-ND-SI, is subject to periodic inspection by the RBI under the provisions of the RBI Act, 1934 (the "RBI Act"), pursuant to which the RBI inspects the books of accounts of our Company and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which our Company may have failed to furnish when being called upon to do so. Any adverse action taken by the RBI pursuant to such inspections, or non-compliance by our Company with the RBI's observations, could materially and adversely affect our Company's business and operations.

9. ***Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition and results of operations.***

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, our Company is also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as an NBFC-ND-SI and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition and results of operation.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of

these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

10. *Our Company may not be able to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all and as a result, which could adversely affect its financial condition and results of operations.*

Our Company's secured AUM under Ind AS was ₹ 55,561.72 million as at March 31, 2019, which represented 49 per cent of the aggregate gross value of our Company's total AUM as per Ind AS, and our Company's secured AUM as per Indian GAAP was ₹ 18,792.65 million as at March 31, 2018, which represented 47 per cent, of the aggregate gross value of our Company's total AUM as per Indian GAAP as at March 31, 2018. Further our Company's secured Loan Book as per Indian GAAP as at March 31, 2017, was nil. Our Company's unsecured AUM under Ind AS was ₹ 56,715.59 million as at March 31, 2019, which represented 51 per cent of the aggregate gross value of our Company's total AUM as per Ind AS, and our Company's unsecured AUM as per Indian GAAP was ₹ 21,225.67 million as at March 31, 2018, which represented 53 per cent of the aggregate gross value of our Company's total AUM as per Indian GAAP as at March 31, 2018. Further, our Company's unsecured AUM as per Indian GAAP was ₹ 919.10 million as at March 31, 2017 and represented 100 per cent of the aggregate gross value of our Company's total AUM as per Indian GAAP as at March 31, 2017. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, our Company may not be able to recover the full value of the collateral for the loans provided by it within the expected timeframe or at all. Further, legal proceedings may have to be initiated by our Company in order to recover overdue payments on loans, and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our Company's cash flow.

The value of the security provided by the borrowers to our Company may be subject to a reduction in value on account of various reasons. While our Company's customers may provide alternative security to cover the shortfall, the realisable value of the security for the loans provided by our Company in the event of a liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of the outstanding credit obligations by our Company's customers may expose it to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to potential losses. Any such losses could adversely affect our Company's financial condition and results of operations. Furthermore, the process of litigation to enforce our Company's legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for our Company to recover amounts owed by defaulting customers in a timely manner or at all.

11. *Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.*

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our Company's funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as equity capital raised from our Promoter or through private equity investment. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, capital adequacy levels, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as equity capital raised from our Promoter or through private equity investment can disrupt its sources of funding, and as a consequence, could have a material adverse effect on our Company's liquidity and financial condition.

Out of our Company's total outstanding borrowing, comprising debt securities and borrowing other than debt securities, (including secured and unsecured debt) of ₹ 71,548.31 million as at March 31, 2019, an amount of ₹ 35,065.74 million will mature during the current financial year, as per Ind AS. Our Company's total outstanding borrowing (including secured and unsecured debt) was ₹ 31,301.57 million as at March 31, 2018 and nil as at March 31, 2017. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of a volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition.

12. *Our Company's significant indebtedness and the conditions and restrictions imposed by its financing arrangements could restrict its ability to conduct its business and operations in the manner our Company desires.*

As at March 31, 2019, our Company had outstanding secured borrowings, comprising debt securities and borrowing other than debt securities, of ₹ 59,296.31 million and unsecured borrowings, comprising debt securities and borrowing other than debt securities, of ₹ 12,252.00 million, each as per Ind AS.

Our Company will continue to incur additional indebtedness in the future. Most of our Company's secured borrowings are secured by pari passu charge on loan assets, cash and cash equivalents and its business receivables.

Certain of our Company's financing agreements also include certain conditions and covenants that require it to maintain certain financial ratios, maintain certain credit ratings and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant consequences on our Company's business and operations. Under certain of our Company's financing agreements, our Company requires, but may be unable to obtain, consents from the relevant lenders for, among others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose of any encumbered assets, or to amend its Memorandum of Association and Articles of Association. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that our Company may propose to take from time to time. For details relating to our Company's borrowings, please see "Financial Indebtedness" on page 108 of this Tranche II Prospectus.

13. *We are required to comply with various financial and other covenants under the loan agreements that we are a party to. If we are not in compliance with the covenants contained in such loan agreements, including obtaining the relevant consents from our lenders for this Tranche II Issue, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.*

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Tranche II Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets. Our Company has obtained consents from its lenders for undertaking this Tranche II Issue.

Undertaking the Tranche II Issue without lender consents constitutes a default by our Company under the relevant financing documents and will entitle the relevant lenders to call a default against our Company and to enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of security interests created under the financing documents, and taking possession of the assets given as security pursuant to the financing documents. An event of default would affect our Company's ability to raise new funds or renew borrowings as needed to conduct our operations and pursue our growth initiatives. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may have a material adverse effect on our Company's operations, financial position and credit rating.

Consequently, our Company may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of our Company's cash flow to meet its working capital requirements and use for other general corporate purposes. Further, we cannot assure you that our Company will have sufficient funds to meet its obligations with respect to the NCDs, including paying interest to the NCD holders or redeeming the NCDs in a timely manner. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts as they fall due.

14. *The financing industry is becoming increasingly competitive and our Company's growth will depend on its ability to compete effectively.*

The sector in which our Company operates in is highly competitive and our Company faces significant competition from banks and other NBFCs. Many of its competitors are large institutions, which may have larger customer base, funding sources, branch networks and capital compared to our Company. Certain of our Company's competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our Company's competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising branches as well as the related operational costs. As a result of this increased competition, loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector. This competition is likely to intensify further as a result of regulatory changes and liberalisation. These competitive pressures affect the industry in which our Company operates in as a whole, and our Company's future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance that our Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector.

15. *We, our Promoter and certain of our Directors are involved in certain legal and other proceedings and there can be no assurance that we, our Promoter and our Directors will be successful in any of these legal actions. In the event we are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.*

We, our Promoter and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings and cases filed by us under the Negotiable Instruments Act. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, see "Outstanding Litigations and Defaults" on page 146 of the Shelf Prospectus and page 118 of this Tranche II Prospectus.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts

for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

The office of Regional Director, Ministry of Corporate Affairs, had sought certain information / documents from our Promoter for its review, in terms of Section 206 (5) of the Companies Act, 2013. Basis its review, the office of the Regional Director has issued a preliminary findings letter, the reply to which has been submitted.

16. *Our Company may be exposed to fluctuations in the market values of its investment and other asset portfolio*

The financial markets' turmoil have adversely affected economic activity globally including India. Continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Further, the value of our Company's investments depends on several factors beyond its control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our Company's financial condition.

17. *Our Company may not be able to successfully sustain its growth rate. Our Company's inability to implement its growth strategy effectively could adversely affect its business and financial results.*

In recent years, our Company's growth has been fairly substantial. The AUM of our Company increased by 179%, from fiscal year 2018 to fiscal year 2019. Our Company's growth strategy includes growing our Company's personal Loan Book and retail customer base. There can be no assurance that our Company will be able to sustain its growth plan successfully or that our Company will be able to expand further or diversify its portfolio of products. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our Company's culture, values and entrepreneurial environment as well as developing and improving our Company's internal administrative infrastructure. Our Company also faces a number of operational risks in executing its growth strategy.

Our Company's ability to sustain its rate of growth also depends, to a large extent, upon its ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products which are relevant to its target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. Our Company will need to recruit new employees, who will have to be trained and integrated into our Company's operations. Our Company will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our Company's employees properly may result in an increase in employee attrition rate, a need to hire additional employees, an erosion in the quality of customer service, a diversion of the management's resources, an increase in our Company's exposure to high-risk credit and an increase in costs for our Company. If our Company grows its Loan Book too rapidly or fails to make proper assessments of credit risks associated with new customers, a higher percentage of our Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets and its financial condition. Our Company's inability to manage such growth could disrupt its business prospects, impact its financial condition and adversely affect its results of operations.

18. *Our Company's growth will depend on our Company's continued ability to access funds at competitive rates which is dependent on a number of factors including our Company's ability to maintain its credit ratings.*

As our Company is an NBFC-ND-SI in terms of applicable RBI regulations, its liquidity and ongoing profitability are primarily dependent upon its timely access to, and the costs associated with raising capital. Our Company's business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our Company's ability to obtain funds at competitive rates will depend on various factors including our Company's ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position and ability to meet its obligations. Thus, any downgrade of our Company's credit ratings would increase borrowing costs and constrain its access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our Company's ability to access the debt capital markets. As a result,

this would negatively affect our Company's net interest margin and its business. In addition, any downgrade of our Company's credit ratings could increase the possibility of additional terms and conditions being imposed on any additional financing or refinancing arrangements in the future. Any downgrade of our Company's credit ratings could also accelerate the repayment of certain of our Company's borrowings in accordance with the applicable covenants of its borrowing arrangements. Any such adverse development could adversely affect our Company's business, financial condition and results of operations.

As an NBFC, our Company also faces certain restrictions on its ability to raise money from international markets which may further constrain its ability to raise funds at attractive rates. While our Company's borrowing costs have been competitive in the past due to its ability to raise debt products, credit rating and our Company's asset portfolio, our Company may not be able to offer similar competitive interest rates for its loans if our Company is unable to access funds at an effective cost that is comparable to or lower than its competitors. This may adversely impact our Company's business and results of operations.

19. *Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business and results of operations and may correspondingly adversely affect our goodwill, operations and profitability.*

As on the date of this Tranche II Prospectus, our Promoter holds 100% of our paid up share capital. Our Company is dependent on the goodwill and brand name of the Indiabulls. Our Company believes that this goodwill contributes significantly to its business. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. There can be no assurance that the "Indiabulls" brand, which our Company believes is a well recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company's control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source.

If our Promoter ceases to exercise control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Indiabulls" and our goodwill as a part of the Indiabulls group of companies may be adversely affected, which in turn could adversely affect our business and results of operations.

In the event Indiabulls Ventures group is unable to maintain the quality of its services or its goodwill deteriorates, our Company's business and results of operations may be adversely affected. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

Any disassociation of our Company from the Indiabulls Ventures group and/or our inability to have access to the infrastructure provided by other companies in the Indiabulls Ventures group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

20. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.*

The RBI vide its notification no. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 ("Notification") has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks exposure limits on any single NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds (15% for on-lending to infrastructure sector). Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

21. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

22. Our Company may face asset-liability mismatches which could affect its liquidity and consequently may adversely affect our Company's operations and profitability.

A significant portion of our Company's funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper. However, a significant portion of our Company's assets (such as loans to its customers) have maturities with longer terms than its borrowings. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. Our Company's inability to obtain additional credit facilities or renew its existing credit facilities in a timely and cost-effective manner to meet its maturing liabilities, or at all, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company's liquidity position, and in turn, its operations and financial performance.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities. As is typical for NBFCs, we maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitization and equity issuances.

Our liquidity position may be adversely affected and we may be required to pay higher interest rates in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

In accordance with the Reserve Bank of India ("RBI") guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

The following table describes the ALM of our Company as on March 31, 2019:

	(₹ in million)								
	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances	3,705.63	3,901.10	3,965.09	11,977.81	22,290.07	50,596.41	9,181.03	712.92	1,06,330.06
Investments	2,641.54	3,124.80	Nil	Nil	Nil	Nil	Nil	357.04	6,123.38
Foreign Currency assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Borrowings	1,493.98	7,553.39	3,768.29	16,377.29	5,872.79	22,244.56	14,165.20	72.81	71,548.31
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

23. ***Our Company's inability to recover the amounts due from customers to whom it has provided unsecured loans in a timely manner, or at all, and its customer's failure to comply with applicable statutory or regulatory requirements in relation to such loans could adversely affect our Company's operations and profitability.***

Our Company's AUM, as on March 31, 2019, includes secured and unsecured loans which constitutes 49% and 51%, respectively, of our Company's AUM. Since these loans are unsecured, in the event of defaults by such customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company. Furthermore, our Company's structured collateralised credit products generally do not contain restrictions on the purpose for which the loans are given. As a result, its customer may utilise such loans for various purposes which are often incapable of being monitored on a regular basis, or at all.

24. ***A decline in our Company's capital adequacy ratio could restrict its future business growth.***

Our Company's capital adequacy ratio computed on the basis of the applicable RBI norms was 37.7%, 33.52% and 90.03%, as at March 31, 2019, March 31, 2018 and March 31, 2017, respectively, with Tier I Capital comprising 37.12%, 33.25% and 88.92%, as at March 31, 2019, March 31, 2018 and March 31, 2017, respectively. The Tier II Capital comprises of 0.58%, 0.27% and 1.11% as at March 31, 2019, March 31, 2018 and March 31, 2017. If our Company continues to grow its loan portfolio and asset base, it will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

25. ***Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.***

Our business and operations largely depend on the continued services and performance of our senior management and other key employees and our ability to attract and retain such personnel. Considering the compact nature of our management team, our ability to identify, recruit and retain our employees is critical. As common to the non-banking finance industry we also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which we lend. There is significant competition in India for such personnel, and it may be difficult to attract, adequately compensate and retain personnel we need in the future. Inability to attract and retain appropriate and adequate managerial personnel, or the loss of key personnel could adversely affect our business, prospects, results of operations, financial condition. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition. Further, we also do not maintain any key man insurance policies, and as a result, we may be unable to compensate for the loss of service of our key personnel.

26. ***Our Company's obligation to employees' defined benefit plan is not limited to the amount that it agrees to contribute to the fund as the liability of gratuity is recognized on the basis of actuarial valuation.***

Our Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of gratuity is recognized on the basis of actuarial valuation. The liability of the plan will increase with actual salary increases of employees as it will increase the rate assumption in future valuations. Reduction in discount rate in subsequent valuations can also increase the plan's liability. If the plan is funded, then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the

liability. Actual deaths & disability cases proving lower or higher than assumed in the valuation and actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

27. *We introduce new products for our customers and there is no assurance that our new products will be profitable in the future.*

We introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

28. *The new bankruptcy code in India may affect our rights to recover loans from borrowers.*

The Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

29. *Our Company's success depends, to a large extent, upon its management team and key personnel and its ability to attract, train and retain such persons. Our Company's inability to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on its business and future financial performance.*

Our Company's ability to sustain the rate of growth depends significantly on selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Our Company faces a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which it lends. There is significant competition in India for such personnel, which has increased in recent years as a significant number of banks, NBFCs have recently commenced operations. If our Company is unable to hire additional qualified personnel or to retain them, our Company's ability to expand its business may be impaired. Our Company will need to recruit new employees who will have to be trained and integrated within our Company's operations. In addition, our Company will have to train existing employees to adhere

to internal controls and risk management procedures. Failure to train and motivate its employees properly may result in an increase in employee attrition rate, a requirement to hire additional employees, an erosion of the quality of customer service, a diversion in the management's resources, an increase in its exposure to high-risk credit and an increase in costs for our Company. Hiring and retaining qualified and skilled managers are critical to our Company's future as its business model depends on its credit-appraisal and asset valuation mechanism which are personnel-driven. Moreover, competition for experienced employees can be intense, and has intensified in the recent financial periods. While our Company has an incentive structure, our Company's inability to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our Company's business and future financial performance.

30. *A failure or inadequacy or security breach in our Company's information technology and telecommunication systems or its inability to adapt to rapid technological changes may adversely affect its business, results of operation and financial condition.*

Our Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including its ability to process a large number of transactions on a daily basis. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's financial, accounting or other data processing systems and management information systems or its corporate website may fail to operate adequately or become disabled as a result of events that may be beyond its control, including a disruption of electrical or communications services. Further, the information available to and received by our Company's management through its existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in its operations. If any of these systems are disabled or if there are other shortcomings or failures in our Company's internal processes or systems, it may disrupt our Company's business or impact its operational efficiencies, and render it liable to regulatory intervention or damage to its reputation. The occurrence of any such events may adversely affect our Company's business, results of operations and financial condition.

Our Company is dependent on various external vendors for the implementation of certain elements of its operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. Our Company is, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our Company's external vendors or service providers could materially and adversely affect its business, results of operations and cash flows.

In addition, the future success of our Company's business will depend in part on its ability to respond to technological advances and to emerging financing industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will successfully implement new technologies effectively or adapt its technology and systems to meet customer requirements or emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its financial condition could be adversely affected. Any technical failures associated with its information technology systems or network infrastructure, including those caused by power failures and other unauthorised tampering, may cause interruptions or delays in our Company's ability to provide services to its customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

31. *Our Company is exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our Company's results of operations and financial position.*

Our Company is exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee and third party outsourced contractor errors. Our Company

attempts to mitigate operational risk by maintaining a comprehensive system of internal and external controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees and marketing partners with continuous training. Any failure to mitigate such risks may adversely affect our Company's business and results of operations.

In addition, some of our Company's transactions expose it to the risk of misappropriation or unauthorised transactions by its employees and fraud by its employees, agents, customers or third parties. Our Company's insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases which may adversely affect our Company's operations and profitability. Furthermore, our Company may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by its representatives, marketing partners, outsourced contractors and employees which could adversely affect its goodwill. In addition, some of our Company's collaterals which were provided for the loans may not be adequately insured and this may expose our Company to a loss of value for the collateral. As a result, our Company may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our Company's profitability and business operations.

32. *Our Company's insurance coverage may not adequately protect our Company against losses which could adversely affect our Company's business, financial condition and results of operations.*

Our Company maintains insurance coverage that our Company believes is adequate for its operations. Our Company's insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. However, our Company cannot assure you that the terms of its insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Any successful assertion of one or more large claims against our Company that exceeds our Company's available insurance coverage or changes in our Company's insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our Company's business, financial condition and results of operations.

33. *We do not own a majority of our branch offices including our registered office and corporate offices. Any termination or failure on our part to renew our lease/rent Agreements in a favourable, timely manner, or at all, could adversely affect our business and results of operations. Moreover many of the lease/rent agreements entered into by our Company may not be duly registered or adequately stamped.*

Most of our branch offices including our registered office and corporate offices are located on leased/rented premises. Some of the lease/rent agreements may have expired and we maybe currently involved in negotiations for the renewal of these lease/rent agreements. If these lease/rent agreements are not renewed or renewed on terms unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations.

Further, most of our lease/rent agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may in-turn result in an adverse effect on the continuance of the operations and business of our Company.

34. *Our Company's ability to assess, monitor and manage risks inherent in our Company's business differs from the standards of some of its counterparts.*

Our Company is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our Company's risk management is limited by the quality and timeliness of available data. Our Company's hedging strategies and other risk management techniques may not be fully effective in mitigating its risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk

management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although our Company has established these policies and procedures, they may not be fully effective.

Our Company's future success will depend, in part, on our Company's ability to respond to new technological advances and emerging market standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will be able to successfully implement new technologies or adapt its transaction processing systems in accordance with the requirements of customers or emerging market standards.

35. *If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see “*Our Business – Liability Management*” and “*Our Business – Risk Management*” on page 82 of this Tranche II Prospectus. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See “- *High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance*” on page 16 of this Tranche II Prospectus.

36. *Our Company's business is dependent on relationships established through its branches with its clients. Any events that harm these relationships including closure of branches or the loss of our Company's key personnel or employees may lead to a decline in our Company's revenue and profits. Further, our Company's results of operations could be adversely affected in the event of any disputes with its employees.*

Our Company's business is dependent on the key personnel and employees who directly manage client relationships. Our Company encourages dedicated personnel to service specific clients since our Company believes that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel or employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either becomes ineffective or leaves the organisation. As a result, there may be an adverse effect on our Company's business and profits.

Currently, none of our Company's employees are members of any labour union. While our Company believes that our Company maintains good relationships with its employees, there can be no assurance that our Company will not experience future disruptions to its operations due to disputes or other problems with its work force which may adversely affect our Company's business and results of operations.

37. *Significant fraud, system failure or calamities could adversely impact our Company's business.*

Our Company seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our Company's computer systems and network infrastructure. Our Company employs security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although our Company intends to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our Company's business and its future financial performance. Although our Company takes adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds. Furthermore, our Company is exposed to many types of operational risks, including the risk of fraud or other misconduct by its employees and unauthorised transactions by its employees. Our Company's reputation may be adversely affected by significant frauds committed by its employees, customers or outsiders.

38. *Our Company's reliance on any misleading or misrepresented information provided by potential customers or counterparties or an inaccurate credit appraisal by our Company's employees may affect its credit judgments, as well as the value of and title to the collateral, which may adversely affect its reputation, business and results of operations.*

In deciding whether to extend credit or enter into other transactions with customers and counterparties, our Company may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. Our Company may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, our Company may rely on reports of the independent auditors in relation to the financial statements. For example, in deciding whether to extend credit, our Company may assume that a customer's audited financial statements conform to GAAP and the financial condition, results of operations and cash flows of the customer are presented fairly in all material respects. Our Company's financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with GAAP or other information that may be materially misleading. Moreover, our Company has implemented Know Your Customer ("KYC") checklist and other measures to prevent money laundering. There can be no assurance that information furnished to our Company by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our Company's reliance on such information may affect its judgement of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in our Company having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our Company's reputation, business and results of operations may be adversely affected.

Our Company may also be affected by the failure of its employees to adhere to the internal procedures and an inaccurate appraisal of the credit or financial worth of its clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our Company's books of accounts. In the event our Company is unable to mitigate the risks that arise out of such lapses, our Company's business and results of operations may be adversely affected.

39. *Our Company may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.*

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our Company, in the course of its operations, runs the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although our Company believes that it has adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that our Company will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. Our Company, in certain of its activities and in pursuit of its business, runs the risk of inadvertently offering its financial products and services ignoring customer suitability and appropriateness

despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our Company's business and reputation.

40. *Our Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products in each of its branches.*

Our Company continues to evaluate attractive growth opportunities to expand its business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our Company's current markets and our Company's experience in its current markets may not be applicable to these new markets. In addition, as our Company enters new markets and geographical regions, our Company is likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers.

Our Company's business may be exposed to various additional challenges including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom our Company may have no previous working relationship, successfully gauging market conditions in the local markets in which our Company has no previous familiarity, attracting potential customers in a market in which our Company does not have significant experience or visibility, being susceptible to local taxation in additional geographical areas in India and adapting our Company's marketing strategy and operations to the different regions of India in which different languages are spoken. Our Company's inability to expand its current operations may adversely affect its business prospects, financial conditions and results of operations.

41. *The SMEs to which our Company provides loans may not perform as expected and our Company may not be able to control the non-performance of such businesses.*

Our Company provides loans to select growing SMEs which obtain loans against their assets and profits made by them. Our Company does not manage, operate or control such businesses or entities. Further, our Company has no control over those businesses' functions or operations. As a result, such businesses may make business, financial or management decisions which our Company does not agree or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our Company's best interests. The repayment of the loans extended to such businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our Company's customers may lead to significant losses and affect their ability to repay our Company's loans. Consequently, this may adversely affect our Company's financial performance.

42. *Our Company has entered into related party transactions and may continue to enter into related party transactions which may involve conflict of interest.*

Our Company has entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between our Company and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company's favour. For further details, please refer to statement of related party transactions in "*Index to Financial Statements*".

43. *Our Company's Promoter, Directors and related entities have interests in a number of entities which are in businesses similar to our Company's business and this may result in potential conflicts of interest with our Company.*

Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Company's Promoter, Directors and related entities have interests in various entities that are engaged in businesses similar to our Company. Commercial transactions in the future between our

Company and related parties may result in conflicting interests. A conflict of interest may occur directly or indirectly between our Company's business and the business of our Company's Promoter which could have an adverse effect on our Company's operations. Conflicts of interest may also arise out of common business objectives shared by our Company, our Company's Promoter, Directors and their related entities. Our Company's Promoter, Directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our Company. Our Company cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

44. *We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business.*

Our Company has obtained registrations for its trademarks, namely, "Dhani" and "Dhani. Phone Se Loan" for the mobile application based lending business. However, we may not be able to prohibit the use of our intellectual property by any third party and may, in the future, face claims and legal actions by third parties that may use, or dispute our right to use, the logos and brand names under which our business currently operates. We may be required to resort to legal action to protect our logos and brand names. Any adverse outcome in such legal proceedings may impact our ability to use our logos, brand names and other intellectual property in the manner in which such intellectual property is currently used or at all, which can have a material adverse effect on our business and our financial condition.

Additionally, the Indiabulls brand that we operate under is shared between members of the Indiabulls Ventures group of companies, a diversified set of businesses in the financial services, real estate and securities sector. We have not, in the past, entered into, or do not currently have agreements to share this brand. Accordingly, we will have no recourse if we are restricted to use such trademark in the future, which could materially affect our reputation, business and results of operations.

45. *Our Company is subject to new accounting standards from April 1, 2018*

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Rules 2015 on February 16, 2015. The MCA, via its notification dated March 30, 2016, requires NBFCs having a net worth of ₹ 5,000 million or more as of March 31, 2016, to comply with Indian Accounting Standards ("Ind AS") for accounting periods beginning on or after April 1, 2018. The financial statements for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards as notified by Ministry of Corporate Affairs ("MCA") under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

46. *Significant differences exist between Indian GAAP and IND AS used to prepare our Company's financial statements and other accounting principles, such as IFRS, with which investors may be more familiar.*

Our Company's Reformatted Financial Information under IND AS for the year ended March 31, 2019 and Reformatted Financial Information as per Indian GAAP for the years ended March 31 2018, March 31 2017, March 31 2016 and March 31 2015 as included in the Tranche II Prospectus have been prepared in conformity with IND AS and Indian GAAP, respectively. Indian GAAP differs in certain significant respects from IND AS and other accounting principles and standards. The significant accounting policies applied in the preparation of its Indian GAAP Reformatted Financial Information are set forth in the notes to the Reformatted Financial Information included in the Shelf Prospectus. Prospective investors should review the accounting policies applied in the preparation of our Company's financial statements summarised in the section "Index to Financial Statements" and "Summary of Significant Differences between Indian GAAP and IND AS" in the Shelf Propsectus, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Accordingly, the degree to which the financial statements included in the Tranche II Prospectus will provide meaningful information is entirely dependent on the investor's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Tranche II Prospectus should accordingly be limited.

47. *Certain facts and statistics are derived from publications not independently verified by our Company, the Lead Managers or their respective advisors.*

The information in the section titled "*Industry Overview*" of the Shelf Prospectus has been derived from the report titled "Indian Retail Non-Banking Finance Market Update – Overall demand drivers intact; access to funding to determine performance" by ICRA Limited ", provided by ICRA. While our Company has taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by our Company, the Lead Managers or their respective advisors and, therefore, they make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics in the Shelf Prospectus may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

- 48. *We rely on direct selling agents (DSAs) to sell our products across the country. These DSAs may not perform their obligations satisfactorily or in compliance with law or may be part of unlawful/unethical behavior which may adversely affect the business and reputation of our Company.***

We enter into direct selling arrangements with DSAs for the purpose of marketing and selling our products across India. Although adequate due diligence is conducted before entering into any DSA arrangement with any person, we cannot guarantee that there shall be no disruptions in the provision of their services to our Company or that these DSAs will adhere to their contractual obligations. If there is a disruption in the services of these DSAs, or if the DSAs discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute between our Company and the DSAs, we cannot assure you that the terms of the agreements/arrangements entered into with the DSAs will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with other DSAs, may materially and adversely affect our business, financial condition and results of operations. Further, our DSAs or the personnel they employ may be engaged in unethical or unlawful behaviour or they may misrepresent or mis-sell our products and services. Due to this, we may also suffer from reputational and legal risks and these actions may materially and adversely affect our business, financial condition and results of operations.

- 49. *We may be required to bear additional tax liability for previous assessment years, which could adversely affect our financial condition.***

According to extant guidelines from the RBI, an NBFC is not permitted to recognise income if the amount due in respect of a loan has not been paid by the borrower for 90 days or more and such amount is considered an NPA. However, under section 43D read with rule 6EB of the Income Tax Rules, the definition of an NPA under the Income Tax Act is different from that provided by extant guidelines of the RBI in force at present.

While we have been following the guidelines of the RBI on income recognition, if the interpretation of the income tax department is different to ours, we may be required to bear additional tax liabilities for previous assessment years, as well as an increased tax liability in the future as a result of our income being recognised by the income tax department at a higher level than the income offered for taxation under the guidelines set out by the RBI.

- 50. *Certain of our documents may bear higher stamp duty than we have paid and as a result, our cash flows and results of operations may be adversely affected.***

In relation to assignment/ securitisation transactions executed by us in relation to our AUM, we have entered into certain documentation, wherein we have, in accordance with industry practice, agreed to bear all costs in relation to stamp duty payable in respect of the assignment/ securitisation documents. Most of these transactions involve loans (and underlying mortgages) situated across India, and not just the jurisdiction where the documents in relation to the assignment/ securitisation are stamped. If any of the transaction documents in relation to these assignment/ securitisation transactions, are for any reason, taken out of the state in which stamp duty has been paid, including for registration of the same in the state where the underlying property is situated, there may be an additional stamp duty implication us, to the extent of the difference between the stamp duty payable in such state and the stamp duty already paid. Any such liability may have a financial impact on our cash flows and results of operations.

51. ***Our lending operations involve cash collection which may be susceptible to loss or misappropriation or fraud by our employees. This may adversely affect our business, operations and ability to recruit and retain employees.***

Our lending and collection operations involve handling of cash, including collections of instalment repayments in cash in certain cases. Cash collection exposes us to risk of loss, fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorised transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. In addition, given the high volume of transactions involving cash processed by us, certain instance of fraud and misconduct by our employees or representatives may go unnoticed for some time before they are identified and corrective actions are taken. Even when we identify instance of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. While we have internal control in place to minimise the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

In addition to the above, our employees operating in remote areas may be required to transport cash due to lack of local banking facility. In the event of any adverse incident, our ability to continue operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our growth and expansion. In addition, if we determine that certain areas of India pose a significantly higher risk or crime or instability, our ability to operate in such areas will be adversely affected.

52. ***We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.***

We enter into outsourcing arrangements with third party vendors for a number of services required by us. These vendors provide services, which include, among others, software services and client sourcing. Though adequate due diligence is conducted before finalizing such outsourcing arrangements, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. We may also suffer from reputational and legal risks if our third-party service providers act unethically or unlawfully or misrepresent or mis-sell our products and services, which could materially and adversely affect our business, financial condition and results of operations.

B. External Risks

1. ***A slowdown in economic growth in India may adversely affect our business and results of operations.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

2. ***If inflation were to rise significantly in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.***

As per RBI's April bimonthly report of 2019, retail inflation, measured by year on year change in the consumer price index, rose to 2.6 per cent in February after four months of continuous decline. The uptick in inflation was driven by an increase in prices of items excluding food and fuel and weaker momentum of deflation in the food group. However, inflation in the fuel group collapsed to its lowest print in the new all India CPI series. Within the food group, deflation in four sub-groups – vegetables, sugar, pulses and fruits – continued in February. CPI inflation excluding food and fuel declined to 5.2 per cent in January 2019, but rose to 5.4 per cent in February 2019, driven by a broad-based pick-up in inflation in the personal care and effects, and recreation and amusement sub-groups.

Inflation expectations, measured by the Reserve Bank's survey of households, declined in the February round over the previous round by 40 basis points each for the three months ahead and for the one year ahead horizons.

Taking into consideration these factors and assuming a normal monsoon in 2019, the path of CPI inflation has been revised downwards to 2.4 per cent in Q4:2018-19, 2.9-3.0 per cent in H1:2019-20 and 3.5-3.8 per cent in H2:2019-20, with risks broadly balanced, according to the RBI. In case inflation increases in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial conditions.

3. ***Our business and activities may be affected by the recent amendments to the Companies Act, 2013.***

The Companies (Amendment) Act, 2017 (the "Amendment Act") (post approval of both houses of the Parliament of India) received the assent of the President of India on January 3, 2018. The provisions of the Amendment Act, which proposes to introduce significant changes to the Companies Act, 2013, shall come into force on such date as notified by the Central Government. While, certain provisions of the Amendment Act have been notified, the remaining provisions are yet to be notified and may be notified and brought into force by the Central Government in the future. The provisions of the Amendment Act may have an adverse impact on the business and activities of our Company. However, at this juncture it is unclear as to how the provisions of the Amendment Act would be implemented and hence, we cannot ascertain the impact the Amendment Act could have on our business and activities

4. ***Our business and activities may be affected by competition law in India.***

The Competition Act, 2002 was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, our business, financial condition and results of operations may be materially and adversely affected.

5. *Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increase in tax rates could adversely affect our business and results of operations.*

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and a health and education cess on the tax and the surcharge, is currently upto 34.94%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

There can be no assurance that our Company will pay adequate stamp duty as levied in all states where our Company functions or pay any stamp duty altogether, which may result in additional duty being levied on our Company and our Company getting exposed to statutory liabilities, which may have an adverse impact on our financial position and our reputation.

6. *Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.*

Civil unrest, acts of violence including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

7. *Financial difficulty and other problems in certain financial institutions in India could adversely affect our business, results of operations and financial condition.*

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

8. *Financial instability in other countries could disrupt our business.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial

disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

9. *Any downgrading of India's debt rating by an international rating agency could adversely affect our business, results of operations and financial condition.*

In November 2017, Moody's Investor Service upgraded the Indian Sovereign Rating from Baa3 (stable) to Baa2 (positive). The rating upgrade by Moody's was the first in 14 years.

In 2017, Standard & Poor's retained India's sovereign rating with a stable outlook. While both Moody's and Standard & Poor's have taken a favourable view of the economic growth, Government reforms including fiscal consolidation, yet Standard & Poor's has also highlighted that the ratings were constrained by fiscal deficit, high government debt and low wealth levels with GDP per capita estimated to be US\$ 2,000 in 2017.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, results of operations and financial condition.

10. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.*

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, our future financial performance, our results of operations and financial condition.

11. *Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.*

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

12. *An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could adversely affect our business.*

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on our business.

C. Risks pertaining to this Tranche II Issue

1. *If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to the Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.*

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act, 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of the debentures outstanding as on the date, issued through public issue as per present SEBI Debt regulations. Accordingly, if we are

unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the debentures outstanding as on the date. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely: (i) in deposits with any scheduled bank, free from any charge or lien; (ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; and (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to the Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

2. *Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.*

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement, delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

3. *Changes in interest rates may affect the price of our NCDs.*

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

4. *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.*

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

5. *There is no assurance that the NCDs issued pursuant to this Tranche II Issue will be listed on Stock Exchanges in a timely manner, or at all.*

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Tranche II Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not

granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Shelf Prospectus.

There is no assurance that the NCDs issued pursuant to this Tranche II Issue will be listed on Stock Exchanges in a timely manner, or at all.

6. *Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.*

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank *pari passu* with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

7. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.*

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

8. *You may be subject to taxes arising on the sale of the NCDs.*

Sales of NCDs by any holder may give rise to tax liability, as discussed in "Statement of Tax Benefits" on page 62 of this Tranche II Prospectus.

9. *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.*

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

10. *The fund requirement and deployment mentioned in the Objects of the Tranche II Issue have not been appraised by any bank or financial institution*

We intend to use the proceeds of the Tranche II Issue, after meeting the expenditures of and related to the Tranche II Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, see "Objects of the Tranche II Issue" on page 59 of this Tranche II Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Tranche II Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Tranche II Issue.

11. *There may be a delay in making refund to Applicants.*

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of this Tranche II Issue, or (iii) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

GENERAL INFORMATION

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC, dated October 27, 1994. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. Pursuant to a resolution passed in the extraordinary general meeting of our shareholders held on October 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 2015, our Company was converted into a public limited company. Subsequently, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number 14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Subsequently, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 2, 2018.

Registered Office

M-62 & 63, First Floor
Connaught Place
New Delhi – 110001
Telephone No.: +91 11 3025 2900
Facsimile No.: +91 11 3015 6901
Website: www.indiabullsconsumerfinance.com

Corporate Office(s)

Indiabulls House
Indiabulls Finance Centre
Senapati Bapat Marg
Elphinstone Road
Mumbai – 400 013
Telephone No.: + 91 22 6189 1000
Facsimile No.: +91 22 6189 1421
Website: www.indiabullsconsumerfinance.com

Plot No. 249 D & E,
Udyog Vihar, Phase – IV,
Tower A, Gurugram – 122 016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
Website: www.indiabullsconsumerfinance.com

Registration No.: 062407
PAN No.: AAACM0725H
LEI No.: 335800YXCG6WPXZ8L358

Corporate Identification Number: U74899DL1994PLC062407

Registrar of Companies, National Capital Territory of Delhi and Haryana

Registrar of Companies
NCT of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019
Telephone No.: + 91 11 2623 5703, + 91 11 2623 5708
Facsimile No.: + 91 11 2623 5702
E-mail: roc.delhi@mca.gov.in

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number 14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from Shivshakti Financial Services Limited to IVL Finance Limited, we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Subsequently, upon change of name of our Company from IVL Finance Limited to Indiabulls Consumer Finance Limited, we were issued a fresh certificate of registration registration having registration number B-14.00909 dated November 2, 2018 in lieu of the earlier certificate.

Chief Financial Officer:

The details of our Chief Financial Officer are set out below:

Mr. Rajeev Lochan Agrawal
Chief Financial Officer

Indiabulls Consumer Finance Limited
Plot No. 249 D & E, Udyog Vihar
Phase – IV, Tower - A
Gurugram - 122 016
Telephone No.: + 91 124 668 5900
Facsimile No.: + 91 124 668 1240
Email: rajagrawal@indiabulls.com

Compliance Officer and Company Secretary

The details of the person appointed to act as Compliance Officer for the purposes of this Tranche II Issue are set out below:

Mr. Manish Rustagi
Company Secretary & Compliance Officer

Indiabulls Consumer Finance Limited
Plot No. 249 D & E, Udyog Vihar
Phase – IV, Tower - A
Gurugram - 122 016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
E-mail: mrustagi@indiabulls.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers, etc.

All grievances relating to the Tranche II Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate or Trading Members of the Stock Exchange where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs

applied for, amount blocked on Application and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the online Stock Exchanges mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai – 400 098
Maharashtra, India
Telephone No.: +91 22 4086 3535
Facsimile No.: +91 22 4086 3610
Email: icfl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi/ Mr. Mandeep Singh
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

A.K. Capital Services Limited

30-38, Free Press House 3rd Floor,
Free Press Journal Marg 215
Nariman Point
Mumbai 400 021
Telephone No.: +91 22 6754 6500
Facsimile No.: +91 22 6610 0594
Email: icflncd2019@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/ Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Axis Bank Limited

Axis House, 8th Floor, C-2,
Wadia International Centre, P.B. Marg
Worli
Mumbai – 400 025, Maharashtra, India
Telephone No.: +91 22 6604 3293
Facsimile No.: +91 22 2425 3800
Email: icfl.2019@axisbank.com
Investor Grievance Email:
investor.grievance@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
SEBI Registration No.: INM000006104
Compliance Officer: Mr. Sharad Sawant
CIN: L65110GJ1993PLC020769

Trust Investment Advisors Private Limited

109/110, Balarama
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051, Maharashtra, India
Telephone No.: +91 22 4084 5000
Facsimile No.: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Vikram Thirani
SEBI Registration No.: INM000011120
Compliance Officer: Mr. Ankur Jain
CIN: U67190MH2006PTC162464

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, 17, R. Kamani Marg,
Ballard Estate, Mumbai – 400 001
Telephone No.: +91 22 40807018
Facsimile No.: +91 22 66311776
Email: anjalee@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Ms. Anjalee Athalye
Compliance Officer: Mr. Jatin Bhatt
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated January 16, 2019 and its letter dated April 4, 2019, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see “Annexure – C”.

All the rights and remedies of the NCD Holders under this Tranche II Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Tranche II Issue without having it referred to the NCD Holders. All investors under this Tranche II Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Tranche II Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see “*Issue Related Information*” on page 134 of this Tranche II Prospectus.

Registrar

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)***

Karvy Selenium, Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana – 500 032
Telephone No.: +91 40 6716 2222
Facsimile No.: +91 40 2343 1551
Email: icfl.ncd2@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

****The SEBI registration no. is currently under the name of Karvy Computershare Private Limited. Karvy Fintech Private Limited has filed an application with SEBI for obtaining registration under its name, which is currently pending.*

Karvy Fintech Private Limited has by its letter dated January 17, 2019 and its letter dated April 9, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit etc. All grievances relating to the Tranche II Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant (“DP”) and the collection centre of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

Statutory Auditor

Walker Chandiok & Co LLP
Chartered Accountants

7th Floor, Plot No. 19A
Sector-16A, Noida – 201 301, India

Telephone No.: +91 120 710 9001
Facsimile No.: +91 120 710 9002
Email: lalit.kumar@walkerchandniok.in
Firm registration number: 001076N/ N500013
Contact Person: Lalit Kumar (Partner)
Date of appointment as Statutory Auditor: September 29, 2017

Credit Rating Agencies

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park,
Kalena Agrahara,
Bannerghatta Road,
Bengaluru – 560 076

Telephone No.: +91 80 4040 9940

Facsimile No.: +91 80 4040 9941

Email: info@brickworkratings.com

Website: www.brickworkratings.com

Contact Person: Mr. K N Suvarna

SEBI Registration No.: IN/CRA/005/2008

CARE Ratings Limited

4th floor, Godrej Colesium,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai – 400 022

Telephone No.: +91 22 6754 3528

Facsimile No.: +91 22 6754 3457

Email: aditya.acharekar@careratings.com

Website: www.careratings.com

Contact Person: Mr. Aditya Acharekar

SEBI Registration No.: IN/CRA/004/1999

Disclaimer clause of Brickwork Rating India Private Limited

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Disclaimer clause of CARE

CARE’s ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell, or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/ instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/ proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/ proprietors in addition to the financial performance and other relevant factors.

Legal Advisor to the Issue

Shardul Amarchand Mangaldas & Co

24th Floor, Express Tower,
Nariman Point,
Mumbai- 400021

Telephone No.: +91 22 4933 5555

Facsimile No.: +91 22 4933 5550

Public Issue Account Bank(s)/ Banker(s) to the Issue

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor
Plot No. 57 & 57/1, Road No. 17
Near SRL, MIDC Andheri East, Mumbai – 400 093
Telephone No.: +91 22 6106 9248/ 34
Facsimile No.: +91 22 6623 8021
Email: sunil.fadtari@indusindbank.com
Website: www.indusind.com
Contact Person: Mr. Sunil Fadtari

Axis Bank Limited

SCO- 29, Sector 31-32A
Urban Estate, Gurgaon
Haryana – 122 001
Telephone No.: +91 124 4265 060
Facsimile No.: +91 124 4265 057
Email: sector31gurgaon.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Rahul Chhabra

Refund Bank(s)

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor
Plot No. 57 & 57/1, Road No. 17
Near SRL, MIDC Andheri East, Mumbai – 400 093
Telephone No.: +91 22 6106 9248/ 34
Facsimile No.: +91 22 6623 8021
Email: sunil.fadtari@indusindbank.com
Website: www.indusind.com
Contact Person: Mr. Sunil Fadtari

Lead Broker(s) to the Tranche II Issue

IIFL Securities Limited

6th & 7th Floor, Aekruti Centre Point
Central Road, MIDC, Andheri (E)
Mumbai – 400 093
Telephone No.: +91 22 3929 4000/ 4103 5000
Facsimile No.: +91 22 2580 6654
Email: cs@indiainfolince.com
Website: www.indiainfoline.com
Contact Person: Mr. Prasad Umarale

Karvy Stock Broking Limited

“Karvy House”, 46, Avenue 4
Street No. 1, Banjara Hills
Hyderabad – 500 032
Telephone No.: +91 40 2331 2454
Facsimile No.: +91 40 3321 8029
Email: ksblldist@karvy.com
Website: www.karvy.com
Contact Person: Mr. P. B. Ramapriyan

Trust Financial Consultancy Services Private Limited

1101, Naman Centre, ‘G’ Block, C-31
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Telephone No.: +91 22 4084 5000
Facsimile No.: +91 22 4084 5007
Email: pranav.inamdar@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Pranav Inamdar

Trust Securities Services Private Limited

1101, Naman Centre, ‘G’ Block, C-31
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Telephone No.: +91 22 4084 5000
Facsimile No.: +91 22 4084 5007
Email: avani.dalal@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Avani Dalal

HDFC Securities Limited

HDFC Securities Limited, I Think Techno Campus
Building – B
‘Alpha’, 8th Floor, Opp. Crompton Greaves
Near Kanjurmarg Station, Kanjurmarg (East)
Mumbai – 400 042, India
Telephone No.: +91 22 3075 3400
Facsimile No.: +91 22 3075 3435

Edelweiss Securities Limited

Edelweiss House, Off. C.S.T Road
Kalina, Mumbai – 400 098 (corporate office)
and 2nd Floor, M.B. Towers, Plot No.5
Road No. 2, Banjara Hills
Hyderabad – 500 034 (registered office)
Telephone No.: +91 22 4063 5411/ 5569
Facsimile No.: -

Email: sharmila.kambli@hdfcsec.com
Website: www.hdfcsec.com
Contact Person: Ms. Sharmila Kambli

SMC Global Securities Limited

17, Netaji Subhash Marg
Daryaganj
Delhi – 110 002
Telephone No.: +91 11 6662 3300 / +91 98186 20470 /
+91 98100 59041
Facsimile No.: +91 11 3012 6061
Email: mkg@smcindiaonline.com/
neerajkhanna@smcindiaonline.com
Website: www.smctradeonline.com
Contact Person: Mr. Mahesh Gupta/ Mr. Neeraj
Khanna

Integrated Enterprises (India) Private Limited

A-123, 12th Floor, Mittal Tower
Nariman Point
Mumbai – 400 021
Telephone No.: +91 22 4066 1800
Facsimile No.: -
Email: krishnan@integratedindia.in
Website: www.integratedindia.in
Contact Person: Mr. V Krishnan

Kotak Securities Limited

4th Floor, 12 BKC, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Telephone No.: +91 22 6218 5470
Facsimile No.: +91 22 6617 041
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta

Tipsons Stock Brokers Private Limited

Sheraton House, 5th Floor
Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi
Ahmedabad, GJ – 380 015
Telephone No.: +91 79 6682 8000/ 8064/ 8019/ 8120
Facsimile No.: +91 79 6682 8001
Email: avinash.kothari@tipsons.com
Website: www.tipsons.com
Contact Person: Mr. Avinash Kothari

RR Equity Brokers Private Limited

412-422, Indraprakash Building
21, Barakhamba Road
New Delhi – 110001

Email: amit.dalvi@edelweissfin.com /
prakash.boricha@edelweissfin.com
Website: www.edelweissfin.com / www.edelweiss.in
Contact Person: Mr. Amit Dalvi/ Mr. Prakash
Boricha

JM Financial Services Limited

2, 3&4 Kamanwala Chambers, Ground Floor
Sir PM Road, Fort
Mumbai – 400 001
Telephone No.: +91 22 6136 3400
Facsimile No.: -
Email: surajit.misra@jmfsl.com
Website: www.jmfinancialservices.in
Contact Person: Mr. Surajit Misra

Axis Capital Limited

Axis House, Level 1, C-2
Wadia International Centre, P.B Marg
Worli, Mumbai – 400 025, India
Telephone No.: +91 22 4325 3110
Facsimile No.: +91 22 4325 3000
Email: ajay.sheth@axiscap.in/
vinayak.ketkar@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mr. Ajay Sheth/ Vinayak Ketkar

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,
Churchgate
Mumbai – 400 020
Telephone No.: +91 22 2277 7626
Facsimile No.: -
Email: rajat.rawal@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Rajat Rawal

A.K. Stockmart Private Limited

30-39, Free Press House, 3rd Floor
Free Press Journal Marg, 215, Nariman Point
Mumbai – 400 021
Telephone No.: +91 22 6754 6500
Facsimile No.: +91 22 6754 4666
Email: ankit@akgroup.co.in/
ranjit.dutta@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Mr. Ankit Gupta/ Mr. Ranjit Dutta

Telephone No.: +91 11 2335 4802
Facsimile No.: +91 11 2332 0671
Email: ipo@rrfel.com
Website: www.rrfinance.com
Contact Person: Mr. Jeetesh Kumar

Bankers to our Company

Indian Overseas Bank

Merchant Chamber, Opp. S.N.D.T. College
New Marine Lines,
Mumbai – 400 020
Telephone No.: +91 22 2219 7212
Facsimile No.: +91 22 2203 5571
Email: iob0301@iob.in
Website: www.iob.in
Contact Person: Mr. Deepak Kumar

IndusInd Bank Limited

IndusInd Bank Limited, 4th Floor, Tower A
Peninsula Corporate Park,
Lower Parel, Mumbai - 400 013
Telephone No.: +91 22 4368 0407
Facsimile No.: +91 22 4368 0321
Email: ravindra.mahar@indusind.com
Website: www.indusind.com
Contact Person: Mr. Ravindra Singh Mahar

Punjab & Sind Bank

Corporate Banking Branch
27/29 Ambalal Doshi Marg
Fort, Mumbai – 400 023
Telephone No.: +91 22 2265 1737
Facsimile No.: +91 22 2263 5590
Email: b0385@psb.co.in
Website: www.psbindia.com
Contact Person: Ms. Mukesh Kumar

Vijaya Bank

Corporate Banking Branch II, Maker Chamber IV
Rear Portion, 222, Nariman Point
Mumbai – 400 021
Telephone No.: +91 22 2281 4898
Facsimile No.: +91 22 2281 4753
Email: vb5101@vijayabank.co.in
Website: www.vijayabank.com
Contact Person: Assistant General Manager

Syndicate Bank

Large Corporate Branch Maker Towers
Maker Tower E Wing, 2nd Floor
Cuffe Parade, Mumbai – 400 005
Telephone No.: +91 22 2216 6649

Lakshmi Vilas Bank Limited

Bharat House, 104, B S Marg
Fort, Mumbai - 400 001
Telephone No.: +91 22 2267 2255/ 2267 3435
Facsimile No.: +91 22 2267 0267
Email: ashwin.krishnaramsa@lvbank.in /
sudha.manojkumar@lvbank.in
Website: www.lvbank.in
Contact Person: Mr. Ashwin Bankapur/ Sudha Manojkumar

Union Bank of India

1st Floor, Union Bank Bhavan
239, Vidhan Bhavan Marg
Nariman Point, Mumbai – 400 021
Telephone No.: +91 22 2289 6725
Facsimile No.: +91 22 2285 5037
Email: cbsifbmumbai@unionbankofindia.com
Website: www.unionbankofindia.com
Contact Person: Mr. K. Sridhar Babu

RBL Bank Limited

Corporate Office, One Indiabulls Centre
Tower 2B, 6th floor, 841, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Telephone No.: +91 22 4302 0500
Facsimile No.: +91 22 4300 0944
Email: aashish.yadav@rblbank.com
Website: www.rblbank.com
Contact Person: Mr. Aashish Yadav

YES Bank Limited

Yes Bank Tower - 2, Indiabulls Finance Centre
Elphinstone - W
Mumbai – 400 013
Telephone No.: +91 22 7100 9701
Facsimile No.: +91 22 2421 4513
Email: avinash.dubey@yesbank.com
Website: www.yesbank.in
Contact Person: Mr. Avinash Dubey

National Bank for Agriculture and Rural Development

No. 54, Wellesley Road
Shivaji Nagar, Pune - 411005
Telephone No.: +91 20 2550 0126/2550 0272

Facsimile No.: +91 22 2218 5798
Email: br.5088@syndicatebank.co.in
Website: www.syndicatebank.in
Contact Person: Mr. Ramakrishnan N.H., Asst. General Manager

Facsimile No.: +91 20 25500
Email: dor.pune@nahard.org and pune@nabard.org
Website: www.nabard.org
Contact Person: Mr. Raymond B. D'Souza, DGM and Mr. R Ganapathy, AGM

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the members of the Syndicate is available on the website of SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchange is provided on <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities, see the above mentioned web-link.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche II Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Underwriting

This Tranche II Issue is not underwritten.

Arrangers to this Tranche II Issue

There are no arrangers to this Tranche II Issue.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue i.e. ₹ 750.00 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, as specified in Companies Act, 2013 and rules made thereunder, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Credit Rating and Rationale

The NCDs proposed to be issued under this Tranche II Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018 and revalidated vide their letter no. CARE/HO/RL/2018 19/4596 dated January 30, 2019, letter no. CARE/HO/RL/2018-19/5423 dated March 22, 2019, letter no. CARE/HO/RL/2019-20/1070 dated April 16, 2019 and letter no. CARE/HO/RL/2019-20/1295 dated May 15, 2019. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/MM/0468/2018-19 dated October 19, 2018 and revalidated vide their letter no. BWR/NCD/HO/ERC/RB/0615/2018-19 dated January 4, 2019, letter no. BWR/NCD/HO/ERC/RB/0685/2018 19 dated January 30, 2019, letter no. BWR/NCD/HO/ERC/RB/0793/2018-19 dated March 14, 2019, letter no. BWR/NCD/ERC/RB/0030/2019-20 dated April 5, 2019, letter no. BWR/NCD/ERC/RB/0049/2019-20 dated April 25, 2019 and letter no. BWR/NCD/ERC/RB/0101/2019-20 dated May 15, 2019. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rating letter and rationale for these ratings, see Annexures A and B of this Tranche II Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

Utilisation of Tranche II Issue proceeds

For details on utilization of Tranche II Issue proceeds, please see “*Objects of the Tranche II Issue*” on page 59 of this Tranche II Prospectus.

Tranche II Issue Programme

TRANCHE II ISSUE PROGRAMME*	
TRANCHE II ISSUE OPENS ON	May 30, 2019
TRANCHE II ISSUE CLOSES ON	June 21, 2019*

** The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that this Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Bond Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of this Tranche II Issue closure. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) (“**Bidding Period**”) during the Tranche II Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche II Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche II Issue. Application Forms will only be accepted on Working Days during the Tranche II Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Tranche II Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Such Applications that cannot be uploaded will not be considered for allocation under the Tranche II Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Tranche II Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

1. Details of Share Capital and Securities Premium Account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as on March 31, 2019:

(in ₹, except share data)

		Aggregate value at face value (except for securities premium)
A.	AUTHORISED SHARE CAPITAL	
	80,000,000 Equity Shares of ₹ 10 each	800,000,000
	5,500,000 Preference Shares of ₹ 10 each	55,000,000
	Total Authorised Share Capital	855,000,000
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
	61,188,000 Equity Shares of ₹ 10 each	611,880,000
	Total Issued Subscribed and Paid-Up Capital	611,880,000
C.	SECURITIES PREMIUM ACCOUNT	
	Securities Premium Account*	37,053.43 million

*The securities premium account will not undergo any change on account of the NCDs proposed to be issued under this Tranche II Issue

2. Details of change in authorised share capital of our company as on the date of this Tranche II Prospectus for last five years:

Date of Change	Authorised Share Capital (in ₹)	Particulars
February 28, 2017	100,000,000	The authorised share capital of our Company was reclassified from ₹ 100,000,000 divided into 2,316,600 Equity Shares of ₹ 10 each and 7,683,400 Preference Shares of ₹ 10 each to ₹ 100,000,000 divided into 5,219,000 Equity Shares of ₹ 10 each and 4,781,000 Preference Shares of ₹ 10 each.
May 6, 2017	240,000,000	Increase in authorised share capital of our Company from ₹ 10,00,00,000 divided into 5,219,000 Equity Shares of ₹ 10 each and 4,781,000 Preference Shares of ₹ 10 each to ₹ 240,000,000 divided into 18,500,000 Equity Shares of ₹ 10 each and 5,500,000 Preference Shares of ₹ 10 each.
September 25, 2017	640,000,000	Increase in authorised share capital from ₹ 240,000,000 divided into 18,500,000 Equity Shares of ₹ 10 each and 5,500,000 Preference Shares of ₹ 10 each, to ₹ 640,000,000 divided into 58,500,000 Equity Shares of ₹ 10 each and 5,500,000 Preference Shares of ₹ 10 each.
November 28, 2018	855,000,000	Increase in authorised share capital from ₹ 640,000,000 divided into 58,500,000 Equity Shares of ₹ 10 each and 5,500,000 Preference Shares of ₹ 10 each, to ₹ 855,000,000 divided into 80,000,000 Equity Shares of ₹ 10 each and 5,500,000 Preference Shares of ₹ 10 each.

3. Share Capital History of our Company

a) Details of Equity Share Capital

The history of the paid up Equity Share capital of our Company, up to the quarter ended March 31, 2019 are as mentioned below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Premium per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)	Cumulative Share Premium (₹)	Nature of Allotment
January 21, 1995 ⁽¹⁾	300	10	Nil	10	Cash	300	3,000	-	On incorporation
December 30, 1995 ⁽²⁾	516,300	10	Nil	10	Cash	516,600	5,166,000	-	Private Placement
September 29, 2010 ⁽³⁾	1,000,000	10	Nil	10	Cash	1,516,600	15,166,000	-	Private Placement
June 28, 2013 ⁽⁴⁾	800,000	10	990	1,000	Cash	2,316,600	23,166,000	792,000,000	Conversion of preference shares into equity shares
March 20, 2017 ⁽⁵⁾	2,902,400	10	369	379	Cash	5,219,000	52,190,000	1,862,985,600	Rights issue
May 19, 2017 ⁽⁶⁾	5,219,000	10	407	417	Cash	10,438,000	104,380,000	3,987,118,600	Rights issue
June 7, 2017 ⁽⁷⁾	6,662,000	10	418	428	Cash	17,100,000	171,000,000	6,771,834,600	Rights issue
March 28, 2018 ⁽⁸⁾	7,451,565	10	661	671	Cash	24,551,565	245,515,650	11,697,319,065	Rights issue
June 12, 2018 ⁽⁹⁾	28,901,735	10	682	692	Cash	53,453,300	534,533,000	31,408,302,335	Rights issue
August 30, 2018 ⁽¹⁰⁾	4,139,700	10	708	718	Cash	57,593,000	575,930,000	34,339,209,935	Rights issue
March 15, 2019 ⁽¹¹⁾	3,595,000	10	755	765	Cash	61,188,000	611,880,000	37,053,434,935	Preferential allotment

- (1) Initial allotment of 100 Equity Shares each to the subscribers to the Memorandum viz. Kamal Kishore Malpani, Rajesh Kumar Malpani and Amit Kumar Malpani on January 21, 1995
- (2) The Company, on December 30, 1995, allotted 11,000 Equity Shares to Kamal Kishore Malpani, 21,000 Equity Shares to Rajesh Malpani, 20,000 Equity Shares each to Vivek Malpani, Bhagwani Devi Bhaiya and Kishan Lal Sharma, 30,000 Equity Shares to Amit Malpani, 25,000 Equity Shares to each Kusum Goel and Darshana Periwal, 10,000 Equity Shares to each M.L.Bhattar, Prabha Bhattar, Suman Lata Bhaiya and Bhikam Chand Ranka, 24,000 Equity Shares to Priyanka Periwal, 15,000 Equity Shares each to Raunak Bhaiya and Venus Trade & Mercantiles (P) Ltd., 21,500 Equity Shares to Starward Com. & Investment (P) Ltd., 22,000 Equity Shares to Suresh Kumar Periwal (HUF), 21,800 Equity Shares to Raj Kumar Periwal (HUF), 50,000 Equity Shares each to Non Stop Commotrade Pvt. Ltd., Red Strip Merchants (P) Ltd., and Sankhuwala Finvest (P) Ltd., 30,000 Equity Shares to Alexy Impex Pvt. Ltd. and 5,000 Equity Shares to Piccadely General Suppliers (P) Ltd.
- (3) The Company, on September 29, 2010, allotted 1,000,000 Equity Shares to Pushpanjali Finsolutions Private Limited
- (4) The Company, on June 28, 2013, allotted 800,000 Equity Shares to Pushpanjali Finsolutions Private Limited upon conversion of 2,000,000 preference shares held by Pushpanjali Finsolutions Private Limited
- (5) The Company, on March 20, 2017, on a rights issue basis had allotted 2,902,400 Equity Shares to Indiabulls Distribution Services Limited.
- (6) The Company, on May 19, 2017, on a rights issue basis had allotted 5,219,400 Equity Shares to Indiabulls Ventures Limited.
- (7) The Company, on June 7 2017, on a rights issue basis had allotted 6,662,000 Equity Shares Indiabulls Ventures Limited.
- (8) The Company, on March 28, 2017, on a rights issue basis had allotted 7,451,565 Equity Shares to Indiabulls Ventures Limited.
- (9) The Company, on June 12, 2018, on a rights issue basis had allotted 28,901,735 Equity Shares to Indiabulls Ventures Limited.
- (10) The Company, on August 30, 2018, on a rights issue basis had allotted 4,139,700 Equity Shares to Indiabulls Ventures Limited

(11) The Company, on March 15, 2019, allotted 3,595,000 Equity Shares by way of preferential allotment on private placement basis to Indiabulls Ventures Limited.

b) Details of Preference Share Capital

The history of the paid up Preference Share capital of our Company up to the year ended March 31, 2019 are as mentioned below:

Date of allotment	Number of preference shares allotted/redeemed/converted	Face value per preference share (₹)	Premium per preference share (₹)	Issue price per preference share (₹)	Nature of Consideration	Cumulative Number of Preference Shares	Cumulative Preference Share Capital (₹)	Nature of Allotment
June 7, 2017	5,500,000	10	490	500	Cash	5,500,000	55,000,000	Allotment ⁽¹⁾
March 15, 2019	(5,500,000)	10	-	-	-	0	0	Redemption of preference shares ⁽²⁾

(1) Our Company, on June 7, 2017, on a rights basis, had allotted 5,500,000 Preference Shares, at ₹ 500 per Preference Share (including the premium of ₹ 490 per Preference Share), for cash, to Indiabulls Distribution Services Limited.

(2) Our Company, on March 12, 2019, changed the terms of the Preference Shares to 0.001% optionally convertible preference shares of face value of ₹10 each. Subsequently, on March 15, 2019, our Company redeemed the aforesaid 0.001% optionally convertible preference shares of face value of ₹ 10 each at ₹ 500 per preference share (including the premium of ₹ 490 per preference share). Accordingly, as on the date of this Tranche II Prospectus, our Company has no outstanding preference shares.

4. Equity shares issued for consideration other than cash

As on the date of filing of this Tranche II Prospectus, the Company has not issued any equity shares for consideration other than cash.

5. Shareholding pattern of our Company as on March 31, 2019

The shareholding pattern of the Company as at March 31, 2019 is as under:

Equity Shares

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Indiabulls Ventures Limited	61,187,994	100.00	61,187,994
2.	Mr. Sanjeev Kashyap*	1	0.00	-
3.	Mr. Ravinder*	1	0.00	-
4.	Mr. Anil Malhan*	1	0.00	-
5.	Mr. Satish Chand*	1	0.00	-
6.	Mr. Matbeer Singh*	1	0.00	-
7.	Mr. Pankaj Sharma*	1	0.00	-
Total		61,188,000	100.00	61,187,994

*Held as nominee of Indiabulls Ventures Limited

6. Shareholding of the Promoter in our Company as on March 31, 2019:

Sr. No.	Name of the Promoter	Total No. of Equity Shares	No. of Equity Shares in demat form	% of holding
1.	Indiabulls Ventures Limited	61,188,000 *	61,187,994	100%

*Includes one Equity Share held by each Mr. Sanjeev Kashyap, Mr. Ravinder, Mr. Anil Malhan, Mr. Satish Chand, Mr. Matbeer Singh and Mr. Pankaj Sharma, respectively, as a nominee of Indiabulls Ventures Limited.

7. **Statement of the aggregate number of securities of the Company purchased or sold by the promoter group and by the directors of the company which is a promoter of the Company and by the Directors of the Company and their relatives within six months immediately preceding the date of filing this Tranche II Prospectus:**

Except as stated below none of the members of the promoter group or directors of the Company which is a Promoter of the Company or the directors of the Company and their relatives have purchased or sold any securities of the Company within six months immediately preceding the date of filing this Tranche II Prospectus:

a) **Equity Shares:**

Sr. No.	Name of the Security holder	Date of Purchase/Sale	Nature of Transaction	Total No. of Equity Shares Purchased/Sold
1.	Indiabulls Ventures Limited	March 15, 2019	Allotment pursuant to preferential issue	3,595,000

b) **Debentures:**

Sr. No.	Name of the Security holder	Relation with our Company	Date of Purchase/Sale	Nature of Transaction	Total No. of Debentures Purchased/Sold
1.	Gagan Banga	Non-Executive Director of ICFL	March 8, 2019	Allotment pursuant to Tranche I Issue	1,000
2.	Karnavv Divyesh Shah	Son of Divyesh Shah, executive director of Indiabulls Ventures Limited	March 8, 2019	Allotment pursuant to Tranche I Issue	1,500
3.	Devindra B Shah	Mother of Divyesh Shah, executive director of Indiabulls Ventures Limited	March 8, 2019	Allotment pursuant to Tranche I Issue	1,500

8. **Details of top 10 equity shareholders of our Company as on March 31, 2019:**

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Indiabulls Ventures Limited	61,187,994	100.00	61,187,994
2.	Mr. Sanjeev Kashyap*	1	0.00	-
3.	Mr. Ravinder*	1	0.00	-
4.	Mr. Anil Malhan*	1	0.00	-
5.	Mr. Satish Chand*	1	0.00	-
6.	Mr. Matbeer Singh*	1	0.00	-
7.	Mr. Pankaj Sharma*	1	0.00	-
Total		61,188,000	100.00	61,187,994

*Held as nominee of Indiabulls Ventures Limited

9. **Top 10 debenture holder (secured and unsecured) of our Company**

For details of top 10 debenture holders of our Company, please see “Financial Indebtedness” on page 108 of this Tranche II Prospectus.

10. Debt to equity ratio

(₹ in million)

Particulars	Refer	Prior to the Tranche II Issue (as of March 31, 2019)	Post Tranche II Issue (Proforma)
Debt			
Debt securities*	(A)	17,389.62	27,389.62
Borrowings (other than debt securities)*	(B)	54,279.26	54,279.26
Total Debt (A+B)	(C)	71,668.88	81,668.88
Less: Cash and cash equivalents	(D)	(9,307.85)	(9,307.85)
Net Debt (C+D)	(E)	62,361.03	72,361.03
Total equity			
Share Capital	(F)	611.88	611.88
Other equity	(G)	43,069.40	43,069.40
Less: Deferred tax assets (net)	(H)	(168.55)	(168.55)
Total equity (F+G+H)	(I)	43,512.73	43,512.73
Net Debt/Total equity (E/I) (In times)	(J)	1.43	1.66
Total Debt/Total equity (C/I) (In times)	(K)	1.65	1.88
*Debt securities and borrowings (other than debt securities) includes interest accrued of ₹ 41.00 million and ₹ 79.57 million respectively			
Notes:			
Note 1) The debt-equity ratio post the Tranche II Issue is indicative on account of the assumed inflow of ₹ 10,000 million from the proposed Tranche II Issue as on March 31, 2019 only and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Tranche II Issue would depend on the actual position of debt and equity on the deemed date of allotment.			
Note 2) This statement does not give effect to any movement in debt securities or borrowings (other than debt securities) or cash and cash equivalents as per cash flow statement post March 31, 2019, except stated in Note 1) above. Further, this statement also does not give effect to any movement in share capital and reserves and surplus post March 31, 2019.			

11. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.
12. There has been no change in the promoter holding of our Company during the last financial year beyond 26% (as prescribed by RBI).
13. Except as disclosed in the Shelf Prospectus and in this Tranche II Prospectus and as generally disseminated to the public based on disclosures made to the stock exchanges in compliance with applicable laws, there has been no acquisition or amalgamation in last one year preceding the date of filing of this Tranche II Prospectus.
14. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Tranche II Prospectus.
15. For details of the outstanding borrowing of our Company, please see “Financial Indebtedness” on page 108 of this Tranche II Prospectus.
16. As on the date of this Tranche II Prospectus, our Company does not have any employee stock option plan.

OBJECTS OF THE TRANCHE II ISSUE

Our Company proposes to utilise the funds which are being raised through the Tranche II Issue, after deducting the Tranche II Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), towards funding the following objects (collectively referred to herein as the “**Objects**”):

1. For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company; and
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Tranche II Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of the Tranche II Issue are set forth in the following table:

Sr. No.	Description	Amount (₹ in million)
1.	Gross Proceeds of the Tranche II Issue*	10,000.00
2.	Tranche II Issue Related Expenses**	198.34
3.	Net Proceeds (i.e. Gross Proceeds less Tranche II Issue related expenses)	9,801.66

* Assuming this Tranche II Issue is fully subscribed and our Company retains oversubscription up to the Tranche II Issue Limit.

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue, the number of allottees, market conditions and other relevant factors.

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche II Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Tranche II Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company	At least 75%
2.	General corporate purposes*	Up to 25%
Total		100%

*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche II Issue, in compliance with the SEBI Debt Regulations.

Tranche II Issue Expenses

A portion of this Tranche II Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, for the Tranche II Issue:

Objects of the Tranche II Issue	Amount (₹ in million)	As percentage of the Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Lead Managers Fee, Credit Rating Fees, Selling and Brokerage Commission, SCSB Processing Fee	185.00	1.85	93.28
Registrar to the Issue	0.34	0.00	0.17
Debenture Trustee	0.34	0.00	0.17
Advertising, Marketing, Printing and Stationery Costs	10.00	0.10	5.04
Professional Fees	1.66	0.02	0.84
Other Miscellaneous Expenses	1.00	0.01	0.50
Grand Total	198.34	1.98	100.00

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue

and the number of Allottees, market conditions and other relevant factors.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Tranche II Issue. Pending utilization of the proceeds out of the Tranche II Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or Bond Issue Committee from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Tranche II Issue. For the relevant Financial Years commencing from Financial Year 2019-20, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue. Our Company shall utilize the proceeds of the Tranche II Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Other Confirmation

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche II Issue. In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Tranche II Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Tranche II Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter.

Our Company confirms that it will not use the proceeds of the Tranche II Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. The Tranche II Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Tranche II Issue proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines or bank financing to NBFCs including those relating to classification as capital market or any other sectors that are prohibited under the RBI Regulations.

Variation in terms of contract or objects

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche II Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

Utilisation of Tranche II Issue Proceeds

1. All monies received pursuant to the Tranche II Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
3. Details of all unutilised monies out of Tranche II Issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
5. Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

STATEMENT OF TAX BENEFITS

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)
M - 62 and 63 First Floor
Connaught Place
New Delhi -110001
Dear Sirs,

1. We have performed the procedures agreed with you, vide the engagement letter dated January 16, 2019, and enumerated in paragraph 2 below with respect to the possible tax benefit available to the prospective holders of non – convertible debentures (“NCD Holders”) in the proposed public issue of secured, redeemable, non-convertible debentures (“NCDs”) of up to Rs. 3,000 crore (“Issue”) by Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) (“Company”), under the Income Tax Act, 1961, as amended (the “IT Act”), presently in force in India, in the enclosed Annexure I. Several of these benefits are dependent on the NCD Holder(s) fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of NCD Holder(s) to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives the NCD Holder(s) would face in future. The Debenture Holder(s) may not choose to fulfill such conditions. Our engagement was performed in accordance with the Standard on Related Services (SRS) 4400, “Engagement to Perform Agreed-upon Procedures regarding Financial Information”, issued by The Institute of Chartered Accountants of India.
2. We have performed the following procedures:
 - (i) Read the statement of tax benefits as given in Annexure I, and
 - (ii) Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.
3. Because the above procedures do not constitute either an audit or a review made in accordance with the Standards on Related Service (SRS) 4400, “Engagement to perform Agreed-upon Procedures regarding Financial Information”, issued by The Institute of Chartered Accountants of India, we do not express any assurance on Statement of Tax Benefits, as set out in Annexure I.
4. We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the IT Act as amended with respect to Debenture Holder(s).
5. The tax benefits discussed in the enclosed statement are not exhaustive. The enclosed statement is only intended to provide general information to the NCD Holders and is neither designed nor intended to be a substitute for professional tax advice. NCD Holders are advised to consult their own tax consultant with respect to the tax implications arising out of their participation in the proposed Issue particularly in view of the individual nature of tax consequences and changing tax laws in India.
6. The contents of the enclosed annexure are based on information, explanation and representation obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
7. We do not express any opinion or provide any assurance as to whether:
 - a) The NCD Holders will continue to obtain these benefits in future; or
 - b) The conditions prescribed for availing the benefits have been / would be met.

8. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.
10. We shall not be liable to any claims, liabilities or expenses relating to the facts mentioned in the enclosed statement.
11. The enclosed statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds under the Issue.
12. The enclosed statement covers only certain relevant benefits under the direct tax laws and does not cover benefits under any other law.
13. The enclosed statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2020-21. Several of these benefits are dependent on the NCD Holders fulfilling the conditions prescribed under the relevant provisions.
14. The stated benefits in the enclosed statement will be available only to the sole/ first named holder in case the debenture is held by joint holders, unless otherwise provided by law.
15. This certificate has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to the National Stock Exchange of India Ltd and the BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

Yours faithfully,

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership no. 089011
New Delhi, April 8, 2019

ANNEXURE - I

STATEMENT OF TAX BENEFITS

The following tax benefits, inter-alia, will be available to the debenture holders as per the existing provisions of income tax law in India. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested¹, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture. The debenture holder is advised to consider the tax implications in respect of subscription to the debentures after consulting his tax advisor as alternate views are possible. We are not liable to the debenture holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 (“I.T. ACT”)

i) To the Resident Debenture Holder

1. Interest on NCD received by debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
 - a) In case the payment of interest on debentures to a resident individual or a Hindu undivided family (“HUF”) Debenture Holder does not or is not likely to exceed Rs. 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - b) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
 - c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d) (i) When the resident Debenture Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of Section 197A (1A) of the I.T. Act in the prescribed form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, “form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194 of the I.T. Act, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax , as may be prescribed in each year Finance Act.”

To illustrate, as on April 01, 2019-

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000.00;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial Year (Senior Citizen) is Rs. 3,00,000.00;

¹ Refer section 2(18)(b)(B) of the Income tax Act, 1961

- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial Year (Super Senior Citizen) is Rs. 5,00,000.00 for Financial Year 2019-20.

Further, section 87A of the I.T. Act provides a rebate of 100% of income-tax or an amount of Rs. 12,500 whichever is less to a resident individual whose total income does not exceed Rs. 5,00,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration with Permanent Account Number (PAN) in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of Section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
- (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued under Section 197(1) have to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct Surcharge, Health and Education cess.
3. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the Income Tax Act, 1961.
4. As per Section 2(29A) of the I.T. Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases of debentures, it is 36 months immediately preceding the date of its transfer. Under Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debentures, except capital indexed bonds issued by government and Sovereign Gold Bond issued by the Reserve Bank of India. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10% computed without indexation as the benefit of indexation is not available in case of debentures. In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at Para 4 above would also apply to such short term capital gains.
6. Securities Transaction Tax (“STT”) is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Bonds.
7. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock

in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

8. As per Section 74 read with section 71 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

(ii) To the Non Resident Debenture Holder

1. A Non-Resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:
 - a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.
 - c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
 - a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
 - b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.
 - c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and normal tax rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.
4. As per Section 74 read with section 71 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only

against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. The income tax deducted shall be increased by a surcharge as under:
- a) In the case of non-resident Indian surcharge at the rate of 10 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000.
 - b) In the case of non-resident Indian surcharge at the rate of 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
 - c) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.

Further, 4% Health and Education cess on the total income tax (including surcharge) is also deductible.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along-with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

7. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) read with 195 of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

Further, Rule 37BC of the Income Tax Rules, inserted vide notification no.53 /2016, F.No.370 142/16/2016- provides that

- (1) In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.
- (2) The deductee referred to in sub-rule (1), shall in respect of payments specified therein, furnish the following details and documents to the deductor, namely:
 - (i) name, e-mail id, contact number
 - (ii) address in the country or specified territory outside India of which the deductee is a resident;
 - (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate
 - (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

8. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

III. To the Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and health and education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and health and education cess). The benefit of cost indexation will not be available. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
3. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified² by the Government.
4. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
5. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of I.T. Act.
6. The provisions at para II (4, 5 and 6) above would also apply to FIIs.

IV To the Other Eligible Institutions

All mutual funds registered under Securities Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule (*GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VI Exemption under sections 54EE and 54F of the I.T. Act

1. As per provisions of Section 54EE inserted by the Finance Act 2016, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax, if the whole amount of Capital Gain is invested in long term Specified Assets. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which the debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.
2. As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu

² Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds

Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VII Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
2. Section 206AA:
 - (a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.

However, new rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the Act shall not apply on payments made to non-resident deductee who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia TRC and Tax Identification Number (TIN).

- (b) A declaration under Sections 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per paragraph(a) above in such a case.
- (c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and paragraph (a) above will apply apart from penal consequences.
- (d) As per the Finance Act 2016, with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
 - (i) Payment of interest on long-term bonds as referred to in section 194LC; and
 - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfilment of conditions specified vide Notification no. 53/2016 dated 24th June 2016. Rule 37BC of the Income Tax Rules, inserted vide notification no.53 /2016, F.No.370 142/16/ 2016- provides that
- (3) In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.
- (4) The deductee referred to in sub-rule (1), shall in respect of payments specified therein, furnish the following details and documents to the deductor, namely:
 - (i) name, e-mail id, contact number
 - (ii) address in the country or specified territory outside India of which the deductee is a resident;
 - (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate

- (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

VIII Taxability of gifts received for nil or inadequate consideration or in advance in course of negotiations for transfer of capital asset

1. As per Section 56(2)(X) of the I.T. Act, where an individual or HUF receives debentures from any person on or after 1st April 2017:

- a) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax. However, this provision would not apply to any receipt:
- a) from any relative; or
- b) on the occasion of the marriage of the individual; or
- c) under a will or by way of inheritance; or
- d) in contemplation of death of the payer or donor, as the case may be; or
- e) from any local authority as defined in Section 10(20) of the I.T Act; or
- f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Sec. 10(23C); or
- g) from any trust or institution registered under Section 12AA;
- h) From any trust or institution registered under section 12AA
- i) By any fund/trust/institution/university/other educational institution/any hospital or other medical institution referred to in sub-clause (iv)/(v)/(vi)/(via) of clause 23C of Section 10
- j) By way of transaction not regarded as transfer under clause (i)/(vi)/(via)/(viaa)/(vib)/(vic)/(vica)/(vicb)/(vid)/(vii) of Section 47
- k) From any individual by a trust created or established solely for the benefit of relative of the individual.

2. As per section 56 (2)(ix) of the income-tax Act with effect from the 1st day of April, 2015 any sum of money received as an advance or otherwise in the course of negotiations for transfer of a capital asset shall be chargeable to income tax under the head " Income from other sources" in the hands of recipient if:

- (a) such sum is forfeited; and
- (b) the negotiations do not result in transfer of such capital asset."

IX. Where the Debenture Holder is a person located in a Notified Jurisdictional Area ('NJA') under section 94A of the I.T. Act

Where the Debenture Holder is a person located in an NJA, as per the provisions of section 94A of the I.T. Act

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in an NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A(3)(a) read with Rule 21AC and Form 10FC].
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in an NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].

- If any assessee receives any sum from any person located in an NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee [Section 94A(4)].
- Any sum payable to a person located in an NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016 which shall then apply in relation to FY 2015-16 and subsequent years.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2020-21 (considering the amendments made by Finance Act, 2019).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.
9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.
10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership no. 089011
New Delhi, April 8, 2019

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 15 of this Tranche II Prospectus for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 16 of this Tranche II Prospectus for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in the context of NBFCs in this section has been derived from the report “Indian Retail Non-Banking Finance Market Overall demand drivers intact; access to funding to funding to determine performance” by ICRA Limited dated April 2018 (the “ICRA Research Report” by ICRA) prepared and issued by ICRA.

In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Indiabulls Consumer Finance Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to Indiabulls Ventures Limited on a consolidated basis.

Overview

Our Company is a non-deposit taking systemically important NBFC registered with the RBI and a 100% subsidiary of Indiabulls Ventures Limited, a listed Indian company.

We focus primarily on providing personal loans, business loans (unsecured SME loans and secured SME loans) and other loans. Our AUM as per Ind AS was ₹ 40,175.28 million as at March 31, 2018, and our AUM under Ind AS was ₹ 112,277.31 million as at March 31, 2019, resulting in increase in assets under management by 179%.

We are part of the Indiabulls Ventures group, which is a prominent financial services company providing brokering, lending and wealth management businesses, amongst other businesses. Our Promoter, Indiabulls Ventures Limited, was incorporated in 1995; and its long standing presence in financial services has enabled us to establish “Indiabulls” as a recognized brand in the financial services sector. In order to ensure expansion of our Company’s lending operations, our Promoter has infused funds periodically in the form of equity in our Company. As of March 31, 2019, we had presence in more than 100 cities throughout India through which we market our loan products, enabling us to operate on a pan-India basis.

In Fiscal 2018, we launched our end-to-end personal loan fulfilment mobile based application “Dhani”, an automated mode of lending which will enable loan application, risk analysis, credit approval, underwriting and disbursal processes to be carried out electronically through the application. Further, we use various analytical techniques which enables us to deliver digitized and customized offering to customers. Our Company has made significant investments in technology in Fiscal 2018, which has resulted in the development of quick application based electronic disbursals reducing the operating costs of our Company. This model is scalable; and going forward, our Company’s products offerings can be expanded to different geographies through “Dhani”. Further, the network of our partners, who source the customers for our personal, business and other loans provided by our Company, increased by about 1.9 times from 0.74 million partners as at December 31, 2018 to 1.3 million partners as at March 31, 2019. Our innovative marketing of loans both online (through “Dhani”) and offline (through our partners network) resulted in an increase in cumulative loans disbursed by us by 1,354% from ₹ 0.08 million in Fiscal 2018 to ₹ 1.1 million in Fiscal 2019.

We have obtained a credit rating of “AA” from CARE and “AA+” from Brickwork in relation to our long term and short term bank facilities. We have also received short-term credit rating of “A1+” from CRISIL, ICRA and CARE. These ratings signify the high degree of safety, regarding timely servicing of financial obligations and low credit risk. The credit rating of “A1+” signifies the highest short term credit rating. We believe that our ratings result in a lower cost of funds for the Company.

Our AUM under Ind AS amounted to ₹ 112,277.31 million as at March 31, 2019. The CRAR of 37.7% as at March 31, 2019 maintained by us is significantly higher than the minimum capital adequacy requirement of 15.00% as stipulated by the RBI, and the average CRAR of 15.70% as of March 31, 2018 maintained by NBFCs. (*Source: ICRA Report 2018*).

Our borrowings, comprising debt securities and borrowing other than debt securities, as at March 31, 2019 amounted to ₹ 71,548.31 million. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures and commercial papers. We have a diversified lender base comprising public sector undertakings (“PSUs”), private banks, mutual funds, provident funds, pension funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to various banks, which results in an additional source of liquidity for us.

As at March 31, 2019, our gross NPAs as a percentage of our AUM under Ind AS was 0.75%, and our net NPAs as a percentage of our AUM under Ind AS was 0.24%. As of March 31, 2019, 2018 and 2017, our capital to risk (weighted) assets ratio was 37.7%, 33.52% and 90.03% respectively.

Our revenue from operations was ₹ 6,540.85 million in Fiscal 2018 under Ind AS and our revenue from operations was ₹ 16,480.59 million in Fiscal 2019 under Ind AS, which resulted in growth in revenue from operations by 152%. Our profit after tax was ₹ 1,700.34 million in Fiscal 2018 under Ind AS and our profit after tax was ₹ 4,001.94 million in Fiscal 2019 under Ind AS, which resulted in growth in profit after tax by 135%. Our revenue from operations and profit after tax grew at a compound annual growth rate (“CAGR”) of 436.88% and 673.2%, respectively, from Fiscal 2017 to Fiscal 2019.

A summary of our key operational and financial parameters derived from Reformatted Financial Information under IND AS for Fiscal 2019 as specified below, are as follows:

		(₹ in million)
Parameters	Fiscal 2019	
Total Equity	43,681.28	
Total Borrowings of which	71,548.31	
Debt securities	17,348.62	
Borrowings (other than debt securities and subordinated liabilities)	54,199.69	
Subordinated Liabilities	Nil	
Property, Plant and Equipment and Other Intangible assets	852.42	
Financial assets (other than cash and cash equivalents)	6,245.28	
Non-financial assets (including deferred tax assets)	1,636.63	
Cash and cash equivalents	9,307.85	
Bank balances other than cash and cash equivalents	1,453.88	
Financial liabilities	8,988.87	
Non-financial liabilities	358.93	
Loan Book under IND AS (Net off ECL Provision)	105,081.33	
Interest Income	14,670.49	
Finance Costs	5,594.78	
Impairment on financial instruments	1,030.13	
Total Comprehensive Income	3,999.04	
Stage 3 Assets as a percentage of AUM under Ind AS (%)	0.75%	
Stage 3 Asset net of Stage 3 Provision as a percentage of AUM under Ind AS (%)	0.24%	
CRAR - Tier I Capital Ratio (%)	37.12%	
CRAR - Tier II Capital Ratio (%)	0.58%	

A summary of our key operational and financial parameters derived from Reformatted Financial Information as per Indian GAAP for the fiscal years ended March 31, 2018 and March 31, 2017 are as follows:

		(₹ in million)	
Parameters	Fiscal 2018	Fiscal 2017	
Net-worth	16,778.73	2,085.85	
Total Debt of which:			
Non-current Maturities of Long Term Borrowing	24,591.28	-	

Parameters	Fiscal 2018	Fiscal 2017
Short Term Borrowing	6,000.00	-
Current Maturities of Long Term Borrowing	818.44	-
Net Fixed Assets	468.37	0.07
Non Current Assets (Excluding Fixed Assets & Assets Under Management)	783.70	11.63
Cash and Bank Balances	9,486.61	14.50
Current Investments	3,764.45	1,125.00
Current Assets (Excluding Cash and Bank Balances & Current Investments & Assests Under Management)	683.99	99.40
Current Liabilities (Excluding Short term borrowing, Current Maturities of Long Term Borrowing)	6,849.74	66.53
Non Current Liabilities (excluding long term borrowings)	167.25	17.32
AUM as per Indian GAAP	40,018.32	919.10
Off Balance Sheet Assets	-	-
Interest Income (Including Treasury Income)	3,362.17	78.70
Interest Expenses	1,367.94	0.05
Provisioning & Write-offs (net of recoveries)	262.55	414.43
PAT	1,915.22	66.94
Gross NPA (%) of AUM as per Indian GAAP	0.05%	0.00%
Net NPA (%) of AUM as per Indian GAAP	0.05%	0.00%
Tier I Capital Adequacy Ratio (%) -Standalone	36.31%	88.92%
Tier II Capital Adequacy Ratio (%) -Standalone	0.36%	1.11%

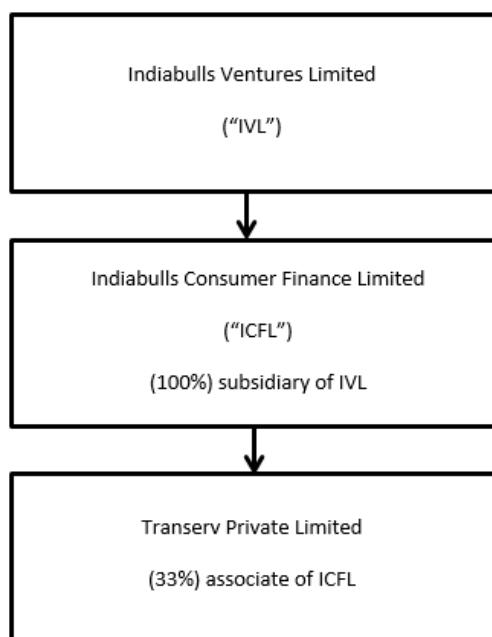
Our Company's Evolution

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. Pursuant to a resolution passed in the extraordinary general meeting of our shareholders held on October 7, 2014 and a fresh certificate of incorporation issued by the RoC on February 5, 2015, our Company was converted into a public limited company. Subsequently, the name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'.

We received a certificate of registration from the RBI to carry on the business of a NBFC without accepting public deposit on May 30, 1998 having registration number B-14.00909. Subsequently, we were issued a fresh certificate of registration having registration number B-14.00909 dated April 12, 2010 in lieu of the earlier certificate, due to change in name of our Company. Upon conversion of our Company from a private limited company to public limited company, we were issued a fresh certificate of registration having registration number B-14.00909 dated March 19, 2015 in lieu of the earlier certificate. Further, upon change of name of our Company from 'Shivshakti Financial Services Limited' to 'IVL Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated December 13, 2016. Subsequently, upon change of name of our Company from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 2, 2018. We operate under the "Indiabulls" brand name.

Our Company does not have any subsidiary.

Corporate Structure



The entities with which our Company has had related party transactions during the three financial years are 'group companies' as defined under SEBI regulations.

Our Strengths

Our primary strengths are as follows:

Strong brand recognition and operational and business linkages:

We are part of the Indiabulls Ventures group and we believe that our relationship with the Indiabulls Ventures group provides brand recall and we will continue to derive significant marketing and operational benefits.

We believe that the Indiabulls Ventures brand is well recognized and associated with governance and compliance structure, and high quality customer centric services. We believe that being part of the Indiabulls Ventures group significantly enhances our ability to attract new clients. We believe that the brand value and scale of the business operations of the Indiabulls Ventures group provides us with an advantage in an increasingly competitive market. We intend to continue to leverage the brand value of the Indiabulls Ventures group to grow our business.

Our country wide reach allows us to market our products across India

Our lending business is sourced digitally as well as through partners, direct selling agents and sales team. We may conduct site verification visits and interviews with the applicant. We have centralized credit hubs, where our underwriting processes are carried out by our credit team. We have also entered into arrangements with certain verification agencies supervised by our internal management to conduct site visits to verify identity and other information of applicants in certain cases. On the sanction of a loan amount, repayment terms are set out up on completion of all documentation requirements by the applicant. Due to our presence across India along with our on-site credit verification process, we have established a diverse customer base, situated across India.

Marketing our loan products through our on-line platforms enables us to extend the market reach of our loan products

We have developed a mobile application for our personal loans called "Dhani", which is aimed at providing an integrated and automated loan processing platform for our customers. We expect a significant part of our personal

loans business in the future to be originated through the “Dhani” mobile application platform. The mobile application is aimed at providing our personal loan customers with the convenience of making a loan application at any time through the “Dhani” mobile platform. The “Dhani” mobile platform is available across Android and IOS operating systems. Through such mobile application platforms, customers are able to apply for the loan, receive loan decision within a relatively short period of time, and organize loan disbursement seamlessly.

We have entered into arrangements with data analytics companies and financial technology services providers to develop our automated loan platform. We have seamlessly integrated our loan application and processing operations with the customer demographic data available with credit bureau reports, and the banking and credit history of the applicant, in order to identify and generate appropriate credit scores. In order to support our mobile application based loan process, we have developed a decision engine comprising our data analytics technology to provide simplified and competitive financing options to customers. We expect our platform to be powerful enough to handle large volume of data required to evaluate customer applications and flexible enough to capitalize on changing customer preferences, market trends and regulatory requirements.

We expect to develop our presence as a technology-enabled financing company by adopting advanced analytics to simplify and revolutionize credit assessments and financing decisions, and enable a short turnaround time credit decisions and automated loan sanction processes across India. In the event any further documentation is required to complete the automated data analytics process contemplated by such mobile application loan sanction process, the relevant applicant is contacted by support teams to enable collection of relevant documentation. We believe that our automated loan application process, based on a number of credit and borrower eligibility criteria, will provide a more customer friendly option compared to traditional loan application processes that requires manual review and credit decisions, which is resource-intensive, time-consuming and may lead to inconsistent results.

Our customer sourcing and marketing models have resulted in scalable growth

Our customer sourcing includes sourcing of customers by our partners and sourcing of customer through “Dhani” mobile application. The network of our partners, who source the customers for personal, business and other loans provided by our Company, increased by about 1.9 times from 0.7 million partners as at December 31, 2018 to over 1.3 million partners as at March 31, 2019.

Our customer origination initiatives involve our sales team as well as marketing campaigns. Our digital marketing initiatives include advertisements over the internet and developing our loan product brand recall over social media. Our traditional finance business operates through relationship managers employed by us. Customer origination for our “Dhani” mobile application and personal loan portfolio will be through an online and mobile application based model. In order to build our presence in the physical lending space, we will engage commission based sourcing agents. We have also developed product demonstration videos in vernacular languages which we distribute through digital media. We propose to actively engage with consumers on the ground to facilitate easy mobile application use.

Our strong in-house loan monitoring and collections teams keeping NPAs in check

Customers of our lending business are provided with a unique identification number to track loan repayment based on outstanding tenure of loans, number of instalments due and defaults, if any. We also monitor compliance with terms and conditions of the relevant credit facilities. Accounts of borrowers with larger exposure are specifically reviewed periodically, and our collection team is responsible for following up on any delinquent borrowers. We have established a collection team to ensure a consistent and stringent collection process. We also closely monitor our collection team in order to ensure regulatory compliant loan repayments as well as to provide quality customer service. Our collection personnel are trained to assist our customers in understanding applicable repayment options and payment modes and ensure appropriate arrangements are made for the repayment of the loan. We use various collection strategies for delinquent loans, including settlements and restructured payment plans. We may also outsource collection activities to third parties. We may engage debt collection companies or dispose of loan portfolios that we are unable to collect to such debt collection companies.

Our strong in-house customer services team allows us to provide quality customer service

We believe that call centres and an emphasis on superior customer service will be significant drivers as we continue to grow our lending business and introduce our mobile application based loan processing platform, “Dhani”. We primarily target personal loans and loans for businesses, and have implemented various customer oriented practices.

We continue to focus on improving customer experience and satisfaction by evaluating customer information derived from website analytics, customer satisfaction surveys, call-centre feedback and call monitoring. We also outsource our customer service activities to specialized agencies in order to cater to specific customer requirements.

Liquid balance sheet with strong capital adequacy

We are subject to capital adequacy ratio (“CAR”) requirements which are prescribed by the RBI. We are currently required to maintain a minimum 15.00% as prescribed under the prudential norms of the RBI, based on our total capital to risk weighted assets as part of our governance policy. We maintain capital adequacy higher than the statutorily prescribed CAR and in comparison with the CAR maintained by other NBFCs. As at March 31, 2019, our CAR, which was computed on the basis of the applicable RBI requirements, was 37.7%, as compared to the minimum capital adequacy requirement of 15.00% as stipulated by the RBI. As at March 31, 2019, our CAR, which was computed on the basis of the applicable RBI requirements, was 37.7%, as compared to the average CAR of 15.70% as of March 31, 2018 maintained by the NBFCs. (*Source: ICRA Report 2018*). With a significantly high CAR of 37.7% as at March 31, 2019, our balance sheet is well capitalised over the statutorily prescribed CAR of 15%. We also believe that we benefit from a liquid balance sheet with a high net worth and a comfortable capital to risk weighted assets ratio. As at March 31, 2019, we had cash (including bank balances other than cash and cash equivalents) and cash equivalent of ₹ 16,528.02 million.

Our Strategies

Growth of our lending business

We intend to focus on our lending business as a key focus area to expand our presence in the financial services sector. Financing requirements have increased along with the growth in the Indian economy. We believe we are well placed to cater to this segment by expanding our lending business, through the acquisition of new customers, providing a convenient experience to customers and offering differentiated solutions to meet the specific needs of particular customer demographics. In order to ensure expansion of our Company’s lending operations, our Promoter has infused funds in the form of equity in our Company in Fiscal 2018.

As part of our strategy to focus on our lending business, we intend to customize and introduce new loan products and evaluate other financing opportunities. Our Company also intends to improve our lending processes and distribution channels. We have launched a distinct distribution channel for our financing products in the form of an easy-to-use product accessible on mobile platforms through an application named “Dhani”, which is a customized platform for loan origination and credit underwriting. Our Company has introduced two new products in the third quarter of Fiscal 2019, namely, Dhani Travel loan focusing on providing instant loans for travel purposes and Dhani Medical Loan focusing on providing instant loans for medical emergencies.

Through such mobile application platform, customers will be able to apply for the loan, receive loan decision within a relatively short period of time, and organize loan disbursement. The platform will be equipped to run credit checks (based on well identified parameters) and process disbursements. The platform will be capable of generating credit scorecards after considering all factors including an individual’s internal credit rating, information from external credit bureaus and salary details. We expect a significant part of our personal loan business in the future to be done through the “Dhani” mobile application platform. Our customized mobile based application will also enable customers to view their loan details and related statements, and make part-prepayment and payment of overdue instalments using internet banking. We believe that our customer service initiatives coupled with the use of technology will allow us to increase our presence in the lending market and secure both new and repeat business in our lending operations.

Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs

Our cost of borrowings is driven by our credit ratings, our financial discipline and our business performance. We have obtained a credit rating of “AA” from CARE and “AA+” Brickworks in relation to our long term and short term bank facilities. We have also received short-term credit rating of “A1+” from CRISIL, ICRA and CARE. These ratings signify the high degree of safety, regarding timely servicing of financial obligations and low credit risk, thus resulting in a lower cost of funds for us. The credit rating of “A1+” signifies the highest short term credit rating. Based on our ratings, we expect to continue to source funding at competitive rates from the debt capital markets and reduce our proportion of bank financing to reduce our overall funding costs. Reduction in our cost of borrowings in turn allows us to competitively price our products to our customers. We believe that this competitive pricing

combined with our loan service levels will allow us to attract more customers with good credit records, to grow our portfolio and attain a higher incremental market share.

We also seek to continue to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. We have maintained a stable spread, ranging from 10.57% to 11.21% in the last 12 months, between our cost of funds and advances made by us.

Our funding mix is as follows:

<i>(₹ in million)</i>	
Source of funding	Fiscal 2019
Loans from banks and others	54,199.69
Non-convertible debentures	7,848.62
Commercial papers	9,500.00
Total	71,548.31

Securitisation and sell down of our loan products

We sell down part of our loans portfolio through securitization and/or direct assignment of loan receivables to various banks and financial institutions, which results in an additional source of liquidity for us. In the Fiscal 2019, we have securitized/ assigned (for the first time) and sold loans aggregating to ₹ 10,375.95 million which comprises unsecured SME loans aggregating to ₹ 4,311.14 million.

We believe that securitisation of our loans under Direct Assignment Structure enable us to retain the spread on the loans without any requirement of capital. We will continue to undertake securitization transactions to increase our capital adequacy ratio and increase the efficiency of our loan portfolio.

Continue to maintain prudent risk management policies for our assets under management

We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As we focus on building a large AUM with low credit risk, we will continue to maintain strict risk management standards to reduce credit risks and promote a robust recovery process.

Leverage on technology to improve customer reach and operating efficiency

We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

Our Product Portfolio

We offer unsecured personal loans targeted at a wide range of customers that meet our eligibility criteria. These eligibility criteria include age restrictions, such as minimum age at the time of loan application, and maximum age at the time of maturity of such loan. Other eligibility criteria for borrowers include minimum income levels based on residential location and income sources, as well as specific employment conditions, and certain banking and credit history requirements.

We also offer business loans and other loans to SMEs, MSMEs and other enterprises, which may be secured or unsecured. Our business loans are primarily targeted at self-employed manufacturers, wholesalers, retailers and professionals such as doctors, architects and chartered accountants. Borrowers that are companies or other forms of business enterprises, are required to meet various eligibility criteria, including relating to period of business continuity, profitability, revenue thresholds, working capital cycles and leverage ratios.

We have entered into share purchase agreement(s) to acquire 33% stake in Transerv Private Limited, a company having a prepaid instrument license and offering prepaid instruments like cards and digital wallets. This helps us to provide payment solutions to our customers over and above our lending products thereby covering the entire gamut of customer financial requirements. Our Company, in line with its strategy of inorganic growth and diversifying its

product offering, has invested and expects to invest upto ₹ 1,500 million. Pursuant to this acquisition, Transerv Private Limited has been classified as our associate company.

Our AUM as per Ind AS was ₹ 40,175.28 million as at March 31, 2018 and our AUM under Ind AS was ₹ 112,277.31 million as at March 31, 2019, resulting in significant growth in the assets under management.

LENDING POLICIES AND PROCEDURES

Overview

We are an NBFC registered with the RBI, which is the regulator for NBFC in India. The RBI stipulates prudential guidelines, directions and circulars in relation to NBFCs.

Within the RBI guidelines, directions and circulars, NBFCs can establish their own credit approval processes. As such, once a company has obtained an NBFC license, the terms, credit levels, and interest rates of loans and any credit approvals would be based upon the NBFC's established internal credit approval processes framed in accordance with applicable regulations by the RBI. Each NBFC undergoes annual inspections by the RBI. The inspections are exhaustive and can last for a period of three to four weeks during which the regulators review the NBFC's adherence to regulatory guidelines, scrutinize the loan book and individual loan files, including security documents, review the functioning of the Board of Directors and its committees and their adherence to minutes of various internal meetings, review the NPA and delinquent cases, review and evaluate the credit approval policies and credit assessment standards, review implementation of decisions and policies of the Board of Directors and review adherence to prescribed formats in the filing of regulatory reports.

We have a strong team of experienced officers in our credit appraisal and risk management teams to develop and implement our credit approval policies. Our credit approval policies focus on credit structure, credit approval authority, customer selection and documentation provided by the customer. Our risk management and appraisal systems are regularly reviewed and upgraded to address changes in the external environment.

Customer Appraisal and Approval Process

We have dedicated units that appraise and approve loan applications operating at the branch office and head office levels. We have robust credit approval process which has both rule based credit assessment for certain products as well as physical journey based credit assessment. Underlying principle of complete credit assessment at each customer level using all relevant information is maintained in both rule based as well as physical credit assessment of the customer. We follow an exhaustive internal appraisal process that includes, amongst other things, checking the following:

- applicant's credit worthiness;
- applicant's repayment sources and ability
- quality, value and enforceability of the collateral (wherever applicable)
- purpose and end-use of the loan ; and
- past repayment behavior basis bureau information

The customer appraisal process includes Two way assessment : for Personal loan product we have rule based approval process, where a customer by providing demographic information, submission of valid documents, banking details, etc. We also take details from credit bureaus and assess customer's credibility. Post collation of all information about the customer, credit assessment is done through a system and reviewed by credit officer wherever required before final approval. We also have a physical credit appraisal process. All applications by prospective customers must be submitted in our standardized forms. In addition to submitting a duly signed application form, prospective customers are required to submit pre-defined KYC documents, including proof of name, date of birth, address and signature, as well as documents relating to income, bank account, etc. To be eligible for a loan, each prospective customer must either be presently employed and receiving a salary from a corporation or be self-employed with an established business track record and sufficient earnings. Each such prospective customer is also required to provide requisite documentation for income verification purposes. If salaried, prospective customers are required to submit salary slips, bank statements and Form 16, a certificate issued to salaried personnel in India by their respective employers certifying the tax deducted at source from salary disbursements for such employees. If self-employed, prospective customers are required to submit income tax returns along with financial statements and bank statements. Borrowers which are proprietorships or companies are also required to submit certain approvals maintained by them in respect of their business and operations.

Once a prospective customer has submitted a completed application, credit officers may verify various details and empanelled third-party agencies may conduct various on-site checks to verify the prospective customer's work and home addresses, as well as telephone numbers. We check the credit history and credit worthiness of the customer on credit bureau to ascertain the financial obligations of the customer and to ensure that the customer has a clean repayment track record, such as consumer credit reports from CIBIL for delays/ defaults by the borrower. We may also carry out various reference checks with the customer's bankers/debtors/creditors. Internally, we check our databases for any information and feedback on the customer. For mortgage product, other than customer assessment, there is complete property /collateral assessment, where carry out title and legal checks, including CERSAI checks, on the collateral to ensure that we have the first and sole charge on it. We conduct property valuations internally and also engage external property valuers to assess the property. The lower of the two valuations is considered by the credit officer. Additional checks are also undertaken by our fraud control unit to make sure that the customer is genuine.

Once the application review process is completed, the loan is sanctioned by the mandated approval authority. A credit decision is then communicated to the customer.

Before disbursing the loan, we take, either, electronic clearance instructions / NACH form or post-dated cheques from the customer for the EMI payments. Once the direct debit authorizations and/or cheques have been received, the funds are disbursed to the customer.

Customer Service

We believe that call-centers and an emphasis on superior customer service will be significant drivers as we continue to grow our lending business and introduce our mobile application based loan processing platform “Dhani”. We primarily target personal loans and loans for businesses. We continue to focus on improving customer experience and satisfaction by evaluating customer information derived from website analytics, customer satisfaction surveys, call center feedback and call monitoring. We also outsource our customer service activities to specialized agencies in order to cater to our customers.

Asset Recovery and Non-Performing Loans

We have made an application to RBI requesting that needful recommendation be made for notifying us as a Financial Institution covered under Section 2(1)(m)(iv) of the SARFAESI Act. Upon us being notified as a Financial Institution under Section 2(1)(m)(iv) of the SARFAESI Act, we will be able to initiate proceedings under the provisions of the SARFAESI Act for recovery of dues under NPA Accounts.

Further, in the event that our customer's cheques / ECS for repayment get EMI or principal repayment cheques issued by our customers are dishonoured on account of insufficiency in funds, we undertake proceedings under the Negotiable Instruments Act, 1881 (as amended). The Payment and Settlement Systems Act, 2007 (as amended) against the customers for asset recovery and NPAs. Upon the receipt of the relevant information and documents such as the physical cheque and bouncing memo, proceedings under the Negotiable Instruments Act, 1881 (as amended) may be initiated by serving a notice demanding payment. If no payment is received within the stipulated period, a criminal complaint is filed before the competent court having jurisdiction to try the case. After the trial, if the accused person(s) are convicted, they are liable for imprisonment or fine or both.

We also initiate arbitration proceedings based on arbitration clauses in our loan agreements. Once the arbitrator accepts the request for appointment, he/ she sends acceptance in writing to all the parties to the dispute and calls upon the claimant to file the statement of claim. We file our statement of claim before the arbitrator and if required, an application under the Arbitration and Conciliation Act, 1996 (as amended) seeking appropriate interim reliefs. If the respondent(s) do not appear in the arbitration proceedings even after due service, they are proceeded *ex-parte*. The proceedings are conducted as per procedure laid down in law and by the arbitrator. After adjudication, *ex-parte* or otherwise, an award is passed by the arbitrator.

The following table sets forth details of our non-performing loans (in absolute terms and also as a percentage of AUM) and our cumulative provision as at March 31, 2019 (as per Ind AS), 2018 (as per Ind AS) and 2017 (as per Indian GAAP):

Particulars	Standalone		
	As at March 31,		
	2019	2018	2017
	<i>(in ₹ million, except percentages)</i>		
Gross NPAs	841.30	20.80	-
% of gross NPAs to AUM	0.75%	0.05%	-
Net NPAs	263.14	4.09%	-
% of net NPAs to AUM	0.24%	0.01%	-
Total cumulative provision – loans and other assets	1,248.73	150.15	22.96

Liability Management

We have a robust liability management program that leads to stable borrowings at reasonable costs. We have lending relationships with Indian public sector banks, private banks, and others financial institutions.

Our borrowing is mainly in the form of term loans from banks, non-convertible debentures and commercial paper, issued on a private placement basis. Our dependence on short-term borrowings is minimal and this lends stability to our liabilities, allowing us to manage our asset expansion accordingly.

Risk Management

Our Company is exposed to variety of risks such as credit, interest rate and liquidity, amongst others. Our Company has robust framework which involves risk identification, assessment and mitigation planning. Our Company's robust analytical model during lending has enabled to mitigate credit risk. In order to mitigate liquidity risk, we ensure that the short-term and long-term funding resources are favourably matched with deployment of funds. Further, our strong risk management team ensures effective credit operations structure.

Based on the information supplied by the applicant regarding the applicant's financial and employment status, and the banking and credit history of such applicant drawn from credit bureaus and other sources, internally developed credit assessment algorithms and the minimum eligibility criteria for applicants, we identify the applicable credit score for the applicant. The following factors are also typically taken into account in determining the credit score of an applicant: credit card usage, nature of loans availed in the past, as well as the credit history, including whether timely repayments were made on previous or existing loans. Our credit risk model involves customer credit insights developed from customer data available through the applicant's financial and other records available publicly or provided by the applicant, which we believe enables us to develop credit scoring methodologies to provide more accurate credit scores and associated credit pricing. We believe that such integrated credit scoring methodology provides for automated loans processing. We also continue to monitor risks in the lending business and modify our underwriting policy basis requirements from time to time.

Interest Rate Risk

We are in the business of lending. We borrow funds at floating and/ or fixed rates of interest, and we extend credit at floating and fixed rates of interest. Our profitability is linked to interest rates. This exposes us to an interest rate risk. Consequently, exposure to interest rate fluctuations and increases needs to be managed in order to mitigate the risk.

As at March 31, 2019, a significant majority of our loan assets and borrowings were floating rate. Our business is impacted by a change in interest rates although the floating rate loans only re-price on a periodic basis. Our balance sheet consists of Indian Rupee denominated assets and liabilities. Consequently, movements in domestic interest rates constitute the source of interest rate risk.

This risk is managed on the balance sheet by the management team with the guidance of our asset liability management committee. The committee actively reviews the assets and liabilities position of our Company and gives directions to the finance and treasury teams in managing the same.

For more information on our liquidity risk, see "*Risk Factors – We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues*" on page 19 of this Tranche II Prospectus.

Liquidity Risk

Any liquidity risk arising due to non-availability of adequate funds at an appropriate cost is minimized through a mix of strategies, including asset securitization and assignment and temporary asset liability gap. We constantly monitor our liquidity under the guidance of the asset liability management committee and the investment committee. We classify our assets and liabilities as current and non-current based on their contracted maturities. However, our classification of assets and liabilities into various maturity profiles reflects various adjustments for prepayments and renewals in accordance with the guidelines issued by the RBI. We manage our balance sheet while drawing new debt and extending credit so as to minimize potential asset-liability mismatches.

Asset Liability Management (“ALCO”)

We require a sizeable working capital. As a result, our day-to-day liquidity management is a critical function. As our personal loan book and business loan book scales up, the asset side duration lengthens which requires greater attention to the management of liabilities.

We have formed an Asset Liability Management Committee. The Asset Liability Management (the “ALM”) statement of our Company is prepared on a monthly basis to track the inflows and outflows of our Company. The ALM statement is placed before the ALCO periodically. Since we have a mixed lending portfolio comprising short term and long term loans, we make efforts to match the maturity of liabilities with the maturity of assets. We structure the treasury assets to maintain sufficient liquidity, address the capital needs of the business and manage interest rate risks. We focus on enterprise-wide risk management which ensures optimum returns while preserving our capital.

In accordance with the RBI guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

The table below sets forth the asset liability position as at March 31, 2019:

Particulars	Total	First quarter of Fiscal 2020	Second quarter of Fiscal 2020	Third quarter of Fiscal 2020	Fourth quarter of Fiscal 2020	Fiscal 2021	Fiscal 2022	> 3 Years
Cash, Cash Equivalents and Undrawn Bank Lines	16,530	16,530	11,210	6,250	14,700	21,550	35,760	48,030
Customer Repayments	106,330	11,570	11,980	11,150	11,130	25,700	24,900	9,900
Total Inflows (A)	122,860	28,100	23,190	17,400	25,830	47,250	60,660	57,930
Cumulative Total Inflows		28,100	40,080	51,230	62,360	88,060	112,960	122,860
Borrowing Repayments	79,180	16,890	16,940	2,700	4,280	11,490	12,630	14,250
Equity Capital, Reserves and Surplus	43,680							43,680
Total Outflows (B)	122,860	16,890	16,940	2,700	4,280	11,490	12,630	56,930
Cumulative Total Outflows		16,890	33,830	36,530	40,810	52,300	64,930	122,860
Net Cash (A-B)		11,210	6,250	14,700	21,550	35,760	48,030	-

1. The above cash flows do not include the equity infusion from the balance receivables from the rights issue of IVL
2. The above cash flows do not include any rollover of CP's or bank term loans
3. Other current assets and current liabilities have been excluded

Capital Adequacy Ratio

NBFCs are required to maintain a minimum CRAR norm of 15% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. The table below sets forth our standalone CRAR as at March 31, 2019, March 31, 2018 and March 31, 2017:

Particulars	Standalone		
	For the Fiscal Year ended March 31,		
	2019	2018	2017
Tier I Capital (<i>₹ in million</i>)	42,656.93	16,308.62	18,332.41
Tier II Capital (<i>₹ in million</i>)	670.58	133.44	229.64
Total Capital (<i>₹ in million</i>)	43,327.51	16,442.06	18,562.05
Total Risk Weighted Assets (<i>₹ in million</i>)	114,921.19	49,057.67	20,616.13
Capital Adequacy Ratio			
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	37.12%	33.25%	88.92%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.58%	0.27%	1.11%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	37.7%	33.52%	90.03%

Credit Risk

Credit risk is the risk of loss that may result from a borrower's or counterparty's failure to meet the contractual obligation of repaying debt as per the agreed terms. Credit risk is actively monitored and controlled by our integrated risk management committee. The committee reviews and updates the credit policy, which is strictly adhered to by our underwriting teams. Our extensive local presence also enables us to maintain regular direct contact with our customers. The underwriting team works closely with our fraud control unit, which uses internal and external sources to identify all possible fraudulent loan applications.

Operational risk management

Operational risk is the risk of loss resulting from (i) inadequate or failed internal processes, (ii) people and systems, or (iii) external events. Operational risk is associated with human errors, system failures, and inadequate procedures and controls. Operational risk exists in any kind of products and business activities.

We have identified certain types of the operational risk events which are more likely to result in substantial losses to our business. These include (i) credit risk, (ii) technology risk, (iii) employee risk, (iv) regulatory risk and (v) the risks arising from fraud and anti-money laundering transactions.

We have implemented strategies and methods to safeguard against these risks:

Credit risk

We have an in-house internal audit team, which conducts periodic audits for all our businesses and functions.

Technology risk

We have an in-house IT team, which ensures that the software and hardware systems are not only the best but also continuously upgraded and safeguarded against any kind of technology related threats. The IT team is responsible for ensuring that the occurrence and frequency of IT downtimes is kept to a minimum. The team is also responsible for the accessibility of our IT system to authorized users and password management.

Employee risk

We have implemented an effective screening programme to conduct pre-employment background checks. Adequate and proper reference checks and screening of the prospective employee's credentials are conducted prior to recruitment.

Regulatory risk

Any communication received by us, including legal notices, customer letters, banks communications, regulatory notices or orders are promptly recorded and forwarded to the relevant departments who are required to process such communication in a timely manner. This process is managed by our in-house regulatory compliance team.

Fraud and anti-money laundering transactions

At the time of appraisal of a loan or a business proposal, we review the underlying documents from KYC as well as money laundering and fraud prevention perspectives. Our fraud control unit also conducts spot checks on a random basis. We also ensure the preservation of records in compliance with the Prevention of Money Laundering Act of 2002.

Competition

The financial services industry is highly competitive and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs

Insurance

We maintain a director's and officers' liability policy covering our directors, officers and employees against claims arising out of legal and regulatory proceedings and monetary demands for damages.

Intellectual Property

As part of our lending business, our Company has obtained registrations for its trademarks, namely, "Dhani" and "Dhani. Phone Se Loan" for the mobile application based lending business.

See also "Risk Factors – We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business." on page 34 of this Tranche II Prospectus.

Legal Proceedings

We are party to various legal proceedings which arise primarily in the ordinary course of our operations. For further details, please see "Outstanding Litigations and Defaults" on page 146 of the Shelf Prospectus and page 118 of this Tranche II Prospectus.

Human Resources

In addition to our full-time employees, we have arrangements with various contractors for contract labour services including for our housekeeping and manned security requirements. Our performance appraisal system helps to analyse the qualitative aspects of our business and managerial dimensions of our employees. We also conduct trainings for our leadership, line leaders and sales force. We offer various incentives to motivate our employees and enhance their performance, including through an employees' stock option for eligible employees. As at March 31, 2019, we had 11,287 employees.

Corporate Social Responsibility ("CSR")

Our CSR initiatives are carried out through the Indiabulls Foundation, a trust established for this purpose, focused on healthcare, education, art and culture, nutrition, sanitation and rural development. CSR activities conducted include free surgeries at impoverished rural areas, contributions to schools and other educational institutions across India, and animal welfare projects. We have also set up a CSR committee that is responsible for implementing our initiatives through the Indiabulls Foundation.

Property

Our registered office is located at M-62 and M-63, First Floor, Connaught Place, New Delhi – 110 001, India. We also have a corporate office in New Delhi and Mumbai, India. Our registered office, corporate offices and branches are located at premises leased or licensed to us.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. Our Company currently has 7 Directors on its Board.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. At our Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

Out of the seven Directors, we have one Whole-time Director and Chief Executive Officer, four Non-Executive Directors and two Independent Directors on our Board.

The following table sets forth details regarding the Board at the date of this Tranche II Prospectus:

Name, Address, DIN and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Tranche II Prospectus)
<p>Mr. Pinank Jayant Shah</p> <p>Address: Flat No. 5, Prabhudas Building No. 9A, St. Xaviers School Road, Opp. Church Vile Parle, (West) Mumbai, Maharashtra – 400 056</p> <p>DIN: 07859798</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: For a period of five years, commencing from September 14, 2017</p> <p>Date of appointment: September 14, 2017</p>	39	Whole-time Director and Chief Executive Officer	<ul style="list-style-type: none"> • Indiabulls Ventures Limited • Transerv Private Limited
<p>Mr. Gagan Banga</p> <p>Address: 103, 1st Floor, Tower A, Raheja Vivarea, Dr A.L. Nair Road, Sane Guruji Marg, Mahalaxmi Mumbai- 400011</p> <p>DIN: 00010894</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: March 22, 2018</p>	43	Non-Executive Director	<ul style="list-style-type: none"> • Indiabulls Ventures Limited • Indiabulls Housing Finance Limited • GSB Advisory Services Private Limited • Indiabulls Distribution Services Limited
<p>Mr. Ajit Kumar Mittal</p>	59	Non-Executive Director	<ul style="list-style-type: none"> • Indiabulls Housing Finance Limited

Name, Address, DIN and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Tranche II Prospectus)
<p>Address: A/403, Ashok Garden, Thokarsi Jivraj Road, Shivadi, Mumbai – 400 015.</p> <p>DIN: 02698115</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: September 14, 2017</p>			<ul style="list-style-type: none"> • Indian Commodity Exchange Limited • Indiabulls Trustee Company Limited • Indiabulls Commercial Credit Limited • Indiabulls Asset Reconstruction Company Limited • Indiabulls Life Insurance Company Limited • Indiabulls Integrated Services Limited • Transerv Private Limited
<p>Mr. Nafees Ahmed</p> <p>Address: B- 45, City Apartment, Vasundhara Enclave, Delhi - 110096</p> <p>DIN: 03496241</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: September 14, 2017</p>	47	Non-Executive Director	<ul style="list-style-type: none"> • Lorena Developers Limited • Lorena Real Estate Limited • Lorena Infrastructure Limited • Lorena Constructions Limited • Parmida Properties Limited • Lorena Builders Limited • Parmida Developers Limited • Ivonne Infrastructure Limited
<p>Ms. Preetinder Virk*</p> <p>Address: H.No.- 1139, Sector – 13, Urban Estate, Karnal, Haryana - 132001</p> <p>DIN: 02398827</p> <p>Nationality: Indian</p> <p>Occupation: Lawyer</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: December 4, 2018</p>	36	Non-Executive Director (Additional)	<ul style="list-style-type: none"> • Securitrust Corporate Services Private Limited
<p>Brig. Labh Singh Sitara (Retd.)</p> <p>Address: H. No. 50, New Officers Colony, Patiala, Punjab – 147 001.</p> <p>DIN: 01724648</p> <p>Nationality: Indian</p> <p>Occupation: Ex-army officer</p>	80	Independent Director	<ul style="list-style-type: none"> • Lucina Land Development Limited • Indiabulls Distribution Services Limited • Selene Constructions Limited • Athena Infrastructure Limited • SORIL Infra Resources Limited

Name, Address, DIN and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of this Tranche II Prospectus)
<p>Term: For a period of five years, commencing from September 14, 2017</p> <p>Date of appointment: September 14, 2017</p>			
<p>Mr. Alok Kumar Misra</p> <p>Address: 601, A Wing, 6th Floor, Sterling Sea Face Apartment, 13/9, Dr. Annie Besant Road, Worli, Mumbai - 400018</p> <p>DIN: 00163959</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: For a period of two years, commencing from March 22, 2018</p> <p>Date of appointment: March 22, 2018</p>	66	Independent Director	<ul style="list-style-type: none"> • Infomerics Valuation and Rating Private Limited • Indiabulls Ventures Limited • Indiabulls Life Insurance Company Limited • ITI Asset Management Limited • Monte Carlo Fashions Limited • Nayati Healthcare and Research Private Limited • Nitstone Finserv Private Limited • The Investment Trust of India Limited • Dewan Housing Finance Corporation Limited

**Appointed as an additional director on the Board of our Company pursuant to the Board resolution dated December 4, 2018 and will be regularised as a Director on the Board of our Company subject to approval of Shareholders at the ensuing AGM of our Company.*

Brief biographies of our Directors

Mr. Pinank Jayant Shah, aged 39 years, is a Whole-time Director on our Board and Chief Executive Officer of our Company. He holds a bachelor's degree in commerce from Mumbai University and a master's degree in management studies (finance) from Jamnalal Bajaj Institute of Management Studies. He has over 16 years of experience in retail lending, corporate lending and fund raising. Prior to joining our Company, he was associated with Indiabulls Housing Finance Limited and Housing Development Finance Corporation Limited.

Mr. Gagan Banga, aged 43 years, is a Non-Executive Director on our Board. He holds a post-graduate diploma in management from Goa Institute of Management. He has over 18 years' of experience in the business of NBFCs and HFCs. He has been named amongst most valuable chief executive officer by BW Businessworld.

Mr. Ajit Kumar Mittal, aged 59 years, is a Non-Executive Director on our Board. He holds a bachelor's degree in arts, a master's degree in economics from Kurukshetra University, and a master's degree in science (business administration programme) from the University of Illinois, USA. Prior to joining our Company, Mr. Mittal was associated with the RBI in various positions, including as its general manager (banking supervision).

Mr. Nafees Ahmed, aged 47 years, is a Non-Executive Director on our Board. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology. He has more than 13 years of experience in the IT sector. He was awarded "The Digital Innovators - Honoree 2017" at CIO100 Symposium and Awards Ceremony, "CIO Power list 2017 – Mobility Icon" and "50 Most Innovative CIOs/ CTOs of India" by India's Greatest.com.

Ms. Preetinder Virk, aged 36 years, is a Non-Executive Director on our Board. She holds a bachelor's degree in commerce from Kurukshetra University and a bachelor's degree in law from Panjab University. She has previously been associated with Indiabulls Housing Finance Limited, Brahma City Private Limited and Atlas Documentary Facilitators Company Private Limited.

Brig. Labh Singh Sitara (Retd.), aged 80 years, is an Independent Director on our Board. He holds a bachelor's degree in economics from the Punjab University. He has previously served in the Indian army and has been awarded

with Dhyan Chand Award for lifetime achievement in games and sports by Ministry of Youth Affairs and Sports in the year 2004. He has won medals in the Asian Games in the year 1966 and 1970, respectively and has also served as an honorary advisor to the Sports Department of the Government of Punjab and as a member of the planning committee of the Athletics Federation of India.

Mr. Alok Kumar Misra, aged 66 years, is an Independent Director on our Board. He holds a master's degree in statistics from the University of Lucknow, a post graduate diploma in personnel management from Delhi University and a diploma in management from Indira Gandhi National Open University. He is an associate of the Indian Institute of Bankers. He has over 43 years of experience in the banking industry. He has been associated as general manager with Bank of India, managing director of Indo-Zambia Bank Limited, executive director of Canara Bank, and chairman and managing director of Oriental Bank of Commerce and Bank of India.

Relationship with other Directors

None of the directors of the Company are related to each other.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

- a. The following table sets forth the compensation paid by our Company, to our Whole-time Director for the Fiscal Year 2019 (excluding the value of retirement benefits and perquisites on employee stock options):

(₹ in million)

Whole-time Director	Total remuneration (including salary and other benefits*)
	Fiscal 2019
Mr. Pinank Jayant Shah	₹ 28.22 million

* Excludes retirement benefits and employee stock options. There was no director sitting fees paid to Mr. Pinank Jayant Shah in Fiscal 2019.

- b. The following table sets forth the compensation paid by our Company to our current Non-Executive Directors for Fiscal 2019:

(₹ in million)

Non-Executive Director	Total remuneration (including salary and other benefits*)
	Fiscal 2019
Mr. Gagan Banga	Nil
Mr. Ajit Kumar Mittal	Nil
Mr. Nafees Ahmed	Nil
Ms. Preetinder Virk**	₹ 0.11 million

* Excludes employee stock options.

**The sitting fees was paid to Ms. Preetinder Virk of ₹ 0.11 million in Fiscal 2019.

- c. The following table sets forth the sitting fees paid by our Company to our current Independent Directors for the Fiscal Year 2019:

(₹ in million)

Name of Director	Total sitting fees
	Fiscal 2019
Brig. Labh Singh Sitara (Retd.)	₹ 0.76 million
Mr. Alok Kumar Misra	₹ 0.87 million

Interest of Directors/ Promoter of our Company

Our Executive Director may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them. Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and profit linked incentives payable to them.

Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. The Directors, including Independent Directors, may also be regarded as interested in the Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners. Except as otherwise stated in the Shelf Prospectus and this Tranche II Prospectus and statutory registers maintained by our Company in this regard, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Tranche II Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. None of the Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Tranche II Prospectus.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the Company.

Other than as disclosed in this Tranche II Prospectus, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has not availed any loans from the Directors which are currently outstanding.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Shareholding of the Directors in our Company and its Associate Company/ joint ventures

As on March 31, 2019, none of the Directors hold any Equity Shares or any outstanding options in our Company or its Associate Company/ joint ventures.

Appointment of any relatives of Directors to an office or place of profit

None of our Directors' relatives have been appointed to an office or place of profit.

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Tranche II Prospectus are as follows:

Sr. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons	Date of appointment in case of resignation
1.	Ms. Preetinder Virk*, Non-Executive Director (additional)	02398827	December 4, 2018	Appointment	-
2.	Ms. Manjari Ashok Kacker, Non-Executive Director	06945359	December 4, 2018	Resignation	April 3, 2018
3.	Mr. Gagan Banga, Non-Executive Director	00010894	March 22, 2018	Appointment	-

Sr. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons	Date of appointment in case of resignation
4.	Mr. Alok Kumar Misra, Independent Director	00163959	March 22, 2018	Appointment	-
5.	Mr. Ajit Kumar Mittal, Non-Executive Director	02698115	September 14, 2017	Appointment	-
6.	Mr. Pinank Jayant Shah, Whole-time Director and Chief Executive Officer	07859798	September 14, 2017	Appointment	-
7.	Brig. Labh Singh Sitara (Retd.), Independent Director	01724628	September 14, 2017	Appointment	-
8.	Mr. Nafees Ahmed, Non-Executive Director	03496241	September 14, 2017	Appointment	-
9.	Mr. Aishwarya Katoch, Independent Director	00557488	September 14, 2017	Resignation	May 6, 2016
10.	Mr. Ravinder, Whole-time Director	02873125	September 14, 2017	Resignation	March 25, 2010
11.	Mr. Jogender Singh, Whole-time Director	02873129	September 14, 2017	Resignation	December 11, 2009
12.	Mr. Sanjeev Kashyap, Non-Executive Director	03405178	September 14, 2017	Resignation	January 31, 2013
13.	Mr. Vijay Babbar, Non-Executive Director	06578673	September 19, 2016	Resignation	January 31, 2013

*Appointed as an additional director on the Board of our Company pursuant to the Board resolution dated December 4, 2018 and will be regularised as a Director on the Board of our Company subject to approval of Shareholders at the ensuing AGM of our Company.

Committees of Board of Directors

1. Audit Committee

The Audit Committee was last reconstituted on March 22, 2018. The terms of reference of this committee were last amended on September 14, 2017. The Audit Committee comprises three members: Brig. Labh Singh Sitara (Retd.), Mr. Alok Kumar Misra and Mr. Ajit Kumar Mittal. Brig. Labh Singh Sitara (Retd.) is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee, *inter-alia*, include:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;
- Review and monitoring of the auditor' independence and performance and effectiveness of the audit process;
- Examination of the auditor' report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications , experience and background etc. of the candidate.

2. Nomination and Remuneration Committee (“NRC”)

NRC was last reconstituted on March 22, 2018. The terms of reference of this committee were last amended on September 14, 2017. NRC comprises of three members: Brig. Labh Singh Sitara (Retd.), Mr. Alok Kumar Misra and Mr. Nafees Ahmed. Brig. Labh Singh Sitara (Retd.) is the Chairman of NRC.

The terms of reference of the Nomination and Remuneration Committee, *inter-alia*, include:

- To ensure ‘fit and proper’ status of all the directors on a continuing basis;
- To identify and advice Board in the matter of appointment of new Directors and senior management personnel’s;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company’s Policy on the remuneration of Executive Directors; and
- To review the evaluation of director’s performance.

3. Corporate Social Responsibility Committee (“CSR”)

CSR was last reconstituted on December 4, 2018. The terms of reference of this committee were last amended on September 14, 2017. CSR comprises of four members: Brig. Labh Singh Sitara (Retd.), Mr. Pinank Jayant Shah, Mr. Ajit Kumar Mittal and Ms. Preetinder Virk. Brig. Labh Singh Sitara (Retd.) is the Chairman of the CSR Committee.

The terms of reference of the Corporate Social Committee, *inter-alia*, include:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

4. Asset Liability Management Committee (“ALCO”)

Asset Liability Management Committee was last reconstituted on September 14, 2017. Asset Liability Management Committee comprises of four members: Mr. Pinank Jayant Shah, Mr. Ajit Kumar Mittal, Mr. Nafees Ahmed and Mr. Manish Rustagi. Mr. Pinank Jayant Shah is the Chairman of the Asset Liability Management Committee.

The terms of reference of the Asset Liability Management Committee, *inter-alia*, include:

- Review of Assets and Liabilities position of the Company and Liquidity risk Management and give directions to Finance/Treasury Team in the event of ALM mismatches beyond permissible limit as set out by the Committee.
- Management of Interest Risk and product pricing, launching of new products.
- Periodical review of PLR and recommend for change for the benchmark rate of the Company.
- Approval of Inter corporate loans to holding company and the associate companies.
- To measure the future cash flow as per maturity profile.
- Analyzing various risks like liquidity risk, interest rate risk, investment risk and business risks.
- Assessment of opportunity cost and maintenance of liquidity.

- Evaluate market risk involved in launching of new products.
- Decide the transfer pricing policy of the Company.
- To approve the business plan, targets and their regular reviews.

5. Integrated Risk Management Committee (“IRMC”)

Integrated Risk Management Committee was last reconstituted on September 14, 2017. Integrated Risk Management Committee comprises of five members: Mr. Ajit Kumar Mittal, Mr. Amit Ajit Gandhi, Mr. Subhankar Ghosh, Mr. Mahesh Arora and Mr. Manish Rustagi. Mr. Ajit Kumar Mittal is the Chairman of the Integrated Risk Management Committee.

The terms of reference of the Integrated Risk Management Committee, *inter-alia*, include:

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.
- Any other matter involving Risk to the asset /business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

6. Investment Committee

Investment Committee was last reconstituted on September 14, 2017. Investment Committee comprises of four members: Mr. Pinank Jayant Shah, Mr. Amit Ajit Gandhi, Mr. Rajeev Lochan Agrawal and Mr. Manish Rustagi. Mr. Pinank Jayant Shah is the Chairman of the Investment Committee.

The terms of reference of the Investment Committee, *inter-alia*, include:

- To help the Company to gainfully deploy the surplus funds available from time to time and creation of long term assets for the Company.
- To periodically review and ensure that all the investments made by the Company are in consonance / compliance with the Investment Policy adopted by the Company.
- To review and approve the amendments in the Investment Policy.
- To decides on engagement of brokers, its terms and conditions, commissions etc.,
- To decides and periodical review of classification of investment as well as on inter-changing of the classifications of investment (e.g., held to maturity, held for trading, held for sale).

Additionally, our Company has constituted operational committees of its Board, such as Management Committee, Bond Issue Committee, Demand and Call Loan Committee and Allotment Committee.

Key Managerial Personnel of our Company

Following are the Key Managerial Personnel of our Company:

Sr. No.	Name	Designation
1.	Mr. Pinank Jayant Shah	Whole-time Director and Chief Executive Officer
2.	Mr. Rajeev Lochan Agrawal	Chief Financial Officer
3.	Mr. Manish Rustagi	Company Secretary and Compliance Officer

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the Fiscal 2018, 2017, 2016, 2015 and 2014, as per the requirements under “Accounting Standard 18 – Related Party Transactions” specified under the Companies Act, refer to the chapter “*Annexure E*” on page 186 of this Tranche II Prospectus.

OUR PROMOTER

Profile of our Promoter

Our promoter is Indiabulls Ventures Limited (“IVL”).

IVL was originally incorporated as ‘GPF Securities Private Limited’ on June 9, 1995 at Delhi and Haryana as a private limited company under the Companies Act, 1956. IVL was converted into a public limited company consequent to a special resolution passed by its shareholders at the EGM held on October 31, 2003 and the name of IVL was changed to Orbis Securities Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on January 5, 2004. The name of IVL was changed to Indiabulls Securities Limited and a fresh certificate of incorporation consequent upon change of name was issued on February 16, 2004. The name of IVL was further changed to Indiabulls Ventures Limited and a fresh certificate of incorporation consequent upon change of name was issued on March 12, 2015.

IVL is a financial services company engaged in providing securities and derivative broking services. Its equity shares are listed on NSE and BSE and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

Interest of our Promoter in our Company

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder, loans provided to us by our Promoter, sharing infrastructure and common services. For further details, please see related party transactions in the section “Annexure E” on page 186 of this Tranche II Prospectus.

Other understandings and confirmations

IVL has confirmed that it has not been identified as wilful defaulter by the RBI or any other governmental authority.

No violations of securities laws has been committed by IVL in the past or is currently pending against IVL. IVL is not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by such entity by any stock exchange in India or abroad.

Details of shareholding of IVL in our Company as on March 31, 2019:

Total number of Equity Shares	Number of Equity Shares in demat form	Total shareholding as %of total number of Equity Shares	Number of Equity Shares pledged	% of Equity Shares pledged with respect to the Equity Shares owned by IVL
61,188,000	61,187,994*	100	Nil	Nil

* 6 Equity Shares are held by certain individual nominees holding one share each in physical form, as nominees of IVL.

Shareholding pattern of IVL as on March 31, 2019:

Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
								Equity shares with voting rights	---									Total
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)		(X)	(XI)	(XII)	(XIII)	(XIV)				
(A)	Promoter & Promoter Group	6	187879588	35788434	0	223668022	36.98	223668022	0	223668022	36.97	0	33.82	61190168	27.36	0	0.00	223668022
(B)	Public	80530	334092325	47145208	0	381237533	63.02	381237533	0	381237533	63.02	56487068	66.18	129738357	34.03	NA	NA	381221190
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	1	0	0	58977	58977	NA	58977	0	58977	0.01	0	NA	0	0.00	NA	NA	58977
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Total:		80537	521971913	82933642	58977	604964532	100.00	604964532	0	604964532	100.00	56487068	100.00	190928525	31.56	0	0.00	604948189

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form		
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held			No.	As a % of total Shares held
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)			(XII)			
Indian																			
(1)																			
(a)	Individuals/Hindu undivided Family		1	41489078	9408927	0	50898005	8.41	50898005	0	50898005	8.41	0	7.70	0	0.00	0	0.00	50898005
	SAMEER GEHLAUT	AFMPG9469E	1	41489078	9408927	0	50898005	8.41	50898005	0	50898005	8.41	0	7.70	0	0.00	0	0.00	50898005
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other		5	146390510	26379507	0	172770017	28.56	172770017	0	172770017	28.56	0	26.12	61190168	35.42	0	0.00	172770017
	ZELKOVA BUILDERS PRIVATE LIMITED	AACZ5953G	1	32907534	7710104	0	40617638	6.71	40617638	0	40617638	6.71	0	6.14	14690168	36.17	0	0.00	40617638
	ORTHIA CONSTRUCTIONS PRIVATE LIMITED	AABCO2307A	1	39701671	9301943	0	49003614	8.10	49003614	0	49003614	8.10	0	7.41	12700000	25.92	0	0.00	49003614
	ORTHIA PROPERTIES PRIVATE LIMITED	AABCO2309Q	1	39981305	9367460	0	49348765	8.16	49348765	0	49348765	8.16	0	7.46	0	0.00	0	0.00	49348765
	INUUS DEVELOPERS PRIVATE LIMITED	AACCI1928E	1	16800000	0	0	16800000	2.78	16800000	0	16800000	2.78	0	2.54	16800000	100.00	0	0.00	16800000
	INUUS PROPERTIES PRIVATE LIMITED	AACCI1953M	1	17000000	0	0	17000000	2.81	17000000	0	17000000	2.81	0	2.57	17000000	100.00	0	0.00	17000000
	Sub-Total (A)(1)		6	187879588	35788434	0	223668022	36.98	223668022	0	223668022	36.97	0	33.82	61190168	27.36	0	0.00	223668022

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									Equity shares with voting rights	-----	Total			Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
(2)	Foreign																		
	Individuals (Non-Resident Individuals/Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(a)	Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		6	187879588	35788434	0	223668022	36.98	223668022	0	223668022	36.97	0	33.82	61190168	27.36	0	0.00	223668022

Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Equity shares with voting rights	- - - -	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)		
(l)	Institutions																		
(a)	Mutual Funds		3	29880	0	0	29880	0.00	29880	0	29880	0.00	0	0.00	0	0.00	NA	NA	29880
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		113	144687623	11552315	0	156239938	25.83	156239938	0	156239938	25.83	13454544	25.66	54172069	34.67	NA	NA	156239938
	JASMINE CAPITAL INVESTMENTS PTE LTD	AADCJ8832D	1	52545147	7287296	0	59832443	9.89	59832443	0	59832443	9.89	0	9.05	0	0.00	NA	NA	59832443
	ABG CAPITAL	AANCA0263H	1	5565280	257726	0	5823006	0.96	5823006	0	5823006	0.96	2,287,272	1.23	5823006	100.00	NA	NA	5823006
	STEADVIEW CAPITAL MAURITIUS LIMITED	AAQCS1253G	1	34907801	1095774	0	36003575	5.95	36003575	0	36003575	5.95	11167272	7.13	34408575	95.57	NA	NA	36003575
(f)	Financial Institutions/Banks		4	156083	0	0	156083	0.03	156083	0	156083	0.03	0	0.02	0	0.00	NA	NA	156083
(g)	Insurance		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Equity shares with voting rights	- - -	Total								
	Companies																		
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	Sub Total (B)(1)		120	144873586	11552315	0	156425901	25.86	156425901	0	156425901	25.86	13454544	25.69	54172069	34.63	NA	NA	156425901
(2)	Central Government/ State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(3)	Non-Institutions																		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs		78014	33574317	6803624	0	40377941	6.68	40377941	0	40377941	6.67	17259366	8.71	0	0.00	NA	NA	40361598
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		63	27834508	4356668	0	32191176	5.32	32191176	0	32191176	5.32	11242250	6.57	0	0.00	NA	NA	32191176
	DIVYESH BHARAT SHAH	AFAPD0331A	1	10569000	1981687	0	12550687	2.07	12550687	0	12550687	2.07	1500000	2.12	0	0.00	NA	NA	12550687

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Equity shares with voting rights	-	Total								
(b)	NBFCs Registered with RBI		10	118405	2343	0	120748	0.02	120748	0	120748	0.02	0	0.00	NA	NA	120748		
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(e)	Any Other																		
	FOREIGN COMPANIES		1	62213000	11103288	0	73316288	12.12	73316288	0	73316288	12.12	14530908	13.28	73316288	100.00	NA	NA	73316288
	TAMARIND CAPITAL PTE LTD	AAAC09131D	1	62213000	11103288	0	73316288	12.12	73316288	0	73316288	12.12	13454545	13.12	73316288	100.00	NA	NA	73316288
	NON RESIDENT INDIANS		877	1630090	11227	0	1641317	0.27	1641317	0	1641317	0.27	0	0.25	0	0.00	NA	NA	1641317
	CLEARING MEMBERS		367	6220692	5359	0	6226051	1.03	6226051	0	6226051	1.03	0	0.94	0	0.00	NA	NA	6226051
	BODIES CORPORATES		1076	55304445	13310384	0	68614829	11.34	68614829	0	68614829	11.34	0	10.37	0	0.00	NA	NA	68614829
	BRIJKISHOR TRADING PRIVATE LIMITED	AACCB8393A	1	8300000	1556250	0	9856250	1.63	9856250	0	9856250	1.63	0	1.49	0	0.00	NA	NA	9856250
	TUPELO CONSULTANCY LLP	AALFT6432C	1	18440813	4709132	0	23149945	3.83	23149945	0	23149945	3.83	0	3.50	0	0.00	NA	NA	23149945
	SHUBHI CONSULTA	ACVFS7166E	1	9487486	1025132	0	10512618	1.74	10512618	0	10512618	1.74	0	1.59	0	0.00	NA	NA	10512618

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Equity shares with voting rights	- - -	Total								
	NCY SERVICES LLP																		
	FOREIGN CORPORATE BODIES		1	2250000	0	0	2250000	0.37	2250000	0	2250000	0.37	0	0.34	2250000	100.00	NA	NA	2250000
	IEPF		1	73282	0	0	73282	0.01	73282	0	73282	0.01	0	0.01	0	0.00	NA	NA	73282
	Sub Total (B)(3)		80410	189218739	35592893	0	224811632	37.16	224811632	0	224811632	37.16	43032524	40.50	75566288	33.61			224795289
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		80530	334092325	47145208	0	381237533	63.02	381237533	0	381237533	63.02	56487068	66.18	129738357	34.03			381221190
Sr No.	Name of shareholder	Name of PAC	No. of Shares	holding%															
1	Tamarind Capital Pte Ltd	Cinnamon Capital Limited Jasmine Capital investments PTE Ltd	73316288	12.12															
2	Jasmine Capital investments PTE Ltd	Tamarind Capital Pte Ltd Cinnamon Capital Limited	59832443	9.89															
3	STEADVIEW CAPITAL MAURITIUS LIMITED	ABG CAPITAL LTR Focus Fund	36003575	5.95															
4	ABG CAPITAL	STEADVIEW CAPITAL MAURITIUS LIMITED LTR Focus Fund	5823006	0.96															
5	LTR Focus Fund	STEADVIEW CAPITAL MAURITIUS LIMITED ABG CAPITAL	2614207	0.43															
6	VALIANT MAURITIUS	VALIANT MAURITIUS PARTNERS LTD	4464720	0.74															

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Equity shares with voting rights	- - -									Total
	S PARTNERS OFFSHORE LIMITED	VALIANT INDIA OPPORTUNITIES LTD																	
7	VALIANT MAURITIUS PARTNERS LIMITED	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED		2555280	0.42														
	S PARTNERS LIMITED	VALIANT INDIA OPPORTUNITIES LTD																	
8	VALIANT INDIA OPPORTUNITIES LTD	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED		700000	0.12														
		VALIANT MAURITIUS PARTNERS LIMITED																	
"Details of shares which remain unclaimed may be given here along with details such as no. of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc." Not applicable																			

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Sr No.	Name of shareholder	Name of PAC	No. of Shares	holding%
1	Tamarind Capital Pte Ltd	Cinnamon Capital Limited Jasmine Capital investments PTE Ltd	73316288	12.12
2	Jasmine Capital investments PTE Ltd	Tamarind Capital Pte Ltd Cinnamon Capital Limited	59832443	9.89
3	STEADVIEW CAPITAL MAURITIUS LIMITED	ABG CAPITAL LTR Focus Fund	34408575	5.69
4	ABG CAPITAL	STEADVIEW CAPITAL MAURITIUS LIMITED LTR Focus Fund	5823006	0.96
5	LTR Focus Fund	STEADVIEW CAPITAL MAURITIUS LIMITED ABG CAPITAL	4209207	0.70
6	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED	VALIANT MAURITIUS PARTNERS LTD VALIANT INDIA OPPORTUNITIES LTD	4288000	0.71
7	VALIANT MAURITIUS PARTNERS LIMITED	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED VALIANT INDIA OPPORTUNITIES LTD	2732000	0.45
8	VALIANT INDIA OPPORTUNITIES LTD	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED VALIANT MAURITIUS PARTNERS LIMITED	700000	0.12

“Details of shares which remain unclaimed may be given here along with details such as no. of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.” Not applicable

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Equity shares with voting rights	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)				
(1)	Custodian/DR Holder		1	0	0	58977	58977	N.A	58977	0	58977	0.01	0	N.A				
	DEUTSCHE BANK TRUST COMPANY AMERICAS	AACCD4898E	1	0	0	58977	58977	N.A	58977		58977	0.01		N.A				
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00				
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		1	0	0	58977	58977	N.A	58977	0	58977	0.01	0	N.A				

Details of the shareholders acting as persons in Concert including their Shareholding:

Name of Shareholder	Name of PAC	No of shares	Holding%
Total:		0	0

Board of Directors of IVL as on date of this Tranche II Prospectus:

1. Mr. Sameer Gehlaut, chairman
2. Mr. Pinank Jayant Shah, executive director
3. Mr. Divyesh B. Shah, executive director
4. Mr. Gagan Banga, non- executive director
5. Mr. Shyam Lal Bansal, independent director
6. Mr. Alok Kumar Misra, independent Director
7. Mrs. Vijaylakshmi Rajaram Iyer, independent director
8. Mr. Abhaya Prasad Hota, independent director

FINANCIAL INDEBTEDNESS

Details of the borrowings of our Company as on March 31, 2019:

Sr. No.	Nature of Borrowing	Amount (₹ in million)
1.	Secured Borrowings*	59,296.31
2.	Unsecured Borrowings*	12,252.00

*comprising debt securities and borrowings other than debt securities

Set forth below, is a brief summary of the borrowings by our Company as at March 31, 2019 together with a brief description of certain significant terms of such financing arrangements.

Our Company's secured term loans from banks as on March 31, 2019 amount to ₹ 51,442.96 million. The details of the borrowings are set out below:

Term Loans

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
1.	Axis Bank Limited	OD-FD	585.90	307.36	-	On demand	-	<ul style="list-style-type: none"> • 2% - In the event of non-payment of overdraft/ interest
2.	HDFC Bank Limited	OD-FD	250.00	0.00	-	On demand	-	<ul style="list-style-type: none"> • 2% - Over and above the agreed rate of interest on the overdue amount for the period account remains overdrawn due to irregularities • 1% - Any default in complying with terms of sanction within the stipulated time
3.	Indian Overseas Bank	TL	3,000	2,983.72	September 29, 2022	Equal annual instalments at the end of 48 th and 60 th months after a moratorium of 36 months	Concessional interest rate to be withdrawn and 1% will be levied in case of takeover by another bank	<ul style="list-style-type: none"> • 1% - If audited financials and certified stock statement are not submitted within stipulated time • 2% - Any non-compliance of sanction terms and conditions • 1% - Non-submission of monthly receivable statements on or before the 15th day • 2% - Non-perfection of security and obtention of NOC from all other lenders

Sr. No	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
								within stipulated time
4.	IndusInd Bank Limited	TL	3,000	3,000	September 27, 2019	Bullet repayment	Nil prepayment charges with 30 days' notice	<ul style="list-style-type: none"> • 2% - In the event of irregularities in the account • 1% - In the event of non-compliance with sanction terms
5.	IndusInd Bank Limited	TL	2,000	1,637.81	September 28, 2021	Repayment in 12 equal quarterly instalments which shall commence from the quarter end during which the limit is disbursed.	Nil prepayment charges with 30 days' notice	<ul style="list-style-type: none"> • 2% - In the event of irregularities in the account • 1% - In the event of non-compliance with sanction terms
6.	Lakshmi Vilas Bank Limited	TL	1,500	1,499.96	April 29, 2019	Bullet repayment at the end of 19 th month from the date of first drawdown	Nil prepayment charges subject to notice period of 30 days	<ul style="list-style-type: none"> • 2% - For non-payment of interest, non-compliance of sanction order conditions, arrears of instalments
7.	National Bank for Agriculture and Rural Development	TL	5,000	4,237.98	January 31, 2024	Repayable in five years at half yearly rests with instalments of ₹ 750 million to be paid for the first six instalments and instalments of ₹ 100 million to be paid for the last five instalments	Prepayment may be done by giving 3 days clear notice and the same will attract pre-payment charges as per the rate prevailing on the date of payment	<ul style="list-style-type: none"> • 1% - For non – submission of NOC from existing lenders for creating charge within 90 days from the date of release of refinance
8.	National Bank for Agriculture and Rural Development	TL	3,640	3,628.24	July 31, 2024	Repayable in five years at half yearly rests with instalments of ₹ 546 million to be paid for the first six instalments and instalments of ₹ 72.8 million to be paid for the	Prepayment may be done by giving 3 days clear notice and the same will attract pre-payment charges as per the rate prevailing on the date of payment	<ul style="list-style-type: none"> • 1% - For non – submission of NOC from existing lenders for creating charge within 90 days from the date of release of refinance • 2% - In the event of default

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
						last five instalments		
9.	Punjab & Sind Bank	TL	5,000	4,998.21	September 12, 2022	Equal annual instalments at the end of 48 th and 60 th months after a moratorium of 36 months	Nil prepayment charges subject to notice period of 30 days	-
10	RBL Bank Limited	TL	1,750	940.49	December 18, 2020	13 equal quarterly instalments	No prepayment allowed up to April 1, 2018 after which there shall be no prepayment charges if 60 business days prior notice is given. However, 2% shall be charged if 60 days' notice is not given	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion • 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
11	RBL Bank Limited	TL	500	268.31	December 27, 2020	13 equal quarterly instalments	No prepayment allowed up to April 1, 2018 after which there shall be no prepayment charges if 60 business days prior notice is given. However, 2% shall be charged if 60 days' notice is not given	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion • 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
12	RBL Bank Limited	CC	250	237.69	-	Repayable on demand	-	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the

Sr. No	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
								<p>bank's sole discretion</p> <ul style="list-style-type: none"> 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
13	RBL Bank Limited	TL	1,000	767.13	September 29, 2021	Repayable in 13 equal quarterly instalments with first instalment due at the end of 3 months from the date of disbursement	Nil prepayment charges if 30 days prior notice is given else a prepayment charge of 2% will be levied	<ul style="list-style-type: none"> 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
14	The South Indian Bank Limited	TL	750	743.56	December 13, 2023	Principal to be repaid in 3 equal instalments of ₹ 250 million at the end of 3 rd , 4 th and 5 th year after a repayment holiday of 2 years	Prepayment is not allowed during the holiday period of two years after which prepayment charges would be nil if prepaid with 30 days' notice, else 1% penal charges will be applicable on the entire outstanding loan amount at the time of prepayment/ pre-closure	<ul style="list-style-type: none"> 2% - defaults and non-compliances of any of the sanction stipulations

Sr. No	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
15	Syndicate Bank	TL	1,000	874.37	September 18, 2022	Repayable in 16 equal quarterly instalments after a moratorium of 1 year from the date of first release	Nil prepayment charges if prior written notice of 30 days is given else, prepayment penalty of 1% is levied	<ul style="list-style-type: none"> 2% - In case of delay/default in payment of instalment of interest/ other monies on their respective due dates
16	Union Bank of India	TL	1,500	1,495.47	June 18, 2023	Repayable in two yearly instalment after moratorium of 3 years from 1 st disbursement	Nil prepayment charges if paid within 30 days after each reset date else prepayment charge of 1% in case the prepayment is done on any other dates	<ul style="list-style-type: none"> 2% - In case of any delay/default in payment of instalment of principal/ interest/ other monies on their respective due dates
17	Vijaya Bank	TL	3,000	2,984.45	September 28, 2022	Repayable in 2 equal annual instalments after moratorium of 3 years from 1 st disbursement	-	<ul style="list-style-type: none"> Penal interest at applicable rates for the following <ul style="list-style-type: none"> i. Delay in submission of stock statements ii. Non-submission of audited balance sheet, FFR, review/renewal data within stipulated time iii. Non-obtention of external credit risk rating from agency approved by RBI
18	YES Bank Limited	TL	10,000	9,991.85	September 29, 2019	Bullet repayment	2% plus applicable taxes and nil in case the lender exercises put option	-
19	YES Bank Limited	TL	10,000	9,918.44	October 5, 2020	Repayable in 18 equated monthly instalments after	-	<ul style="list-style-type: none"> 2% - If facilities are not rated annually or at such intervals as may be decided by the bank

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
						moratorium of 6 months		<ul style="list-style-type: none"> 2% - Default in creation and perfection of security within 90 days from the date of disbursement 2% - Breach of any covenant or provision of the agreement or any
20	YES Bank Limited	CC	1,000	927.92	-	Repayable on demand	-	-

Security for above loans:

First pari passu charge on (i) all the current assets (including) investments of our Company, both present and future and (ii) all current and future loan assets of our Company and all monies receivable thereunder. The minimum asset cover required to be maintained by our Company for secured loan facilities mentioned above ranges from 111% to 125%

Secured Non-Convertible Debentures as on March 31, 2019

a. Non-convertible debentures issued through public offerings

Our Company has issued 62,62,053 secured redeemable non-convertible debentures of the face value of ₹ 1,000 amounting to ₹ 6,262.05 million, of which ₹ 6,157.44 million (as per Ind AS) is outstanding as of March 31, 2019, the details of which are set forth further below:

Face Value (in ₹)	Amount (₹ in million)
1,000 (Secured NCD)	6,157.44

Redemption date represents actual maturity and does not consider call/put option:

Sr. No.	Description *(ISIN)	Tenor (In Years)	Coupon Rate	Amount (In ₹ million)	Date of Allotment	Date of Redemption	Latest Credit Rating
1.	INE614X07027	2.17	10.75%	3,709.28	March 8, 2019	May 8, 2021	CARE AA and BWR AA+
2.	INE614X07035	2.17	NA	243.90	March 8, 2019	May 8, 2021	CARE AA and BWR AA+
3.	INE614X07043	3.17	10.40%	319.29	March 8, 2019	May 8, 2022	CARE AA and BWR AA+
4.	INE614X07050	3.17	10.90%	742.15	March 8, 2019	May 8, 2022	CARE AA and BWR AA+
5.	INE614X07068	3.17	NA	233.26	March 8, 2019	May 8, 2022	CARE AA and BWR AA+
6.	INE614X07076	5.00	10.50%	461.80	March 8, 2019	March 8, 2024	CARE AA and BWR AA+
7.	INE614X07084	5.00	11.00%	256.12	March 8, 2019	March 8, 2024	CARE AA and BWR AA+
8.	INE614X07092	5.00	NA	191.64	March 8, 2019	March 8, 2024	CARE AA and BWR AA+

*The secured redeemable non-convertible debenture is secured by a first ranking pari-passu charge on the current assets (including investments) of our Company, both present and future; and on present and future loan assets of our Company, including all monies receivable for the principal amount and interest thereon.

The minimum asset cover required to be maintained by our Company for the secured NCD is 1.00.

****Penalty clause applicable to all secured non-convertible debentures – (i) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% per annum over the coupon rate shall be payable by our Company for the defaulting period; and (ii) Fails to create security within the stipulated time, penal interest at the rate of 2% shall be payable by our Company.**

b. Non-convertible debentures issued through private placements

Our Company has issued 1,750 secured redeemable non-convertible debentures of the face value of ₹ 1,000,000 amounting to ₹ 1,750 million, of which ₹ 1,691.18 million (as per Ind AS) is outstanding as of March 31, 2019, the details of which are set forth further below:

Face Value (in ₹)	Amount (₹ in million)
1,000,000 (Secured NCD)	1,691.18

Redemption date represents actual maturity and does not consider call/put option:

Sr. No.	Description *(ISIN)	Tenor (In Years)	Coupon Rate	Amount (In ₹ million)	Date of Allotment	Date of Redemption	Latest Credit Rating
1.	INE614X07100	2.00	10.60%	1,691.18	March 29, 2019	March 29, 2021	CARE AA

**The secured redeemable non-convertible debenture is secured by a first ranking pari-passu charge on the current assets (including investments) of our Company, both present and future; and on present and future loan assets of our Company, including all monies receivable for the principal amount and interest thereon.*

The minimum asset cover required to be maintained by our Company for the secured NCD is 1.30 times.

****Penalty clause applicable to all secured non-convertible debentures – (i) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% per annum over the coupon rate shall be payable by our Company for the defaulting period; and (ii) Fails to create security within the stipulated time, penal interest at the rate of 2% shall be payable by our Company.**

Secured Vehicle Loans as on March 31, 2019

Sr. No.	Lender Name	Sanctioned Amount (In ₹ million)	Amount outstanding (as on March 31, 2019) (in ₹ million)	Maturity Date
1.	HDFC Bank	3.20	2.37	September 7, 2022
2.	HDFC Bank	3.20	2.36	September 7, 2022
TOTAL		6.40	4.73	

Subordinated Debt as on March 31, 2019

Nil

Perpetual Debt as on March 31, 2019

Nil

List of top 10 Debenture Holders (secured and unsecured) as on March 31, 2019

Sr. No.	Name of Debenture Holder	Amount (In ₹ million)
1.	IDFC Bank Limited	2,750.00
2.	Indiabulls Life Insurance Company Limited	2000.00
3.	Bank of India	500.00
4.	Piramyd Retail Limited	350.00

Sr. No.	Name of Debenture Holder	Amount (In ₹ million)
5.	Trust Capital Services (India) Pvt. Ltd.	100.00
6.	Krsna Suraj Kalra	30.00
7.	Dilipkumar Lakhi	25.00
8.	Girdharilal V. Lakhi	25.00
9.	Shri Bhagwan Trust Committee	12.05
10.	Shri Swamy Atmanand Dharmarth	10.15

Commercial Papers as on March 31, 2019

The total face value of commercial papers outstanding as on March 31, 2019 is:

Sr. No.	Maturity Date	Amount Outstanding (In ₹ million)
1.	May 15, 2019	1,250.00
2.	May 17, 2019	1,250.00
3.	May 20, 2019	4,500.00
4.	June 14, 2019	2,000.00
5.	June 14, 2019	500.00

Details of corporate guarantees:

The amount of corporate guarantees issued by our Company for securitization transactions/ assignment with different assignee as on March 31, 2019 is nil.

As on March 31, 2019, the amount of corporate guarantee issued by our Company in favour of its subsidiaries, joint venture entity, group companies, etc. is nil.

Restrictive Covenants under our Financing Arrangements:

Many of our financing arrangements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent in the following:

- i. To create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/person;
- ii. To transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loans;
- iii. To change or in way alter the capital structure of the borrowing concern;
- iv. Effect any scheme of amalgamation or reconstitution;
- v. Implement a new scheme or expansion or take up an allied line of business or manufacture;
- vi. Enlarge the scope of the other manufacturing/trading activities, if any;
- vii. Withdraw or allow to be withdrawn any moneys brought in by the promoters and directors or relatives and friends of the promoters or directors;
- viii. Invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due;
- ix. To change its constitution, more particularly change in promoter, directors or in the core management team or any merger/acquisition/amalgamation;
- x. To undertake any new project/ any further expansion or acquire fixed assets;
- xi. To obtain any fund bases/non fund bases credit facility from any financial institution or any other source;
- xii. To effect any change in Company's capital structure;
- xiii. To undertake any investment activity within group companies;
- xiv. To enter into any scheme of expansion programme or take up any new activities;
- xv. To invest or lend money except in the ordinary course of business or act as surety or guarantor;

- xvi. To lease out or dispose of the building/ machinery/ vehicle/ other assets or any part of the building/ machinery/ vehicle/ other assets mortgaged/ hypothecated or shift of plant and machinery/ vehicle/ other assets to any other place;
- xvii. To transfer, encumber, charge, alienate its movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money, etc.;
- xviii. To enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit;
- xix. To permit any merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- xx. Implement any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;
- xxi. Make any investments by way of share capital, or debentures or loan or to place deposits with any concern except giving trade credits;
- xxii. Revalue its assets at any time;
- xxiii. Permit any transfer of the controlling interest of promoters/ directors/ partners or make drastic change in the management set up;
- xxiv. Enter into contractual obligations of long term nature or affecting the borrower's financial position to any significant extent;
- xxv. Carry on general trading activity other than the sale of its own products;
- xxvi. Purchase or sell capital goods on hire purchase basis or lease basis;
- xxvii. Increase the remuneration of directors/ partners whether by way of salary, commission, perquisite, sitting fees, etc. or make any change in the existing practice with regard to payment of remuneration, salary, perquisite, sitting fees, etc.;
- xxviii. To pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
- xxix. To give guarantee on behalf of third parties except in the ordinary course of business;
- xxx. To make any amendment in our Company's memorandum and articles of association;
- xxxi. To enter into partnership, profit sharing or royalty agreement or other similar arrangement whereby its income or profits are or might be shared with any other person, firm or company or enter into any management contract or similar arrangement whereby the business and operations of the borrower are managed by any person, firm or company; and
- xxxii. To change the registered office or the location of the borrower.

Events of Default under our Financing Arrangements:

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

- i. Default in the repayments of the loans by our Company;
- ii. Entering into a composition with its creditors;
- iii. If our Company becomes bankrupt or is adjudicated as insolvent or any insolvency petition is filed against our Company;
- iv. Order or resolution passed for the winding up of our Company, or if a petition or a notice of a meeting to pass such a resolution has been initiated;
- v. If any of the representations made by our Company in the application for granting credit facilities is found to be untrue or false;
- vi. If any instalments of the principal money, due in respect of the loans, whether payment is demanded or not, remain unpaid on the due date for payment by our Company;
- vii. Any interest due in respect of the loan remaining unpaid and in arrears after the same have become due;
- viii. Any execution, attachment or distraint being enforced or levied against the whole or any part of our Company's property;
- ix. A receiver being appointed in respect of the whole or any part of the property of our Company;
- x. Ceasing or threatening to cease, to carry on the activity/ activities for the purpose for which loans are borrowed or availed;
- xi. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to depreciate the value of the security given to the bank by our Company;
- xii. The occurrence of any event or circumstances which would likely or prejudicially or adversely affect in any manner the capacity of our Company to repay our loans;
- xiii. Going into liquidation, except for the purpose of amalgamation or reconstruction;
- xiv. Cross default;

- xv. Failure on our Company's part to create the security as provided in the respective facility agreement;
- xvi. Default in perfection of securities;
- xvii. Inadequate insurance;
- xviii. Invalidity or unenforceability of the documents of our Company;
- xix. Nationalisation or expropriation of our Company's assets or operations;
- xx. Downgrade in rating below present rating;
- xxi. Non-compliance with RBI norms;
- xxii. Change in ownership or management control of our Company; and
- xxiii. Diversion of funds apart from the purpose for which the respective facilities are sanctioned by the banks.

As on the date of this Tranche II Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past 5 years.

There are no outstanding borrowings taken/debt securities issued were taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on March 31, 2019.

Details of rest of the borrowings (if any, including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on March 31, 2019:

Nil

The total amount of loans and advances from related parties (ICDs), being Indiabulls Ventures Limited, outstanding as on March 31, 2019 is ₹ 2,752.00 million.

MATERIAL DEVELOPMENTS

Except as stated below, there have been no recent material developments since the filing of the Shelf Prospectus and Tranche I Prospectus with the ROC, BSE, NSE and SEBI, including in respect of disclosure under the sections titled “*Risk Factors*”, “*Capital Structure*”, “*Our Business*”, “*History and Other Corporate Matters*”, “*Our Management*”, “*Our Promoter*”, “*Financial Indebtedness*”, “*Outstanding Litigations and Defaults*”, “*Material Developments*” of the Shelf Prospectus and the Tranche I Prospectus.

Our Company further confirms that this Tranche II Prospectus contains all material disclosures which are true and adequate to enable prospective investors to make an informed investment decision in this Tranche II Issue, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

RISK FACTORS

Please see “*Risk Factors*” on page 16 of this Tranche II Prospectus.

CAPITAL STRUCTURE

Please see “*Capital Structure*” on page 54 of this Tranche II Prospectus.

OUR BUSINESS

Please see “*Our Business*” on page 73 of this Tranche II Prospectus.

OUR MANAGEMENT

Please see “*Our Management*” on page 87 of this Tranche II Prospectus.

OUR PROMOTER

Please see “*Our Promoter*” on page 96 of this Tranche II Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Please see “*Other Regulatory and Statutory Disclosures*” on page 122 of this Tranche II Prospectus.

FINANCIAL INDEBTEDNESS

Please see “*Financial Indebtedness*” on page 108 of this Tranche II Prospectus.

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as the litigations disclosed below, as on the date of this Tranche II Prospectus, there are no developments with respect to the litigations disclosed in the Shelf Prospectus since the filing of the Shelf Prospectus and Tranche I Prospectus:

I. Involving our Company

A. Criminal Cases

Cases instituted by our Company

1. Our Company has filed an application under Section 340(1) of the CRPC for holding inquiry against Pankti Mehta before the Punjab and Haryana high court at Chandigarh. Our Company was dishonestly induced to advance various loan amounts by Pankti Mehta and certain other individuals and therefore, an FIR was registered against her and certain other individuals under the Indian Penal Code. A petition was filed by Pankti Mehta under Section 482 of the Code of Criminal Procedure, 1973 for quashing the FIR (“**Quashing Petition**”). Pankti Mehta had intentionally provided her false address in the Quashing Petition as well as in the affidavit under solemn affirmation, thereby committing prima facie offence under section 191/193

of the Indian Penal Code, 1860 which falls within the ambit of Section 195(1)(B) of the CRPC. Our Company has thus alleged that she had intentionally misled and misrepresented the court which requires enquiry to be conducted under Section 340 of CRPC. The case is now listed for arguments on July 29, 2019.

2. Our Company has filed a Complaint under Section 200 of the CRPC read with Section 156(3) of the CRPC against Nav Durga Roadlines and certain other persons (“**Accused**”) in the court of Chief Metropolitan Magistrate, Patiala House, New Delhi. The complaint was filed for cheating, forgery, criminal breach of trust, causing wrongful loss through conspiracy and criminal intimidation and for registration of First Information Report (“**FIR**”) under sections 420, 406, 468, 471, 120 B and 506 against all the Accused. The matter has been listed for argument on June 26, 2019.
3. Our Company has filed 10 FIRs against our customers to whom loans were granted by our Company and such customers have defaulted in their respective loan repayment(s) to our Company. These FIRs have been filed in different jurisdictions and are currently pending investigation.
4. As of May 10, 2019, our Company, in the ordinary course of business, has initiated 14,308 proceedings aggregating to ₹ 386.91 million, against defaulting customers under the Negotiable Instruments Act, 1881 and Payment and Settlement Systems Act, 2007.

Cases instituted against our Company

1. Pankti Mehta filed a petition under Section 482 of the CRPC before the Punjab and Haryana high court, Chandigarh. The petition was filed for the quashing of order dated September 26, 2016 passed by Amit Jain, Judicial Magistrate, First Class, Gurgaon in connection with the F.I.R. lodged under sections 406, 420 and 120B of Indian Penal code, 1860. The F.I.R. was lodged pursuant to a complaint filed by our Company for dishonour of cheques. The case is now listed for arguments on July 29, 2019.

II. Litigation involving our Promoter

1. Mr. Mayank Kumar Agarwala preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited alleging certain unauthorized transaction in his account and opportunity loss due to non-execution of trades, against his trading member, IVL. An arbitral award was passed by a sole arbitrator on September 28, 2018 dismissing the application made by Mr. Mayank Kumar Agarwala and ordered IVL to pay a sum of ₹ 80,250, being an amount of 25% of the total loss of ₹ 3,21,000 to Mr. Mayank Kumar Agarwala in full and final settlement of this matter. Subsequently, IVL filed an appeal on November 16, 2018 against the said arbitral award before the Honorable Appellate Bench of the National Stock Exchange of India Limited for setting aside the impugned award passed by the sole arbitrator, which was dismissed by the Hon’ble Appellate Tribunal. Being aggrieved thereof, IVL has filed an objection petition under Section 34 of Arbitration & Conciliation Act, 1996 before District Court, Kolkata, which is pending for adjudication.
2. Mr. Madan Pradhan preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited for alleging certain unauthorized transaction in his account for an amount of ₹ 5,00,000 by his trading member, IVL. An arbitral award was passed by a sole arbitrator on August 24, 2018 imposing a penalty on IVL dismissing the application made by Mr. Madan Pradhan and ordered IVL to compensate Mr. Madan Pradhan and make good for the loss suffered by him for the trades executed by IVL without his authorization. Subsequently, IVL filed an appeal on October 1, 2018 against the said arbitral award before the Honorable Appellate Bench of the NSE for setting aside the impugned award passed by the sole arbitrator. Subsequently, the Honorable Appellate Bench of NSE has *vide* its order dated February 20, 2019, set aside the award passed by the sole arbitrator and dismissed the claim.
3. Ms. Sima Roy preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited for alleging certain unauthorized transaction in his account and certain issues pertaining to brokerage and interest, aggregating to an amount of ₹ 31,375 by his trading member, IVL. An award was passed by the sole arbitrator on March 14, 2019 rejecting the claim of Ms. Sima Roy.

III. Litigation involving our Directors

1. **Brig. (Retd.) Labh Singh Sitara**

- a. A criminal revision petition before the Court of the Sessions Judge, Patiala House Court, Delhi, was filed by Ms. Sadiya Yusuf and Ms. Sania Yusuf (“**Petitioners**”) against, amongst others, Athena Infrastructure Limited (“**Athena**”); its holding company, Indiabulls Real Estate Limited (“**IREL**”); Mr. Labh Singh Sitara, a director of Athena, and Mr. Sameer Gehlaut, as a director of IREL, in relation to a flat booked by the Petitioners and praying that an order be passed directing the police to register a first information report in the matter, amongst others. The Petitioners had also filed a consumer complaint in September 2015 before the National Consumers Dispute Redressal Commission for the recovery of the Disputed Amount. The matters have now been withdrawn.
- b. A consumer complaint was filed before the National Consumer Disputes Redressal Commission, New Delhi by Chinmoy Tikader and certain other persons (“**Complainants**”) against Lucina Land Development Limited and certain other persons including Brig. (Retd.) Labh Singh Sitara. The Complainants had booked their flats in a project named ‘Indiabulls Greens Panvel’ that was launched by Lucina Land Development Limited and have filed the complaint for, amongst other things, delay in delivery of completed flats. By way of order dated May 16, 2018 (“**Order**”), the National Consumer Disputes Redressal Commission, New Delhi had allowed an application under Section 12(1)(c) of the Consumer Protection Act, 1986 for clubbing various matters involving numerous consumers with the same interest. The Order had been challenged by Lucina Land Development Limited before Hon’ble High Court at Delhi in CM (M) No. 664/2018, wherein *vide* order dated February 6, 2019, the operation of the Order dated May 16, 2018 has been stayed, which stay has been further extended by Hon’ble Delhi High Court till May 28, 2019.

2. **Mr. Ajit Kumar Mittal**

Mr. Arveen Nehraw (the “**Complainant**”) filed a consumer complaint on March 29, 2018 (the “**Complaint**”) before the National Consumer Disputes Redressal Commission, New Delhi (“**NCDRC**”) against our Company and Mr. Ajit Kumar Mittal (collectively the “**Respondents**”) alleging that the Respondents have levied illegal foreclosure charges on the loan availed by the Complainant from our Company. The Complainant has in its complaint prayed for refund of the foreclosure charge along with interest from date of payment to the disposal of the complaint. Our Company filed an application with NCDRC on November 18, 2018 seeking deletion of the name of the Directors from the array of parties of the Complaint. Also, our Company has filed with the NCDRC a written statement on December 28, 2018. The matter is listed on June 28, 2019 for marking exhibits before the registrar.

IV. **Litigation involving Sameer Gehlaut, promoter of our Promoter Indiabulls Ventures Limited**

Criminal case

LeasePlan India Private Limited and LeasePlan Fleet Management India Private Limited (the “**Complainants**”) filed a criminal complaint on April 24, 2012 in the court of Chief Metropolitan Magistrate, New Delhi (“**Chief Metropolitan Magistrate**”) under Section 200 of Criminal Procedure Code, 1973 against Store One Retail India Limited (formerly known as Indiabulls Retail Services Limited and Piramyd Retail Limited), Mr. Sameer Gehlaut and others (collectively, the “**Accused Persons**”) alleging that the Accused Persons have committed criminal breach of trust and cheating in criminal conspiracy with each other, against the Complainants by series of acts/omissions and induced the Complainants to part away from Ford Fiesta, a four wheeler car bearing registration number MH01VA2415, based on false promise/representation of the Accused Persons. The court of Chief Metropolitan Magistrate *vide* its order dated March 30, 2017, dismissed the complaint filed by the Complainants (“**Order**”). The Complainants have filed a petition no. CRL.M.C.4724/2017 in the High Court of Delhi, seeking to quash the Order passed by the Chief Metropolitan Magistrate. The matter is listed for hearing on October 1, 2019.

V. **Regulatory action against ex-director of IVL**

SEBI has issued an ad-interim ex-parte order dated May 24, 2019 against Ms. Pia Johnson, ex-director on the board of IVL (promoter of the Company), and her husband Mr. Mehul Johnson, under Sections 11(1) and 11(4)(d) and Section 11B of the SEBI Act, 1992 read with Regulation 10 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “**Insider Trading Regulations**”) directing, amongst others, impounding of the alleged unlawful gains of a sum of Rs. 87,21,918.55 from Ms. Pia Johnson and Mr.

Mehul Johnson for alleged violations of Regulation 3 and 4 of the Insider Trading Regulations. IVL and its management are not named in the order as it is a completely individual matter. Further, Ms. Pia Johnson had ceased to be a director on the board of IVL with effect from August 28, 2017. While the concerned individuals are free to contest/ appeal any interim and/ or final order of the SEBI, IVL is not party to any such proceedings.

Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company in the last five Fiscals.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche II Issue

At the meeting of the Board of Directors of our Company, held on January 14, 2019, the Directors approved the issue of NCDs to the public, up to an amount not exceeding ₹ 30,000 million. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the annual general meeting of our Company held on September 20, 2018.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 27, 2019, WHICH READS AS FOLLOWS.

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE II ISSUE OR RELATING TO THE TRANCHE II ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE II ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE II ISSUE WILL BE GIVEN.**

3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN *VIDE* ITS LETTER REF.: NSE/LIST/72610 DATED JANUARY 29, 2019 AND EXTENSION LETTER NO. NSE/LIST/80764 DATED MAY 9, 2019 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN *VIDE* ITS LETTER REF.: DCS/BM/PI-BOND/26/18-19 DATED JANUARY 29, 2019, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS DRAFT OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS

COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED NOVEMBER 2, 2018 BEARING REGISTRATION NO. B-14.00909 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934 TO CARRY ON THE ACTIVITIES OF AN NBFC. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
A. K. Capital Services Limited	www.akgroup.co.in
Axis Bank Limited	www.axisbank.com
Trust Investment Advisors Private Limited	www.trustgroup.in

Listing

The NCDs proposed to be offered through this Tranche II Prospectus are proposed to be listed on BSE and NSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE vide their letter no. DCS/BM/PI-BOND/26/18-19 dated January 29, 2019 and NSE vide their letter no. NSE/LIST/72610 dated January 29, 2019 and extension letter no. NSE/LIST/80764 dated May 9, 2019. For the purposes of this Tranche II Issue, BSE is the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within six Working Days from the date of closure of the Tranche II Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within six Working Days of the Tranche II Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of 8 days, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Bankers to our Company, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) ICRA for use of their ICRA Research Report, (i) the Debenture Trustee, (j) Chief Financial Officer, (k) the Public Issue Account Bank, (l) the Refund Bank, and (m) the Lead Brokers, to act in their respective capacities, have been obtained and the same have been filed along with a copy of the Shelf Prospectus and the Tranche II Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Shelf Prospectus and the Tranche II Prospectus with the RoC.

The consent of the Statutory Auditor of our Company, namely Walker Chandiook & Co LLP, Chartered Accountants for (a) inclusion of their name as the Statutory Auditors; and (b) report on Reformatted Financial Information; and it has not withdrawn such consent and the same will be filed with the ROC.

The consent of the independent chartered accountants, namely A Sardana & Co., for inclusion of statement of tax benefits dated April 8, 2019, issued by them, in the Tranche II Prospectus have been obtained and it has not withdrawn such consent and the same will be filed with the ROC.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with the Tranche II Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, Walker Chandiook & Co LLP, Chartered Accountants to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Tranche II Prospectus in respect of the reports of the Auditors in relation to the Reformatted Standalone Financial Information under IND AS, Reformatted Consolidated Financial Information under IND AS and Reformatted Financial Information as per Indian GAAP, dated May 23, 2019 each, included in this Tranche II Prospectus and such consent has not been withdrawn up to the time of delivery of the Shelf Prospectus and the Tranche II Prospectus(es) with the RoC.
2. Our Company has received consent from A Sardana & Co., to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Tranche II Prospectus in respect of statement of tax benefits dated April 8, 2019 included in this Tranche II Prospectus and such consent has not been withdrawn up to the time of delivery of the Shelf Prospectus and the Tranche II Prospectus with the RoC.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue i.e. ₹ 750.00 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, as specified in Companies Act, 2013 and rules made thereunder, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the Stock Exchanges on January 21, 2019 in terms of SEBI Debt Regulations for dissemination on their website.

Filing of the Shelf Prospectus and Tranche II Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016 further states that ‘the adequacy’ of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (e) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Issue Related Expenses

The expenses of this Tranche II Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Lead Brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche II Issue expenses and listing fees will be paid by our Company.

For details in relation to the estimated break-up of the total expenses, please see “*Objects of the Tranche II Issue*” on page 59 of this Tranche II Prospectus.

Reservation

No portion of the Tranche II Issue has been reserved.

Details of previous Issues by our Company

Other than as disclosed below, our Company has not made any issue of Equity Shares in the last five years:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Premium per equity share (₹)	Issue price per equity share (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)	Nature of Allotment *
March 20, 2017	2,902,400	10	369	379	Cash	5,219,000	52,190,000	Rights issue
May 19, 2017	5,219,000	10	407	417	Cash	10,438,000	104,380,000	Rights issue
June 7, 2017	6,662,000	10	418	428	Cash	17,100,000	171,000,000	Rights issue
March 28, 2018	7,451,565	10	661	671	Cash	24,551,565	245,515,650	Rights issue
June 12, 2018	28,901,735	10	682	692	Cash	53,453,300	534,533,000	Rights issue
August 30, 2018	4,139,700	10	708	718	Cash	57,593,000	575,930,000	Rights issue
March 15, 2019	3,595,000	10	755	765	Cash	61,188,000	611,880,000	Preferential allotment

*Note: Our Company has utilized the proceeds of the rights issue and preferential allotment in line with the objects for which such funds were raised.

Other than as disclosed below, our Company has not made any issue of preference shares in the last five years:

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Premium per Preference Share (₹)	Issue price per Preference Share (₹)	Nature of Consideration	Cumulative Number of Preference Shares	Cumulative Preference Share Capital (₹)	Nature of Allotment
June 7, 2017	5,500,000	10	490	500	Cash	5,500,000	55,000,000	Allotment

*Note: Our Company, on March 12, 2019, changed the terms of the Preference Shares to 0.001% optionally convertible preference shares of face value of ₹10 each. Subsequently, on March 15, 2019, our Company redeemed the aforesaid 0.001% optionally convertible preference shares of face value of ₹10 each at ₹500 per preference share (including the premium of ₹490 per preference share). Accordingly, as on the date of this Tranche II Prospectus, our Company has no outstanding preference shares. However, our Company has utilized the proceeds from the issuance of Preference Shares in line with the objects for which such funds were raised.

Our Company has made a public issuance of 62,62,053 secured redeemable non-convertible debentures of the face value of ₹1,000 amounting to ₹6,262.05 million, of which ₹6,157.44 million (as per Ind AS) is outstanding as of March 31, 2019, the details of which are set forth further below:

Date of Opening	February 4, 2019	
Date of closing	March 1, 2019	
Total issue size	₹30,000 million	
Total value of NCDs allotted	₹6,262.05 million	
Date of allotment	March 8, 2019	
Objects of the issue (as per the prospectus)	Object	Object % of amount proposed to be

	For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company	At least 75%
	General corporate purposes	Maximum up to 25%
Net utilization of issue proceeds	Fully utilised in accordance with the objects of the issue	

Other than as mentioned above, our Company has raised funds for augmenting its long-term resources for meeting funding requirements by way of private placement of debentures, in the last five years. The funds have been fully utilized in accordance with the objects of the above mentioned issuance of securities by the Company.

Other than as disclosed in “*Financial Indebtedness*”, our Company has not made any private placement of debentures in the last five years which are currently outstanding.

Benefit/ interest accruing to Promoters/ Directors out of the object of the Tranche II Issue

Neither the Promoter nor the Directors of our Company are interested in the objects of the Tranche II Issue.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956 which made any capital issue during the last three years

For details in relation to capital issues done by IVL, promoter of our Company, during the last three years, please see “--*Details regarding the previous issues of the group company*” on page 128 of this Tranche II Prospectus.

Details regarding the previous issues of the group company

Indiabulls Ventures Limited

Issue of partly paid-up equity shares of face value of ₹ 2 each by Indiabulls Ventures Limited to the shareholders of Indiabulls Ventures Limited on rights basis.

Date of Opening	February 21, 2018	
Date of closing	March 7, 2018	
Total issue size	₹ 20,000 million	
Date of allotment	March 16, 2018	
Objects of the issue (as per the prospectus)	Object	Object % of amount proposed to be
	Investment in our Company to meet its business requirements and investment in Indiabulls Asset Reconstruction Company Limited to support the future growth of its business.	At least 75%
	General corporate purposes	Maximum up to 25%
Net utilization of issue proceeds	Fully utilised in accordance with the objects of the issue	

Other than as mentioned above, IVL has also raised funds by way of private placement of equity shares, warrants, compulsorily convertible debentures in the last three years. The funds have been fully utilized in accordance with the objects of the above mentioned issuance of equity shares, warrants, compulsorily convertible debentures on private placement basis.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

Other than the privately placed listed secured debentures disclosed under “*Capital Structure*” and “*Financial Indebtedness*” on page 54 and 108, respectively, of this Tranche II Prospectus, respectively, our Company does not have listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt as on March 31, 2019.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015.

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity Share Capital (₹ in million)	611.88	245.52	52.19	23.17	23.17
Face Value Per Share (in ₹)	10	10	10	10	10
Interim Dividend on Equity Shares (₹ in million)	462.80	Nil	Nil	Nil	Nil
Final Dividend on Equity Shares	Nil	Nil	Nil	Nil	Nil
Total Dividend on Equity Shares (₹ in million)	462.80	Nil	Nil	Nil	Nil
Dividend Declared Rate (In %)	188.50%	Nil	Nil	Nil	Nil
Dividend Rate (In %)	188.50%	Nil	Nil	Nil	Nil
Dividend Distribution Tax (₹ in million)	95.13	Nil	Nil	Nil	Nil

Our Board at its meeting held on April 25, 2019 has declared an interim dividend of ₹ 9.25 per fully paid up equity share for Fiscal 2020.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated January 18, 2019 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to the Tranche II Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted. The contact details of Registrar to the Issue are as follows:

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)***

Karvy Selenium, Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana – 500 032

Telephone No.: +91 40 6716 2222

Facsimile No.: +91 40 2343 1551

Email: icfl.ncd2@karvy.com

Investor Grievance Email: einward.ris@karvy.com

Website: www.karvyfintech.com

Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U72400TG2017PTC117649

****The SEBI registration no. is currently under the name of Karvy Computershare Private Limited. Karvy Fintech Private Limited has filed an application with SEBI for obtaining registration under its name, which is currently pending.*

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Tranche II Issue are set out below:

Mr. Manish Rustagi
Company Secretary & Compliance Officer

Indiabulls House
448-451, Udyog Vihar
Phase - V
Gurugram - 122 016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
Email: mrustagi@indiabulls.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates (in case of rematerialisation), transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Tranche II Prospectus except as stated below:

Name of the Auditor	Address	Date of appointment / resignation	Auditor of our Company since (in case of resignation)	Remarks
S A S & Co.	104, Tirupati Plaza, A – 212/C, Street No. 1, Vikas Marg, Shakarpur, Delhi - 110092	September 14, 2017	September 26, 2014	-
M/s. Walker Chandiook & Co LLP	7th Floor, Plot No. 19A, Sector-16A, Noida 201301, India	September 29, 2017 (Appointment)	-	-

Auditor Remarks

There have been no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years from the date of this Tranche II Prospectus. For details in relation to emphasis of matter, please see “Annexure E” on page 186 of this Tranche II Prospectus.

Details regarding lending out of issue proceeds and loans advanced by the Company

A. Lending Policy

Please see “Our Business” on page 73 of this Tranche II Prospectus.

B. Loans given by the Company

Loans/advances to associates, entities/persons relating to Board, senior management or Promoter or group entities out of the proceeds of previous issues

Not Applicable

C. Types of loans

- Types of loan given by the Company as on March 31, 2019 are as follows:

S. No	Type of loans	Amount (₹ in million)	Percentage (in %)
1	Secured	55,561.72	49.5%
2	Unsecured	56,715.59	50.5%
	Total assets under management (AUM)	112,277.31	100.0%

- Denomination of loans outstanding by ticket size as on March 31, 2019

S. No.	Ticket size	Percentage of AUM
1	Upto ₹ 10 lakh	35.7%
2	₹ 10-50 lakh	15.7%
3	>₹ 50 lakh	48.6%

- Denomination of loans outstanding by LTV* as on March 31, 2019

S. No	LTV	Percentage of AUM
1	Upto 40%	9.4%
2	40-50%	11.9%
3	50-60%	6.5%
4	60-70%	14.6%
5	70-80%	7.1%
	Total	49.5%

* LTV at the time of origination and does not include unsecured loans AUM.

- Geographical classification of borrowers as on March 31, 2019

Sr. No.	Regions	Percentage of AUM
1	East	4.3%
2	South	25.8%
3	West	38.1%
4	North	31.8%
	Total	100.0%

- Types of loans according to sectorial exposure as on March 31, 2019 is as follows:

Sr. No.	Segment wise breakup of loan book	Percentage of AUM
1	Personal Loans	35.5%
2	Other Unsecured Loans	15.0%
3	Secured Loans	49.5%
	Total	100.0%

- Maturity profile of total loan portfolio of the Company as on March 31, 2019 is as follows:

Period	Amount (₹ in million)
Less than 1 month	3,705.63
1-2 months	3,901.10
2-3 months	3,965.09
3-6 months	11,977.81
6 months -1 year	22,290.07
Above 1 year	60,490.36
Total	106,330.06

D. Details of loans overdue and classified as non – performing in accordance with the RBI guidelines

Movement of gross NPAs	Amount (₹ in million)
(a) Opening balance	20.80
(b) Additions during the year	820.50
(c) Reductions during the year	Nil
(d) closing balance	841.30

Movement of provisions for NPAs	Amount (₹ in million)
(a) Opening balance	4.09
(b) Provisions made during the year	259.05
(c) Write-off / write -back of excess provisions	Nil
(d) closing balance	263.14

E. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2019

Total Advances to twenty largest borrowers (₹ in million)	7,068.54
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC (%)	6.65

F. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019

Total Exposures to twenty largest borrowers/Customers (₹ in million)	5,631.87
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers (%)	5.3

G. Segment –wise gross NPA as on March 31, 2019

S. No	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Personal Loans	1.23%
2	Other Unsecured Loans	1.50%
3	Secured Loans	0.18%
	Total	0.75%

H. Classification of borrowings as on March 31, 2019

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured*	59,296.31	82.9%
2	Unsecured*	12,252.00	17.1%
	Total	71,548.31	100.0%

*comprising debt securities and borrowings other than debt securities

I. Promoter Shareholding

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. Residual maturity profile of assets and liabilities as on March 31, 2019

In accordance with the RBI guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

(₹ in million)

	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	over 3 to 5 years	Over 5 years	Total
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances	3,705.63	3,901.10	3,965.09	11,977.81	22,290.07	50,596.41	9,181.03	712.92	1,06,330.06
Investments	2,641.54	3,124.80	Nil	Nil	Nil	Nil	Nil	357.04	6,123.38
Foreign Currency assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Borrowings	1,493.98	7,553.39	3,768.29	16,377.29	5,872.79	22,244.56	14,165.20	72.81	71,548.31
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of this Tranche II Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Trading

Debt securities issued by our company, which are listed on BSE and NSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provision of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”.

SECTION III-ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” on page 139 of this Tranche II Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	Indiabulls Consumer Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non-Convertible Debentures
Nature of the instrument	Secured Redeemable Non-Convertible Debenture
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Tranche II Issue	Public issue by Indiabulls Consumer Finance Limited, (“ Company ” or “ Issuer ”) of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“ NCDs ”) for an amount of ₹ 1,000 million (“ Base Issue ”) with an option to retain oversubscription up to ₹ 9,000 million aggregating up to 10,000,000 NCDs amounting to ₹ 10,000 million (“ Tranche II Issue Limit ”) (“ Tranche II Issue ”) which is within the Shelf Limit of ₹ 30,000 million
Tranche II Issue Size	₹ 10,000 million
Tranche II Base Issue	₹ 1,000 million
Shelf Limit of the Issue	₹ 30,000 million
Option to retain Oversubscription Amount in the Tranche II Issue	₹ 9,000 million
Eligible investors	Please see “ <i>Issue Procedure – Who can apply?</i> ” on page 156 of this Tranche II Prospectus
Objects of the Tranche II Issue	Please see “ <i>Objects of the Tranche II Issue</i> ” on page 59 of this Tranche II Prospectus
Details of utilization of the proceeds	Please see “ <i>Objects of the Tranche II Issue</i> ” on page 59 of this Tranche II Prospectus
Lock-in	NA
Interest rate for each category of investors	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Step up/ Step down interest rates	NA
Interest type	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Interest reset process	NA
Issuance mode of the instrument	Demat only*
Frequency of interest payment	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Mode of settlement	Please see “ <i>Issue Procedure</i> ” on page 155 of this Tranche II Prospectus
Interest payment date	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Day count basis	Actual/ Actual
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. For details in relation interest payable on delay in execution of Debenture Trust Deed, please see

	“ <i>Terms of the Issue -- Trustees for the NCD Holders</i> ” on page 140 of this Tranche II Prospectus
Tenor	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Redemption Date	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Redemption Amount	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Redemption premium/ discount	Please see “ <i>Terms of the Issue</i> ” on page 139 of this Tranche II Prospectus
Face value	₹ 1,000 per NCD
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put option date	NA
Put option price	NA
Call option date	NA
Call option price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 and in multiples of 1 thereafter
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Tranche II Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018 and revalidated vide their letter no. CARE/HO/RL/2018 19/4596 dated January 30, 2019, letter no. CARE/HO/RL/2018-19/5423 dated March 22, 2019, letter no. CARE/HO/RL/2019-20/1070 dated April 16, 2019 and letter no. CARE/HO/RL/2019-20/1295 dated May 15, 2019. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/MM/0468/2018-19 dated October 19, 2018 and revalidated vide their letter no. BWR/NCD/HO/ERC/RB/0615/2018-19 dated January 4, 2019, letter no. BWR/NCD/HO/ERC/RB/0685/2018-19 dated January 30, 2019, letter no. BWR/NCD/HO/ERC/RB/0793/2018-19 dated March 14, 2019, letter no. BWR/NCD/ ERC/RB/0030/2019-20 dated April 5, 2019, letter no. BWR/NCD/ERC/RB/0049/2019-20 dated April 25, 2019 and letter no. BWR/NCD/ERC/RB/0101/2019-20 dated May 15, 2019. For further details, please see “ <i>Annexure A</i> ” and “ <i>Annexure B</i> ” of this Tranche II Prospectus
Listing	The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within six Working Days from the date of this Tranche II Issue Closure. For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 122 of this Tranche II Prospectus
Modes of payment	Please see “ <i>Issue Procedure – Terms of Payment</i> ” on page 168 of this Tranche II Prospectus
Trading mode of the instrument	In dematerialised form only
Tranche II Issue Opening Date	May 30, 2019
Tranche II Issue Closing Date**	June 21, 2019

Record date	15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the Tranche II Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date
Security and Asset Cover	The NCDs proposed to be issued will be secured by a first ranking <i>pari passu</i> charge on present and future receivables and current assets of the Issuer for the principal amount and accrued interest thereon. The NCDs will have an asset cover of one time on the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on <i>pari passu</i> or exclusive basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection, provided that a minimum security cover of one time on the principal amount and accrued interest thereon, is maintained. An interest may be paid over and above the agreed coupon rate as specified in the Debenture Trust Deed and Offer Document in accordance with applicable laws.
Issue documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche II Prospectus read with any notices, corrigenda, addenda thereto, Public Issue Account Agreement, Lead Broker Agreement, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Tranche II Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement. For further details, see “ <i>Material Contracts and Documents for Inspection</i> ” on page 179 of this Tranche II Prospectus
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 140 of this Tranche II Prospectus
Deemed date of Allotment	The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to NCD Holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please see “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 140 of this Tranche II Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention/ Effect of holidays on payment	Working Day means all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche II Issue period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai, as per SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “ Effective Date ”), however the calculation for payment of interest will be only till the

	originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.
--	---

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialized form.

** The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Bond Issue Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or extended date of Tranche II Issue closure. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE and NSE.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Series	I	II	III	IV	V*	VI	VII	VIII	IX
Frequency of Interest Payment	NA	Annual	NA	Monthly	Annual	NA	Monthly	Annual	NA
Minimum Application	₹ 10,000 (10 NCDs) across all Series								
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000								
In Multiples of thereafter (₹)	₹ 1,000/- (1 NCD)								
Tenor	400 days	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	NA	10.27	NA	9.95	10.41	NA	10.13	10.61	NA
Effective Yield (% per annum) for NCD Holders in Category I, II, III & IV	10.00	10.25	10.25	10.41	10.40	10.40	10.60	10.60	10.60
Mode of Interest Payment	Through various mode available								
Amount (₹/ NCD) on Maturity for NCD Holders in Category I, II, III and IV	1,110.10	1,000.00	1,215.83	1,000.00	1,000.00	1,345.94	1,000.00	1,000.00	1,655.83
Put and Call Option	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Our Company shall allocate and allot Series V NCDs wherein the applicants have not indicated their choice of the relevant NCD series.

Terms of payment

The entire amount of face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund

the amount paid on application to the Applicant, in accordance with the terms of the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche II Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please see "*Issue Procedure*" on page 155 of this Tranche II Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on January 14, 2019, the Directors approved the issue of NCDs to the public, up to an amount not exceeding ₹ 30,000 million. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the annual general meeting of our Company held on September 20, 2018.

Principal Terms and Conditions of this Tranche II Issue

The NCDs being offered as part of the Tranche II Issue are subject to the provisions of the SEBI Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, Shelf Prospectus, the Application Forms, the abridged Prospectus, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/the Stock Exchanges, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and shall be first ranking *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Tranche II Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranking *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. Our Company confirms that all permissions and/or consents for creation of a *pari passu* charge on the book debts/ loans and advances/ receivables, both present and future and immovable property as stated above, will be obtained from all relevant creditors, lenders and debenture trustees of our Company, who have an existing charge over the above mentioned assets, prior to the filing of the Shelf Prospectus. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier I capital.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each of the NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the SEBI Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us within such period as specified under Regulation 15 of the SEBI Debt Regulations and on failure to do the same, we shall pay interest of at least two percent per annum to the NCD Holder(s), over and above the agreed coupon rate, till the execution of the trust deed. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to receive notices or annual reports of, or to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders, for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders

shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, this Tranche II Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus, respective Tranche Prospectus(es) and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Jurisdiction

Our Company has in the Debenture Trustee Agreement agreed, for the exclusive benefit of the Debenture Trustee and the Debenture holders, that the courts in Mumbai, Maharashtra are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Debenture Trust or the NCDs and that accordingly any suit, action or proceedings arising out of or in connection with the Debenture Trust Deed and the NCDs may be brought only in the courts in Mumbai, Maharashtra.

Application in the Tranche II Issue

NCDs being issued through this Tranche II Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Tranche II Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of SEBI Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialized form only.

Form of Allotment and Denomination of NCDs

As per the SEBI Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one 1 (one) NCD ("Market Lot"). Allotment in this Tranche II Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("Market Lot").

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the

rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure*" on page 134 of this Tranche II Prospectus for the implications on the interest applicable to NCDs held by different category of Investors on the Record Date. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialized form only.

Title

The NCD Holder for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such**

rematerialization.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Tranche II Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Period of Subscription

TRANCHE II ISSUE PROGRAMME*		
TRANCHE II ISSUE OPENS ON		May 30, 2019
TRANCHE II ISSUE CLOSES ON		June 21, 2019

**The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche II Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Bond Issue Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or extended date of Tranche II Issue closure. On the Tranche II Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE and NSE.*

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche II Issue. Application Forms will only be accepted on Working Days during the Tranche II Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche II Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest and Payment of Interest

Interest on NCDs

Series I NCD

In case of Series I NCDs, the NCDs shall be redeemed at the end of 400 days from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,110.10

Series II NCD

In case of Series II NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series II NCD:

Category of NCD Holders	Coupon (%)
Category I, II, III and IV	10.27

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series III NCD

In case of Series III NCDs, the NCDs shall be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,215.83

Series IV NCD

In case of Series IV NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD:

Category of NCD Holders	Coupon (%)
Category I, II, III and IV	9.95

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series V NCD

In case of Series V NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series V NCD:

Category of NCD Holders	Coupon (%)
Category I, II, III and IV	10.41

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series VI NCD

In case of Series VI NCDs, the NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,345.94

Series VII NCD

In case of Series VII NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

Category of NCD Holders	Coupon (%)
Category I, II, III and IV	10.13

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VIII NCD

In case of Series VIII NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VIII NCD:

Category of NCD Holders	Coupon (%)
Category I, II, III and IV	10.61

Series VIII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series IX NCD

In case of Series IX NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,655.83

Payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/ Refund*” at page 148.

Payment of Interest will be made to those NCD Holders whose names appear in the register of NCD Holders (or to first holder in case of joint-holders) as on Record Date. For NCDs subscribed, in respect to Series IV and Series VIII, where the interest is to be paid on a monthly basis, relevant interest will be calculated on an actual/actual basis on the amount outstanding from time to time commencing from the Deemed Date of Allotment during the tenor of such NCDs.

Taxation

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the

Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Any tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “**Effective Date**”), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No.CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in Annexure D of this Tranche II Prospectus.

Application Size

Each application should be for a minimum of ten NCDs and multiples of one NCD thereof. The minimum application size for each application would be ₹ 10,000 (for all kinds of Series I, II, III, IV, V, VI, VII, VIII and IX NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all Series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Put / Call Option

NA

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and this Tranche II Prospectus.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

For NCDs held in physical form on account of rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be along with the rematerialisation request.

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink

Character Recognition (“MICR”), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Record Date

15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the the Tranche II Prospectus or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date.

Procedure for Redemption by NCD Holders

NCDs held in physical form pursuant to rematerialisation of NCDs:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para “Payment on Redemption” given below.

NCDs held in electronic form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards his/their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories’ records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹ 1,838.*

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person

in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Shelf Prospectus and this Tranche II Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue i.e. ₹ 750.00 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, as specified in Companies Act, 2013 and rules made thereunder, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Utilisation of Application Amount

The sum received in respect of the Tranche II Issue will be kept in separate bank accounts until the documents for creation of security are executed and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Tranche II Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account with a scheduled commercial bank as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of the Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. We shall utilize the Tranche II Issue proceeds only upon execution of the documents for creation of security as stated in the Shelf Prospectus and this Tranche II Prospectus, on receipt of the minimum subscription and receipt of listing approval from the Stock Exchanges.
5. The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

Guarantee/Letter of Comfort

The Tranche II Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers to the Tranche II Issue

There are no arrangers to the Tranche II Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Monitoring & Reporting of Utilisation of Tranche II Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Tranche II Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue.

Procedure for Rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

Filing of the Shelf Prospectus and this Tranche II Prospectus with the RoC

A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche II Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Tranche II Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.

ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Shelf Prospectus.

*Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("**Debt Application Circular**") as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("**Debt ASBA Circular**").*

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility as provided for in the Debt Application Circular have been sought from the Stock Exchanges.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS TRANCHE II ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Tranche II Issue, the term "Working Day" shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche II Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue period, i.e. period beginning from the Tranche II Issue closure to listing of the securities on the Stock Exchanges, Working Days shall mean all trading days of the Stock Exchanges, excluding Sundays and Bank holidays as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of this Tranche II Prospectus, the Shelf Prospectus Abridged Prospectus, and Application Forms

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers;
3. Offices of the Lead Brokers;
4. Registrar to the Issue
5. Designated RTA Locations for RTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Shelf Prospectus and this Tranche II Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Who can apply?

The following categories of persons are eligible to apply in the Tranche II Issue:

Category I Institutional Investors	Category II Non Institutional Investors	Category III High Net-worth Individual, ("HNIs"), Investors	Category IV Retail Individual Investors
<ul style="list-style-type: none">• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;• Provident funds, pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;• Alternative Investment Funds, subject to	<ul style="list-style-type: none">• Companies within the meaning of section 2(20) of the Companies Act, 2013;• Statutory Bodies/ Corporations;• Societies registered under the applicable laws in India and authorised to invest in the NCDs;• Co-operative banks and regional rural banks• Public/private charitable/ religious trusts which are	<ul style="list-style-type: none">• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1 million across all series of NCDs in the Tranche II Issue	<ul style="list-style-type: none">• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1 million across all series of NCDs in the Tranche II Issue

<p>investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</p> <ul style="list-style-type: none"> • Mutual Funds registered with SEBI • Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 	<p>authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. 		
---	---	--	--

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Tranche II Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Tranche II Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Tranche II Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Tranche II Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by

- minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
 3. Persons resident outside India and other foreign entities;
 4. Foreign Institutional Investors;
 5. Foreign Portfolio Investors;
 6. Foreign Venture Capital Investors
 7. Qualified Foreign Investors;
 8. Overseas Corporate Bodies;
 9. Employees/ designated persons and their immediate relatives as defined under the code of conduct for prevention of insider trading of Indiabulls Ventures Limited (the code of conduct for prevention of insider trading of Indiabulls Ventures Limited is available on the website of Indiabulls Ventures Limited at http://www.indiabullsvventures.com/uploads/downloads/ivl_code-of-conduct-for-prevention-of-insider-trading-0077695001502687035.pdf); and
 10. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Tranche II Issue.

Please refer to “*Rejection of Applications*” on page 171 of this Tranche II Prospectus for information on rejection of Applications.

Method of Applications

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Tranche II Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in the Tranche II Issue through the ASBA process only. Applicants intending to subscribe in the Tranche II Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche II Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, as amended from time to time, read with SEBI circular SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 (“**SEBI Circulars**”) mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.00% of the net assets value of the scheme. Further, an additional exposure limit to financial services sector (over and above the limit of 25.00%) not exceeding 15.00% of the net assets of the scheme is allowed only by way of increase in exposure to housing finance companies. Further, single issuer limit is reduced to 10.00% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.00% of net assets value extendable to 25.00% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Tranche II Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Tranche II Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Tranche II Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Tranche II Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
2. Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Centre where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the

Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Tranche II Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.
2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Tranche II Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. However the relevant branches of the SCSBs at Specified Cities can accept Applications from the Designated Intermediaries, after the closing time of acceptance of Applications on the Tranche II Issue Closing Date, if the Applications have been uploaded. For further information on the Tranche II Issue programme, please refer to “*General Information – Tranche II Issue Programme*” on page 53 of this Tranche II Prospectus.
3. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche II Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (TRS). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the Series I NCDs, as specified in this Tranche II Prospectus to all valid

Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Tranche II Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Tranche II Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms

of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 million shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Tranche II Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Shelf Prospectus, this Tranche II Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Tranche II Issue.
4. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form.
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder.

7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
8. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of Designated Intermediaries.
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche II Issue Closing Date. For further information on the Tranche II Issue programme, please see "*General Information – Tranche II Issue Programme*" on page 53 of this Tranche II Prospectus.
16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
17. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form and Tick the series of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post; instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
14. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
15. Do not make an application of the NCD on multiple copies taken of a single form.
16. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
17. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).

Please refer to “*Rejection of Applications*” on page 171 of this Tranche II Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Designated Intermediaries at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Designated Intermediaries or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/

failure of the Tranche II Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche II Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	<p>(i) If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at the Specified Cities (“Syndicate ASBA”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</p>

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms**

In case of apparent data entry error by the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Tranche II Issue. This facility will be available on the terminals Designated Intermediaries and the SCSBs during the Tranche II Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche II Issue Closing Date. On the Tranche II Issue Closing Date, Designated Intermediaries and the Designated Branches

of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche II Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche II Issue programme, please refer to “*General Information – Tranche II Issue Programme*” on page 53 of this Tranche II Prospectus.

- (c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to ASBA Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant’s responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Braches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Braches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) Applications can be rejected on the technical grounds listed on page 171 of this Tranche II Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Designated Intermediaries and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the

electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche II Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Bond Issue Committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants.
- ii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant.
- iii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned.
- iv. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size.
- v. Applications where a registered address in India is not provided for the Applicant.
- vi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s).
- vii. DP ID and Client ID not mentioned in the Application Form;
- viii. GIR number furnished instead of PAN.
- ix. Applications by OCBs.
- x. Applications for an amount below the minimum application size.
- xi. Submission of more than five ASBA Forms per ASBA Account.
- xii. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals.
- xiii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
- xiv. Applications accompanied by Stock invest/cheque/ money order/ postal order/ cash.
- xv. Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository).
- xvi. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xvii. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- xviii. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
- xix. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained.
- xx. Application Forms submitted to the Designated Intermediaries or Designated Branches of the SCSBs does not bear the stamp of the Designated Intermediaries or Designated Branch of the SCSB, as the case may be.
- xxi. Applications not having details of the ASBA Account to be blocked.
- xxii. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
- xxiii. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- xxiv. SCSB making an application (a) through an ASBA account maintained with its own self or (b) through an

- ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues.
- xxv. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law.
 - xxvi. Authorization to the SCSB for blocking funds in the ASBA Account not provided.
 - xxvii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority.
 - xxviii. Applications by any person outside India.
 - xxix. Applications by other persons who are not eligible to apply for NCDs under the Tranche II Issue under applicable Indian or foreign statutory/regulatory requirements.
 - xxx. Applications not uploaded on the online platform of the Stock Exchange.
 - xxxi. Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchange, as applicable.
 - xxxii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and this Tranche II Prospectus and as per the instructions in the Application Form.
 - xxxiii. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
 - xxxiv. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories.
 - xxxv. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number.
 - xxxvi. Applications submitted to the Designated Intermediaries at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained.
 - xxxvii. Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form.
 - xxxviii. Investor Category not ticked.
 - xxxix. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
 - xl. Forms not uploaded on the electronic software of the Stock Exchange.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Designated Intermediary, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “- *Information for Applicants*” on page 175 of this Tranche II Prospectus.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the Basis of Allotment of NCDs:

- a. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together (“**QIB Portion**”);
- b. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together (“**Corporate Portion**”)

- c. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together (“**High Net Worth Individual Portion**”);
and
- d. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together (“**Retail Individual Investor Portion**”).

For removal of doubt, the terms “QIB Portion”, “Corporate Portion”, “High Net Worth Individual Portion” and “Retail Individual Investor Portion” are individually referred to as a “Portion” and collectively referred to as “Portions”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche II Issue up to the Tranche II Issue Limit i.e. aggregating up to ₹ 10,000 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche II Issue), taken together with the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “**Tranche II Issue Limit**”.

Allocation Ratio

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
20%	20%	30%	30%

Basis of Allotment for NCDs

- (a) Allotments in the first instance:
- (i) Applicants belonging to the QIB Portion, in the first instance, will be allocated NCDs up to 20 % of Tranche II Issue Limit on first come first served basis which would be determined on the basis of date of upload of their Applications in to the electronic book with Stock Exchange. The determination of allocation ratio of 20% of Tranche II Issue Limit for the QIB Portion shall be done considering the aggregate subscription received in the QIB Portion;
- (ii) Applicants belonging to the Corporate Portion, in the first instance, will be allocated NCDs up to 20 % of Tranche II Issue Limit on first come first served basis which would be determined on the basis of date of upload of their Applications in to the electronic book with Stock Exchange. The determination of allocation ratio of 20% of Tranche II Issue Limit for the Corporate Portion shall be done considering the aggregate subscription received in the Corporate Portion;
- (iii) Applicants belonging to the High Net Worth Individual Portion, in the first instance, will be allocated NCDs up to 30 % of Tranche II Issue Limit on first come first served basis which would be determined on the basis of date of upload of their Applications in to the electronic book with Stock Exchange. The determination of allocation ratio of 30% of Tranche II Issue Limit for the High Net Worth Individual Portion, shall be done considering the aggregate subscription received in the High Net Worth Individual Portion;
- (iv) Applicants belonging to the Retail Individual Investor Portion, in the first instance, will be allocated NCDs up to 30 % of Tranche II Issue Limit on first come first served basis which would be determined on the basis of date of upload of their Applications in to the electronic book with Stock Exchange. The determination of allocation ratio of 30% of Tranche II Issue Limit for the Retail Individual Investor Portion, shall be done considering the aggregate subscription received in the Retail Individual Investor Portion;

As per circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

Allotment by the Company, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis to each Portion, based on the date of upload of each Application into the Electronic Book of the Stock Exchanges, subject to the Allocation Ratio indicated at the section titled “**Issue Procedure – Basis of Allotment**” at page 172 of this Tranche II Prospectus.

(b) *Allotments in case of oversubscription*: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

i. In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche II Issue limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come firstserve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

ii. In case there is oversubscription in Tranche II Issue limit, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:

A. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment

B. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the Electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Corporate Portion and lastly QIB Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period. For the sake of clarity, the day on which the entire remaining undersubscribed Portion is Allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Issue Period

(c) *Under Subscription*: If there is under subscription in the overall Tranche II Issue limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

(d) *Minimum Allotment of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.*

(e) *Proportionate Allotments*: For each Portion(s), on the date of oversubscription:

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche II Issue limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(f) *Applicant applying for more than one Series/Options of NCDs*: If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs

applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 9 (nine) Series and in case such Applicant cannot be allotted all the 9 (nine) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 400 days followed by Allotment of NCDs with tenor of 24 months and so on.

(g) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche II Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche II Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche II Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company shall allocate and allot Series V NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche II Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Tranche II Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche II Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche II Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Tranche II Issue Period

Withdrawal of Applications

Applicants can withdraw their Applications during the Tranche II Issue Period by submitting a request for the same to Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

Withdrawal of Applications after the Tranche II Issue Period

In case an Applicant wishes to withdraw the Application after the Tranche II Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Closing Date of Tranche II Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue i.e. ₹ 750.00 million. If our Company does not receive the minimum subscription of 75% of Base Issue Size, as specified in Companies Act, 2013 and rules made thereunder, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche II Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche II Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Designated Intermediary. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche II Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- vii. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- viii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to “- *Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details*” on page 165 of this Tranche II Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Tranche II Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Tranche II Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements. For details in relation interest payable

on delay in execution of Debenture Trust Deed, please see “*Terms of the Issue -- Trustees for the NCD Holders*” on page 140 of this Tranche II Prospectus.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Tranche II Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of the Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) Undertaking by our Company for execution of Debenture Trust Deed;
- (f) We shall utilize the Tranche II Issue proceeds only upon execution of the Debenture Trust Deed as stated in the Shelf Prospectus and this Tranche II Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (g) The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.
- (h) The allotment letter shall be issued or application money shall be refunded within 15 days from the closure of the Tranche II Issue or such lesser time as may be specified by Securities and Exchange Board of India, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by our Company

Our Company undertakes that:

- a) Complaints received in respect of the Tranche II Issue will be attended to by our Company expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Tranche II Issue Closing Date;
- d) Funds required for dispatch of refund orders/Allotment Advice will be made available by our Company to the Registrar to the Issue;
- e) Our Company will forward details of utilisation of the proceeds of the Tranche II Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue and the Tranche II Issue as contained in the Shelf Prospectus and this Tranche II Prospectus, respectively.
- g) Our Company shall make necessary disclosures/reporting under any other legal and regulatory requirement as may be required by our Company from time to time.
- h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION IV - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Tranche II Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone road, Mumbai – 400 013 between 10 am to 5 pm on any Working Day (Monday to Friday) from the date of filing of the Shelf Prospectus with Stock Exchanges until the Tranche II Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated January 21, 2019 between our Company and the Lead Managers.
2. Registrar Agreement dated January 18, 2019 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 17, 2019 executed between our Company and the Debenture Trustee.
4. The debenture trust deed dated March 7, 2019 executed between our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
5. Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL.
7. Public Issue Account Agreement dated April 15, 2019 executed by the Company, the Public Issue Account Bank and Refund Bank, and the amendment agreement dated May 17, 2019.
8. Lead Broker Agreement dated April 15, 2019 between the Company and the Lead Brokers, and the amendment agreement dated May 17, 2019.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated October 27, 1994, issued by Registrar of Companies, NCT of Delhi and Haryana.
3. Certificate of Registration dated November 2, 2018 bearing registration number B-14.00909 issued by the Reserve Bank of India.
4. Copy of shareholders resolution passed at the AGM of our Company held on September 20, 2018, under section 180 (1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated January 14, 2019, approving the issue of NCDs.
6. Copy of the resolution passed by Bond Issue Committee at its meeting held on January 30, 2019, approving the Shelf Prospectus.
7. Copy of the resolution passed by Bond Issue Committee at its meeting held on May 27, 2019, approving the Tranche II Prospectus.
8. Letter dated December 28, 2018 along with revalidation letters dated January 30, 2019, March 22, 2019, April 16, 2019 and May 15, 2019 by CARE Ratings Limited assigning a rating CARE AA; Stable (pronounced as Double A; Outlook: Stable) for the Issue and rating rationale dated January 4, 2019.
9. Letter dated October 19, 2018 along with revalidation letters dated January 4, 2019, January 30, 2019 March 14, 2019, April 5, 2019, April 25, 2019 and May 15, 2019 by Brickwork Ratings India Private Limited assigning a rating BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable) for the Issue and rating rationale dated October 19, 2018.
10. Consents of the Directors, Chief Financial Officer, our Company Secretary and Compliance Officer, Lead Managers, Lead Brokers, Public Issue Account Bank, Refund Bank, Bankers to our Company, Legal Advisor to the Issue, Credit Rating Agencies, ICRA Limited for inclusion of ICRA Research report, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Tranche II Prospectus, in their respective capacities.
11. Consent of the Statutory Auditors of our Company for inclusion of their name and the report on the Reformatted Financial Information, in the form and context in which it appears in this Tranche II Prospectus.
12. Consent of independent chartered accountants, namely A Sardana & Co., for inclusion of their name and statement of tax benefits dated April 8, 2019, in the form and context in which they appear in this Tranche II Prospectus.

13. The reports dated May 23, 2019 in relation to the Reformatted Standalone Financial Information under IND AS, Reformatted Consolidated Financial Information under IND AS and Reformatted Financial Information as per Indian GAAP included therein.
14. Statement of tax benefits dated April 8, 2019 issued by A Sardana & Co, independent chartered accountants.
15. Annual Report of our Company for the last five Fiscals.
16. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/26/18-19 dated January 29, 2019.
17. In-principle listing approval from NSE by its letter no. NSE/LIST/72610 dated January 29, 2019 and extension letter no. NSE/LIST/80764 dated May 9, 2019.
18. Due diligence certificate dated May 27, 2019 filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Tranche II Issue have been complied with and no statement made in this Tranche II Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche II Prospectus.

We further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Pinank Jayant Shah

Whole-time Director and Chief Executive Officer

Ajit Kumar Mittal

Non-Executive Director

Gagan Banga

Non-Executive Director

Nafees Ahmed

Non-Executive Director

Alok Kumar Misra

Independent Director

Brig. (Retd.) Labh Singh Sitara

Independent Director

Preetinder Virk

Additional Director

Place: Mumbai

Date: May 27, 2019

ANNEXURE A

For the annexure, please see the page below.

Shri. Ramnath Shenoy

Vice President

Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited).

Indiabulls Finance Center

Tower 1, 9^h Floor, Elphinstone Mills

Senapati Bapat Marg,

Mumbai- 400 013.

December 28, 2018

Confidential

Dear Sir,

Credit rating for long term instruments

On the basis of recent developments including operational and financial performance of your company for FY18 (A) and H1FY19 (UA) our Rating Committee has reviewed the following ratings:

Instrument	Rated Amount (Rs. crore)	Outstanding Amount (as on December 28,2018)	Rating ¹	Rating Action
Non-convertible Debenture	3,000.00 (Rs. Three Thousand Crore only)	100.00 (Rs. One Hundred Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Proposed Public Issue of Secured Redeemable Non- Convertible Debentures	3,000.00 (Rs. Three Thousand Crore only)	Nil	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

2. Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
--------------------	------	--------------------------	----------------	----------------------------	------------------------	--------------------	--	-----------------------------------

3. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.


4. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
 5. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
 6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
 7. CARE ratings are **not** recommendations to buy, sell or hold any securities.
- If you need any clarification, you are welcome to approach us in this regard.

Thanking you,



[Bushra Shaikh]
Analyst

bushra.shaikh@careratings.com

 Yours faithfully,

[Aditya Acharekar]
Associate Director

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

CARE/HO/RL/2018-19/4596

Shri. Ramnath Shenoy

Vice President

Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited).

Indiabulls Finance Center

Tower 1, 17th Floor, Elphinstone Mills

Senapati Bapat Marg,

Mumbai- 400 013.

January 30, 2019

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures

Please refer to your request for revalidation of the rating assigned to the Non-Convertible Debentures aggregating to Rs.3,000 crore and Proposed Public Issue of Secured Redeemable Non-Convertible Debentures aggregating to Rs.3,000 crore of Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited). The following rating has been reviewed:

Instrument	Rated Amount (Rs. crore)	Amount O/s* (Rs. Crore)	Rating ¹	Rating Action
Non-Convertible Debentures	3,000 (Rs. Three Thousand Crore only)	Rs. 100 (Rs. One Hundred Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Proposed Public Issue of Secured Redeemable Non-Convertible Debentures	3,000 (Rs. Three Thousand Crore only)	Nil	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

* as on 29th January, 2019.

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter i.e. July 30, 2019.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



[Bushra Shaikh]

Analyst

bushra.shaikh@careratings.com



[Aditya Acharekar]

Assistant General Manager

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

AB

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457 • www.careratings.com • CIN-L67190MH1993PLC071691

CARE/HO/RL/2018-19/5423

Mr. Pinank Shah

CEO,

Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited).

Indiabulls Finance Center

Tower 1, 17th Floor, Elphinstone Mills

Senapati Bapat Marg,

Mumbai- 400 013.

March 22, 2019

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures

Please refer to your request for revalidation of the rating assigned to the Non-Convertible Debentures aggregating to Rs.3,000 crore and Public Issue of Secured Redeemable Non-Convertible Debentures aggregating to Rs.3,000 crore of Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited). The following rating has been reviewed:

Instrument	Rated Amount (Rs. crore)	Amount O/s* (Rs. Crore)	Rating ¹	Rating Action
Non-Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs. 100 (Rs. One Hundred Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Public Issue of Secured Redeemable Non- Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs. 626.21 (Rs. Six Hundred Twenty Six Crore and Twenty One Lakhs only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

* as on 22nd March, 2019

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter i.e. September 22, 2019.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

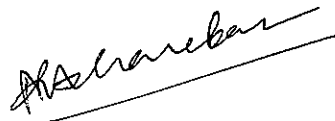
Yours faithfully,



[Miloni Doshi]

Analyst

miloni.doshi@careratings.com



[Aditya Acharekar]

Assistant General Manager

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

CARE/HO/RL/2019-20/1070

Mr. Pinank Shah
 CEO,
 Indiabulls Consumer Finance Limited
 (erstwhile IVL Finance Limited),
 Indiabulls Finance Center
 Tower 1, 17th Floor, Elphinstone Mills
 Senapati Bapat Marg,
 Mumbai- 400 013.

April 16, 2019

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures

Please refer to your request for revalidation of the rating assigned to the Non-Convertible Debentures aggregating to Rs.3,000 crore and Public Issue of Secured Redeemable Non-Convertible Debentures aggregating to Rs.3,000 crore of Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited). The following rating has been reviewed:

Instrument	Rated Amount (Rs. crore)	Amount O/s* (Rs. Crore)	Rating ¹	Rating Action
Non-Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs. 175 (Rs. One Hundred and Seventy Five Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Public Issue of Secured Redeemable Non-Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs. 626.25 (Rs. Six Hundred Twenty Six Crore and Twenty Five Lakhs only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

* as on 10th April, 2019

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter i.e. October 16, 2019.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
 5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
 6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
 7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
 8. CARE ratings are not recommendations to buy, sell, or hold any securities.
- If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



[Bushra Shaikh]

Analyst

bushra.shaikh@careratings.com



[Aditya Acharekar]

Assistant General Manager

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

CARE/HO/RL/2019-20/1295

Mr. Pinank Shah
CEO,
Indiabulls Consumer Finance Limited
(erstwhile IVL Finance Limited).
Indiabulls Finance Center
Tower 1, 17th Floor, Elphinstone Mills
Senapati Bapat Marg,
Mumbai- 400 013.

May 15, 2019

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures

Please refer to your request for revalidation of the rating assigned to the Non-Convertible Debentures aggregating to Rs.3,000 crore and Public Issue of Secured Redeemable Non-Convertible Debentures aggregating to Rs.3,000 crore of Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited). The following rating has been reviewed:

Instrument	Rated Amount (Rs. crore)	Amount O/s* (Rs. Crore)	Rating ¹	Rating Action
Non-Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs.425 (Rs. Four Hundred and Twenty Five Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Public Issue of Secured Redeemable Non-Convertible Debentures	Rs. 3,000 (Rs. Three Thousand Crore only)	Rs. 626.21 (Rs. Six Hundred Twenty Six Crore and Twenty One Lakhs only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

* as on 7th May, 2019

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter i.e. November 15, 2019.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------


¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

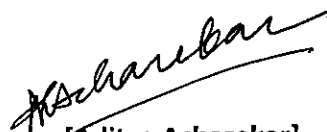
Yours faithfully,



[Bushra Shaikh]

Analyst

bushra.shaikh@careratings.com



[Aditya Acharekar]

Assistant General Manager

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Indiabulls Consumer Finance Limited (Erstwhile IVL Finance Limited)

January 04, 2019

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long & Short term bank facilities	5,250.00 (Rs. Five Thousand Two Hundred and Fifty Crore only)	CARE AA; Stable / CARE A1+ [Double A; Outlook: Stable / A One Plus]	Reaffirmed
Non-convertible debentures	3,000.00 (Rs. Three Thousand Crore only)	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Proposed Public Issuance of Secured Redeemable Non-Convertible Debentures	3,000.00 (Rs. Three Thousand Crore Only)	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Commercial Paper	1,000.00 (Rs. One Thousand Crore only)	CARE A1+ [A One Plus]	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the debt instruments and bank facilities of Indiabulls Consumer Finance Limited (IBCFL) (erstwhile IVL Finance Limited) factor in strong support from its parent group i.e. Indiabulls group, shared brand name, experienced management team and healthy capitalization level at the initial stage with capital infusion during FY18 (refers to period from April 01 to March 31) and the current financial year. The ratings further derive strength from the company's focus on building a diversified retail lending book with app based lending platform for personal loans and healthy profitability levels.

The company intends to maintain a net gearing (adjusted for cash and cash equivalents) of less than 2.5 times by March 2019.

The ratings remain constrained by limited track record, initial stage of operations, the consequent unseasoned loan book and sizeable portion of the loan portfolio being unsecured in nature.

Continued support from the parent group, growth in business operations, asset quality with seasoning of the loan portfolio, profitability and capitalization levels are the key rating sensitivities.

Detailed description of the key rating drivers
Key Rating Strengths
Strong support from parent group i.e. Indiabulls group

Indiabulls Consumer Finance Limited (IBCFL) is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which is one of the listed financial services companies of the Indiabulls Group. By virtue of being a part of Indiabulls, IBCFL receives strong support from the group with sharing of the 'Indiabulls' brand name (its digital lending app is named "Indiabulls Dhani"), as well as managerial and operational linkages and financial flexibility in form of regular capital support. The parent company had proposed a minimum equity capital infusion of Rs.1,800 crore out of which Rs.500 crore was received by IBCFL in March, 2018 and Rs.300 crore was received in August, 2018. In addition, the company received equity capital of Rs.2,000 crore during June, 2018 by way of preferential issue of equity shares. In order to further support the business growth of IBCFL, IVL, the parent company has issued and allotted compulsorily convertible debentures (CCDs) of Rs.1,539 crore in December, 2018.

Experienced management team

The management team of IBCFL has extensive experience in financial services industry and is headed by Mr. Pinank Shah who is the whole-time director and Chief Executive Officer (CEO) for IBCFL. Mr. Shah has been associated with the Indiabulls group for over 6 years. He is ably supported by the vastly experienced second line of management many of whom have had experience with leading private sector banks and NBFCs. Further, Mr. Gagan Banga (Vice Chairman and Chief Executive Officer of Indiabulls Housing Finance Limited) and Mr. Alok Mishra (former Chairman and Managing Director of Bank of India and Oriental Bank of Commerce) have joined the Board of Directors of Indiabulls Consumer Finance Limited (IBCFL).

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Strong net-worth base and healthy capitalization levels

IBCFL has been significantly capitalized at the initial stage with its tangible net worth of Rs.1,645.74 crore as on March 31, 2018. This helped the company report Capital Adequacy Ratio (CAR) of 40.00% (Tier I CAR: 39.61%) [assuming zero risk weights for investment in mutual funds] as on March 31, 2018. Overall gearing stood at 2.29x as on March 31, 2018 with net gearing of 1.5x. The company plans to maintain net gearing of less than 2.5x till end of FY19. Post March 2018, another round of equity infusion led to increase in tangible net worth to Rs.4,092 crore as on September 30, 2018 with overall gearing of 1.64x and net gearing of 1.5x.

Diversified loan portfolio with app based lending platform for personal loan

IBCFL has a presence in three lending segments viz. personal loans which constituted 29% of total loan portfolio, secured SME loans (52%) and unsecured SME loans (19%) as on September 30, 2018.

IBCFL has developed an application for their personal loan portfolio called 'Indiabulls Dhani' which will enable loan application, risk analysis, credit approval, underwriting and disbursal process to be carried out electronically through the application. Due to fast scale up of operations, the proportion of secured and unsecured loan portfolio was similar as on September 30, 2018. However, going forward, the company expects the share of personal loans and unsecured to be around more than 50% of the loan portfolio on a steady state basis.

Healthy profitability levels

IBCFL reported robust growth in its profitability post launch of its 'Indiabulls Dhani' app and scaling up of its operations with Profit after Tax (PAT) of Rs.191.52 crore on a total income of Rs.700.07 crore during FY18 as against PAT of Rs.6.69 crore on a total income of Rs.57.24 crore during FY17. The Return on Total Assets (ROTA) stood at 6.71% for FY18 as against 4.33% during FY17.

During H1FY19 (refers to period from April to September), the company reported PAT of Rs.199.29 crore (unaudited) on a Total Income of Rs.657.87 crore (unaudited).

Comfortable liquidity profile

The liquidity profile of the company was comfortable with relatively shorter maturity profiles of assets at around 23 months and average maturity profile of liabilities at around 45 months as on September 30, 2018. At the current maturity level, the company maintains around 10% of the total loan portfolio by way of cash and liquid mutual fund investments as a liquidity buffer. Further, low gearing level in the initial stages of operations has helped the liquidity profile of the company.

Key Rating Weaknesses**Limited track record with unseasoned loan portfolio with untested asset quality**

IBCFL has limited track record and started its lending operations during FY17. The company has been able to scale up its operations significantly post the launch of its app in H1FY18 for sourcing its personal loans along with sourcing of business loans. The gross loan portfolio stood at Rs.10,140 crore as on September 30, 2018. Though, the company has scaled up its operations, its loan portfolio remains largely unseasoned. Further, the portfolio mix as on September 30, 2018 constitutes 48% of unsecured lending in the form of personal loan and unsecured SME loans and with more than 50% of the loan portfolio planned to be unsecured going forward, the asset quality is yet to be tested.

Although, the asset quality parameters stood comfortable with Gross NPA ratio of 0.13% and Net NPA ratio of 0.03% as on September 30, 2018, the asset quality of its loan portfolio is yet to be tested.

Analytical approach: CARE has assessed the standalone financial profile of Indiabulls Consumer Finance Limited (IBCFL). Further, the assessment also factors in the synergies enjoyed by IBCFL as a part of the Indiabulls Group. The company benefits from the shared brand name, management and operational linkages with the group.

Liquidity position

The asset liability maturity profile of IBCFL as on September 30, 2018 had no negative cumulative mismatches up to one year on account of low gearing levels given its early stage of operations and well-matched asset liability maturities where in the average maturity of assets is around 23 months as compared to average maturity of liabilities of 45 months. At current maturity levels, the company has a policy of maintaining liquid assets (cash and liquid mutual funds) of around 10% of the loan portfolio. The company had cash balance and liquid investments of Rs.929 crore and undrawn bank lines of Rs.350 crore as on December 26, 2018.

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)
[Rating Methodology: Factoring Linkages in Ratings](#)
[Rating Methodology- Non-Banking Finance Companies](#)
[Financial ratios - Financial Sector](#)

About the Company

Indiabulls Consumer Finance Limited (IBCFL) (erstwhile IVL Finance Limited) is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL), one of the financial services companies of Indiabulls group engaged in providing securities and derivative broking services. The company was incorporated on October 27, 1994 and in September, 2018, the name of the company was changed to 'Indiabulls Consumer Finance Limited'.

The company is registered as a non-deposit taking systemically important non-banking finance company (NBFC-ND-SI) and is IBCFL is into lending business with primary focus on personal loans, unsecured SME loans and secured SME loans.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	57.24	700.07
PAT	6.69	191.52
Tangible net-worth	207.89	1,645.74
Asset under management (AUM)	91.91	4,001.83
Total Assets (net of intangibles)	216.28	5,488.41
Net NPA (%)	Nil	0.05
ROTA (%)	4.33	6.71

A: Audited; UA; Unaudited; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Aditya Acharekar

Tel: 022-6754 3528

Mobile: +91-98190 13971

Email: aditya.acharekar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee,

based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST- Bank facilities	-	-	-	5,250	CARE AA; Stable/CARE A1+
Commercial Paper	-	-	-	1,000	CARE A1+
Debentures- Non-convertible debentures	-	-	-	3,000	CARE AA; Stable
Proposed Public issue of secured redeemable non-convertible debentures	-	-	-	3,000	CARE AA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT/ ST- Bank facilities	LT	5,250	CARE AA; Stable / CARE A1+		1) CARE AA; Stable/CARE A1+ (21-Mar-18)	-	-
2.	Commercial Paper	ST	1,000	CARE A1+	1) CARE A1+ (08-May-18)	1) CARE A1+ (21-Mar-18)	-	-
3.	Debentures- Non-convertible debentures	LT	3,000	CARE AA; Stable	1)CARE AA; Stable (25-Sep-18)	1) CARE AA; Stable (23-Mar-18)	-	-
4.	Proposed Public issue of secured redeemable non-convertible debentures	LT	3,000	CARE AA; Stable	1) CARE AA; Stable (05-Sep-18)	-	-	-

CONTACT**Head Office Mumbai****Ms. Meenal Sikchi**

Cell: + 91 98190 09839

E-mail: meenal.sikchi@careratings.com**Ms. Rashmi Narvankar**

Cell: + 91 99675 70636

E-mail: rashmi.narvankar@careratings.com**Mr. Ankur Sachdeva**

Cell: + 91 98196 98985

E-mail: ankur.sachdeva@careratings.com**Mr. Saikat Roy**

Cell: + 91 98209 98779

E-mail: saikat.roy@careratings.com**CARE Ratings Limited****(Formerly known as Credit Analysis & Research Ltd.)**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Deepak Prajapati**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-9099028864

Tel: +91-79-4026 5656

E-mail: deepak.prajapati@careratings.com**BENGALURU****Mr. V Pradeep Kumar**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91 98407 54521

Tel: +91-80-4115 0445, 4165 4529

Email: pradeep.kumar@careratings.com**CHANDIGARH****Mr. Anand Jha**SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062

Chandigarh

Cell: +91 85111-53511/99251-42264

Tel: +91- 0172-490-4000/01

Email: anand.jha@careratings.com**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 – 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691

ANNEXURE B

For the annexure, please see the page below.



SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/ERC/MM/0468/2018-19

19 Oct 2018

Mr. Pinank Shah
Chief Executive Officer
Indiabulls Consumer Finance Limited
Tower 1, 9th Floor, Elphinstone Mills, Senapati Bapat Marg
Mumbai - 400 013, Maharashtra

Dear Sir,

Sub: Rating of Indiabulls Consumer Finance Limited's proposed Public Issue of Secured Redeemable Non Convertible Debenture of ₹ 3000 Crs (₹ Three Thousand Crores Only) with a tenor of up to 10 years

Thank you for giving us an opportunity to undertake rating of Proposed NCD issue of Rs. 3000 Crores of Indiabulls Consumer Finance Limited. Based on the term sheet of the NCD shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Indiabulls Consumer Finance Limited's proposed Public Issue of Secured Redeemable Non Convertible Debenture of ₹ 3000 Crs** has been assigned a rating of **BWR AA+ (Pronounced BWR Double A Plus) (Outlook:Stable)**. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of this letter and subject to the terms and conditions that were agreed in your mandate dated 24 Sep 2018 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating within two days of this letter. Unless acceptance is conveyed by the said date, the rating should not be used for any purpose whatsoever.

Best Regards,

Manjunatha MSR
Head - Ratings Administration



Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com. If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



BWR/NCD/HO/ERC/RB/0615/2018-19

4 Jan 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Validation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of upto 10 years.

Ref: Your email request dated 3 Jan 2018


We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has not raised any NCDs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,


Rajat Bahl
Head – Financial Sector Ratings



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591

BWR/NCD/HO/ERC/RB/0685/2018-19

30 Jan 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Validation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of upto 10 years.

Ref: Your email request dated 30 Jan 2019

We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has not raised any NCDs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,


Rajat Bahl

Head – Financial Sector Ratings



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Hyderabad • Kolkatta • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



BWR/NCD/HO/ERC/RB/0793/2018-19

14 Mar 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Validation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of up to 10 years.

Ref: Your email request dated 13 Mar 2019

We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has raised Rs 626.21 Crs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,

Rajat Bahl

Chief Analytical Officer & Head – Financial Institutions



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 098.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Coimbatore • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



BWR/NCD/ERC/RB/0030/2019-20

5 Apr 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Revalidation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of up to 10 years.

Ref: Your email request dated 4 Apr 2019

We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has raised Rs 626.21 Crs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,

Rajat Bahl

Chief Analytical Officer & Head – Financial Institutions



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkatta • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/ERC/RB/0049/2019-20

25 Apr 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg
Mumbai - 400 013

Dear Sir,

Sub: Revalidation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of up to 10 years.

Ref: Your email request dated 25 Apr 2019

We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has raised Rs 626.21 Crs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,

Rajat Bahl

Chief Analytical Officer & Head – Financial Institutions



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



BWR/NCD/ERC/RB/0101/2019-20

15 May 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Revalidation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of up to 10 years.

Ref: Your email request dated 15 May 2019

We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has raised Rs 626.21 Crs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,


Rajat Bahl



Chief Analytical Officer & Head – Financial Institutions

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



Rating Rationale

19 Oct 2018

Indiabulls Consumer Finance Limited (Erstwhile known as “IVL Finance Ltd”)

Brickwork Ratings assigns the ratings for the Proposed Public Issue of Secured Redeemable Non-Convertible Debentures - Public Issue of ₹ 3000.00 Crores of Indiabulls Consumer Finance Limited (“ICFL” or “Company”)

Particulars

Instrument	Amount	Tenor	Rating*
Proposed Public Issue of Secured Redeemable Non Convertible Debentures	3000	Upto 10 years	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook:Stable)

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

BWR also reaffirms the following ratings for the Bank Loan Facilities and commercial paper programme:

Instrument/ Facility	Previous Amount (₹. Crs)	Present Amount (₹. Crs)	Tenor	Rating History (Sep 2018)	Rating Reaffirmed*
Bank Loan -Fund Based	4000	4000	Long Term	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable
Commercial Paper Programme	1000	1000	Upto 365 days	BWR A1+ (Pronounced as BWR A One Plus)	BWR A1+ (Pronounced as BWR A One Plus)
Total	5000	5000	INR Five Thousand Crores Only		

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on audited financials of Indiabulls Consumer Finance Ltd (ICFL) upto FY18, unaudited financials for H1FY19, projections, publicly available information and other information and clarifications provided by the company.



The rating has factored, *inter alia*, strong financial support from the parent company Indiabulls Ventures Ltd., experienced & professional management, adequate capitalization, significant capital infusion resulting in strong Networth, robust business growth in FY18 & H1FY19 and aggressive growth plans capitalising on technology based approach. However, the rating is constrained by the fact that the loan portfolio is unseasoned, some of the exposure is unsecured, and competitive landscape for NBFCs.

Description of Key Rating Drivers

Credit Strengths:

- **Ownership and Management:** ICFL is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which provides financial strength & flexibility to the company. IVL, in turn, has 36.75% equity stake held by Mr. Sameer Gehlaut (promoter of Indiabulls Group) and his associate companies. The company has raised significant capital in FY18 and in H1FY19 which has resulted in Tangible Networth of Rs. 4153 Crores as of 30 Sep 2018.
- **Robust Growth in Loan Portfolio:** The Company has started its focus on Personal and SME lending business since April 2017 and has aggressively grown its loan book from Rs 92 crs in FY17 to Rs. 4002 Crores as on 31 March 2018. As on 30 Sep 2018, the outstanding loan book stood at Rs 10,140 Crs. The company further expects the loan book to grow significantly over the next two years. In view of the fact that the portfolio is quite new, asset quality issues need to be established over a period of time and through cycles.
- **Technology Initiative:** The growth in loan portfolio is led by “Dhani” - a real time app, which, according to ICFL, is a unique tool and provides end-to-end personal loan fulfillment. Such technology based approaches are likely to become popular with aspirational borrowers, and also bring down operational costs to the company.
- **Healthy Capitalization :** The parent company has continuously infused capital resulting in a healthy CRAR of 39.83% as on 30 Sep 2018 as against the minimum regulatory requirement of 15%. The promoters have plans of infusing further capital in FY19 which will help the company to maintain adequate CRAR levels. The company has also undertaken to keep their Net Debt : Tangible Networth ratio at 3x or better.



Credit Risks:

- **Unseasoned Portfolio and unsecured nature of portfolio :** Even though the company was incorporated in 1994, the commercial operations were started from Q1FY18 and has seen a robust growth in the loan portfolio and as on 30 Sep 2018 it has GNPA & NNPA of 0.13% and 0.03% respectively. The portfolio is unseasoned and has to go through business cycles to establish credit underwriting standards and collection efficiency. Further, currently, 48% of the portfolio comprising of Personal Loans and SME loans is unsecured in nature and Loss Given Default could be higher.
- **Inherent Risks:** Currently, NBFC sector in India is growing through liquidity challenges as lenders/investors are not keen to take additional exposure resulting in increased borrowing costs and potential ALM mismatches in the short term. This will adversely affect spread for NBFCs. Given the situation maintaining adequate liquidity and sustaining growth could be a challenge. Also being in the competitive landscape of NBFCs, the company is exposed to inherent risks associated with the industry like high competition and regulatory responsibilities.

Rating Outlook: Stable

BWR believes the **Indiabulls Consumer Finance Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Negative' if the revenues go down, there is stress in asset quality and profit margins show lower than expected figures.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale). Though the rating is based on stand-alone financial strength of the company, BWR has taken note of the fact that the company derives benefit of the professional management and marketing/distribution capability of the Indiabulls group.

About the Company

Indiabulls Consumer Finance Limited, (ICFL) (erstwhile known as IVL Finance Ltd), is a Non-Banking Finance Company (NBFC) and was incorporated on October 27, 1994 and is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which is rated at BWR "AA-(Stable)/A1+". Mr Sameer Gehlaut, promoter of Indiabulls group of companies is a common shareholder (through associate companies) in all the Group companies which are into Housing finance, Real Estate development, brokerage, etc., and NBFC business fits into their overall business strategy. ICFL started its lending business and operations only from April 2017 after



raising substantial capital. The company changed its name from “IVL Finance Ltd” to “Indiabulls Consumer Finance Ltd” w.e.f. 18 September 2018.

ICFL primarily focuses on Personal Loans (PL) with ticket size ranging between Rs 50,000 to Rs 3.0 Lakhs and Business Installment Loans (BIL) avg ticket size ranging from Rs 10 lakhs to Rs 25 lakhs. For this, the company has adopted “Dhani” , an app based lending technology. ICFL’s Asset under Management (AUM) as on 30 Sep 2018 stood at Rs. 10,140 Crores. The Board of Directors consists of seven Directors and an experienced management team headed by the Chief Executive Officer (CEO) Mr. Pinank Shah.

Company Financial Performance

As per the unaudited financial statements for the period ending 30 Sep 2018, the company has reported Total income & Net Operating income of Rs 658 Crs & 475 Crs respectively. PAT reported for the same period is Rs 199 Crs on outstanding loan book of Rs 10,140 crs. As on 30 Sep 2018, Tangible Networth of the company stood at Rs 4,153 Crs. The company has reported GNPA & NNPA at 0.13% & 0.03% respectively as of 30 Sep 2018.

During the year (FY18), the loan book has substantially increased from Rs. 92 Crores to Rs.4002 Crores, comprising of Personal Loan segment and Business Loan. The portfolio is unseasoned, and hence, with growing loan book, they have Gross NPA of 0.05% as of 31st Mar 2018.

For FY18, Total operating Income and Net operating Income for the Company stood at Rs 498 Crs and Rs 361 Crs respectively. The Net Interest Margin was 9.01%. The PAT for FY18 was Rs 191.52 Crs when compared to Rs. 6.69 Cr in FY17.

ICFL’s Tangible Net Worth increased from Rs. 208.58 Crores in FY17 to Rs 1646.54 Crs in FY18 on account of infusion of capital by the parent company and retention of profits. ICFL’s capital adequacy in the form of CRAR is presently at 40% for FY18, but can be expected to come down based on growth in the loan book.

Key Financial Indicators

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
AUM	₹ Cr	4002	92
Net Operating Income	₹ Cr	361	17



PAT	₹ Cr	192	7
Tangible Net worth (TNW)	₹ Cr	1647	209
BWR Leverage (Total Assets/TNW)	Times	3.35	1.04
CRAR	%	40.00	90.04

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Instrument/ Facility	Current Rating (Oct 2018)			Rating History			
		Type	Amount (₹ Crs)	Rating	Sept 2018	May 2018	Sept 2017	2016
1	Proposed Public Issue of Secured Redeemable Non Convertible Debentures	Long Term	3000	BWR AA+ (Stable) (Assigned)	N.A.	N.A.	N.A.	N.A.
2	Commercial Paper Programme	Short Term	1000	BWR A1+ (Reaffirmed)	BWR A1+	BWR A1+	BWR A1+	N.A.
3	Bank Loan Facilities	Long Term	4000	BWR AA+ (Stable) (Reaffirmed)	BWR AA+ (Stable) (Assigned)	N.A.	N.A.	N.A.
	Total		8000	₹ Eight Thousand Crores Only				

Hyperlink/Reference to applicable Criteria

- [Commercial Paper](#)
- [General Criteria](#)
- [Banks & FIs](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<i>Manjunatha MSR</i> <i>Head -Ratings Administration</i>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

ANNEXURE C

For the annexure, please see the page below.

IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154



10109 / ITSL / OPR / CL / 18-19 / DEB / 1753

16-January-2019

Indiabulls Consumer Finance Limited

M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the "Issue") by Indiabulls Consumer Finance Limited (the "Company").

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) to be filed with the National Stock Exchange of India Limited, BSE Limited ("Stock Exchanges") and the Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Delhi and Haryana ("RoC"), which the Company intends to issue in respect of the Issue of NCDs and also in all related advertisements and communications sent pursuant to the Issue of NCDs.

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	Asian Building, 17, R.Kamani Marg, Ballard Estate Mumbai 400 001
Tel:	+91 022 40807018
Fax:	+91 022 66311776
E-mail:	anjalee@idbitrustee.com
Investor Grievance id:	response@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Ms. Anjalee Athalye
Compliance Officer:	Mr. Jatin Bhatt
SEBI Registration Number:	IND000000460

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in Annexure A. We also certify that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

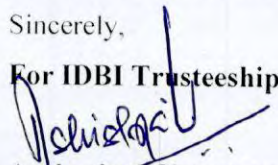
We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Public Issue of any changes in the aforesaid details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchange.

We also confirm that we are not disqualified to be appointed as Debenture Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For IDBI Trusteeship Services Limited


Authorised Signatory

Annexure A

16-January-2019

Indiabulls Consumer Finance LimitedM-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the “Issue”) by Indiabulls Consumer Finance Limited (the “Company”).

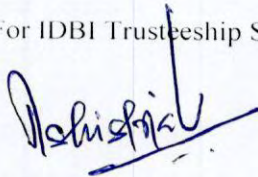
We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Permanent Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	14-Feb-2017
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NA
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NA
6.	Details of any penalty imposed by SEBI	NA

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely

For IDBI Trusteeship Services Limited

**Authorised Signatory**

IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154



195/Tranche 2/ITSL / OPR / CL / 18-19 / DEB / 1753

April 04, 2019

Indiabulls Consumer Finance Limited

M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the "Issue") by Indiabulls Consumer Finance Limited (the "Company").

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) to be filed with the National Stock Exchange of India Limited, BSE Limited ("Stock Exchanges") and the Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Delhi and Haryana ("RoC"), which the Company intends to issue in respect of the Issue of NCDs and also in all related advertisements and communications sent pursuant to the Issue of NCDs.

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	Asian Building, 17, R.Kamani Marg, Ballard Estate Mumbai 400 001
Tel:	+91 022 40807018
Fax:	+91 022 66311776
E-mail:	anjalee@idbitrustee.com
Investor Grievance id:	response@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Ms. Anjalee Athalye
Compliance Officer:	Mr. Jatin Bhatt
SEBI Registration Number:	IND000000460

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in Annexure A. We also certify that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

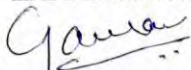
We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Public Issue of any changes in the aforesaid details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchange.

We also confirm that we are not disqualified to be appointed as Debenture Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For IDBI Trusteeship Services Limited


Authorised Signatory

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

Annexure A

April 04, 2019

Indiabulls Consumer Finance LimitedM-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the “Issue”) by Indiabulls Consumer Finance Limited (the “Company”).

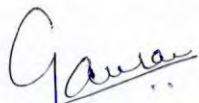
We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Permanent Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	14-Feb-2017
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NA
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NA
6.	Details of any penalty imposed by SEBI	NA

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely

For IDBI Trusteeship Services Limited

**Authorised Signatory**

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 263 (विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड
2) Registration Code for the debenture trustee is

IND000000460

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र
3) Unless renewed, the certificate of registration is valid from

तक विधिमान्य है।
This certificate of registration shall be valid unless it is suspended or cancelled by the board

CERTIFIED TRUE COPY
For IDBI TRUSTEESHIP SERVICES LTD.

AUTHORISED SIGNATORY



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place :

MUMBAI

तारीख Date :

FEBRUARY 14, 2017

M. Sanparote
MEDHASONPAROTE

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE D

For the annexure, please see the page below.

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.

Series I Tranche II Issue

Face Value per NCD (in Rs.)	1,000
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	400 days
Redemption Date/Maturity Date	Friday, 31 July 2020
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000.00)
Redemption Premium	Friday, July 31, 2020	Friday, July 31, 2020	400	11,009.90
Redemption of Principal	Friday, July 31, 2020	Friday, July 31, 2020		100,000.00
Total Cash Flows				111,009.90
XIRR				10.0000%

Series II Tranche II Issue

Face Value per NCD (in Rs.)	1,000
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	24 Months
Coupon	10.27%
Redemption Date/Maturity Date	Sunday, 27 June 2021
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
1st Coupon/Interest Payment Date	Saturday, June 27, 2020	Monday, June 29, 2020	366	10,270.00
2nd Coupon/Interest Payment Date	Sunday, June 27, 2021	Friday, June 25, 2021	365	10,270.00
Redemption of Principal	Sunday, June 27, 2021	Friday, June 25, 2021		100,000.00
Total Cash Flows				120,540.00
			XIRR	10.25%

Series III Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	24 Months
Redemption Date/Maturity Date	Sunday, 27 June 2021
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
Redemption Premium	Sunday, June 27, 2021	Friday, June 25, 2021	731	21,583.20
Redemption of Principal	Sunday, June 27, 2021	Friday, June 25, 2021		100,000.00
Total Cash Flows				121,583.20
XIRR				10.25%

Series IV Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	36 Months
Coupona	9.95%
Redemption Date/Maturity Date	Monday, 27 June 2022
Frequency of Interest Payment	Monthly
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
1st Coupon/Interest Payment Date	Saturday, July 27, 2019	Monday, July 29, 2019	30	815.57
2nd Coupon/Interest Payment Date	Tuesday, August 27, 2019	Tuesday, August 27, 2019	31	842.76
3rd Coupon/Interest Payment Date	Friday, September 27, 2019	Friday, September 27, 2019	31	842.76
4th Coupon/Interest Payment Date	Sunday, October 27, 2019	Monday, October 28, 2019	30	815.57
5th Coupon/Interest Payment Date	Wednesday, November 27, 2019	Wednesday, November 27, 2019	31	842.76
6th Coupon/Interest Payment Date	Friday, December 27, 2019	Friday, December 27, 2019	30	815.57
7th Coupon/Interest Payment Date	Monday, January 27, 2020	Monday, January 27, 2020	31	842.76
8th Coupon/Interest Payment Date	Thursday, February 27, 2020	Thursday, February 27, 2020	31	842.76
9th Coupon/Interest Payment Date	Friday, March 27, 2020	Friday, March 27, 2020	29	788.39
10th Coupon/Interest Payment Date	Monday, April 27, 2020	Monday, April 27, 2020	31	842.76
11th Coupon/Interest Payment Date	Wednesday, May 27, 2020	Wednesday, May 27, 2020	30	815.57
12th Coupon/Interest Payment Date	Saturday, June 27, 2020	Monday, June 29, 2020	31	842.76
13th Coupon/Interest	Monday, July 27, 2020	Monday, July 27, 2020	30	817.81

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Payment Date				
14th Coupon/Interest Payment Date	Thursday, August 27, 2020	Thursday, August 27, 2020	31	845.07
15th Coupon/Interest Payment Date	Sunday, September 27, 2020	Monday, September 28, 2020	31	845.07
16th Coupon/Interest Payment Date	Tuesday, October 27, 2020	Tuesday, October 27, 2020	30	817.81
17th Coupon/Interest Payment Date	Friday, November 27, 2020	Friday, November 27, 2020	31	845.07
18th Coupon/Interest Payment Date	Sunday, December 27, 2020	Monday, December 28, 2020	30	817.81
19th Coupon/Interest Payment Date	Wednesday, January 27, 2021	Wednesday, January 27, 2021	31	845.07
20th Coupon/Interest Payment Date	Saturday, February 27, 2021	Monday, March 01, 2021	31	845.07
21st Coupon/Interest Payment Date	Saturday, March 27, 2021	Monday, March 29, 2021	28	763.29
22nd Coupon/Interest Payment Date	Tuesday, April 27, 2021	Tuesday, April 27, 2021	31	845.07
23rd Coupon/Interest Payment Date	Thursday, May 27, 2021	Thursday, May 27, 2021	30	817.81
24th Coupon/Interest Payment Date	Sunday, June 27, 2021	Monday, June 28, 2021	31	845.07
25th Coupon/Interest Payment Date	Tuesday, July 27, 2021	Tuesday, July 27, 2021	30	817.81
26th Coupon/Interest Payment Date	Friday, August 27, 2021	Friday, August 27, 2021	31	845.07
27th Coupon/Interest Payment Date	Monday, September 27, 2021	Monday, September 27, 2021	31	845.07
28th Coupon/Interest Payment Date	Wednesday, October 27, 2021	Wednesday, October 27, 2021	30	817.81
29th Coupon/Interest Payment Date	Saturday, November 27, 2021	Monday, November 29, 2021	31	845.07
30th Coupon/Interest	Monday, December 27,	Monday, December 27,	30	817.81

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Payment Date	2021	2021		
31st Coupon/Interest Payment Date	Thursday, January 27, 2022	Thursday, January 27, 2022	31	845.07
32nd Coupon/Interest Payment Date	Sunday, February 27, 2022	Monday, February 28, 2022	31	845.07
33rd Coupon/Interest Payment Date	Sunday, March 27, 2022	Monday, March 28, 2022	28	763.29
34th Coupon/Interest Payment Date	Wednesday, April 27, 2022	Wednesday, April 27, 2022	31	845.07
35th Coupon/Interest Payment Date	Friday, May 27, 2022	Friday, May 27, 2022	30	817.81
36th Coupon/Interest Payment Date	Monday, June 27, 2022	Monday, June 27, 2022	31	845.07
Redemption of Principal	Monday, June 27, 2022	Monday, June 27, 2022		100,000.00
Total Cash Flows				129,850.00
XIRR			10.41%	

Series V Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	36 Months
Coupon	10.41%
Redemption Date/Maturity Date	Monday, 27 June 2022
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
1st Coupon/Interest Payment Date	Saturday, June 27, 2020	Monday, June 29, 2020	366	10,410.00
2nd Coupon/Interest Payment Date	Sunday, June 27, 2021	Monday, June 28, 2021	365	10,410.00
3rd Coupon/Interest Payment Date	Monday, June 27, 2022	Monday, June 27, 2022	365	10,410.00
Redemption of Principal	Monday, June 27, 2022	Monday, June 27, 2022		100,000.00
Total Cash Flows				131,230.00
XIRR				10.40%

Series VI Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	36 Months
Redemption Date/Maturity Date	Monday, 27 June 2022
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
Redemption Premium	Monday, June 27, 2022	Monday, June 27, 2022	1096	34,593.70
Redemption of Principal	Monday, June 27, 2022	Monday, June 27, 2022		100,000.00
Total Cash Flows				134,593.70
XIRR				10.40%

Series VII Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment (assumed)	Thursday, 27 June 2019
Tenor	60 Months
Coupon	10.13%
Redemption Date/Maturity Date (assumed)	Thursday, 27 June 2024
Frequency of Interest Payment	Monthly
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019	Thursday, June 27, 2019		(100,000)
1st Coupon/Interest Payment Date	Saturday, July 27, 2019	Monday, July 29, 2019	30	830.33
2nd Coupon/Interest Payment Date	Tuesday, August 27, 2019	Tuesday, August 27, 2019	31	858.01
3rd Coupon/Interest Payment Date	Friday, September 27, 2019	Friday, September 27, 2019	31	858.01
4th Coupon/Interest Payment Date	Sunday, October 27, 2019	Monday, October 28, 2019	30	830.33
5th Coupon/Interest Payment Date	Wednesday, November 27, 2019	Wednesday, November 27, 2019	31	858.01
6th Coupon/Interest Payment Date	Friday, December 27, 2019	Friday, December 27, 2019	30	830.33
7th Coupon/Interest Payment Date	Monday, January 27, 2020	Monday, January 27, 2020	31	858.01
8th Coupon/Interest Payment Date	Thursday, February 27, 2020	Thursday, February 27, 2020	31	858.01
9th Coupon/Interest Payment Date	Friday, March 27, 2020	Friday, March 27, 2020	29	802.65
10th Coupon/Interest Payment Date	Monday, April 27, 2020	Monday, April 27, 2020	31	858.01
11th Coupon/Interest Payment Date	Wednesday, May 27, 2020	Wednesday, May 27, 2020	30	830.33
12th Coupon/Interest Payment Date	Saturday, June 27, 2020	Monday, June 29, 2020	31	858.01
13th Coupon/Interest	Monday, July 27, 2020	Monday, July 27, 2020	30	832.60

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Payment Date				
14th Coupon/Interest Payment Date	Thursday, August 27, 2020	Thursday, August 27, 2020	31	860.36
15th Coupon/Interest Payment Date	Sunday, September 27, 2020	Monday, September 28, 2020	31	860.36
16th Coupon/Interest Payment Date	Tuesday, October 27, 2020	Tuesday, October 27, 2020	30	832.60
17th Coupon/Interest Payment Date	Friday, November 27, 2020	Friday, November 27, 2020	31	860.36
18th Coupon/Interest Payment Date	Sunday, December 27, 2020	Monday, December 28, 2020	30	832.60
19th Coupon/Interest Payment Date	Wednesday, January 27, 2021	Wednesday, January 27, 2021	31	860.36
20th Coupon/Interest Payment Date	Saturday, February 27, 2021	Monday, March 01, 2021	31	860.36
21st Coupon/Interest Payment Date	Saturday, March 27, 2021	Monday, March 29, 2021	28	777.10
22nd Coupon/Interest Payment Date	Tuesday, April 27, 2021	Tuesday, April 27, 2021	31	860.36
23rd Coupon/Interest Payment Date	Thursday, May 27, 2021	Thursday, May 27, 2021	30	832.60
24th Coupon/Interest Payment Date	Sunday, June 27, 2021	Monday, June 28, 2021	31	860.36
25th Coupon/Interest Payment Date	Tuesday, July 27, 2021	Tuesday, July 27, 2021	30	832.60
26th Coupon/Interest Payment Date	Friday, August 27, 2021	Friday, August 27, 2021	31	860.36
27th Coupon/Interest Payment Date	Monday, September 27, 2021	Monday, September 27, 2021	31	860.36
28th Coupon/Interest Payment Date	Wednesday, October 27, 2021	Wednesday, October 27, 2021	30	832.60
29th Coupon/Interest Payment Date	Saturday, November 27, 2021	Monday, November 29, 2021	31	860.36
30th Coupon/Interest	Monday, December 27,	Monday, December 27,	30	832.60

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Payment Date	2021	2021		
31st Coupon/Interest Payment Date	Thursday, January 27, 2022	Thursday, January 27, 2022	31	860.36
32nd Coupon/Interest Payment Date	Sunday, February 27, 2022	Monday, February 28, 2022	31	860.36
33rd Coupon/Interest Payment Date	Sunday, March 27, 2022	Monday, March 28, 2022	28	777.10
34th Coupon/Interest Payment Date	Wednesday, April 27, 2022	Wednesday, April 27, 2022	31	860.36
35th Coupon/Interest Payment Date	Friday, May 27, 2022	Friday, May 27, 2022	30	832.60
36th Coupon/Interest Payment Date	Monday, June 27, 2022	Monday, June 27, 2022	31	860.36
37th Coupon/Interest Payment Date	Wednesday, July 27, 2022	Wednesday, July 27, 2022	30	832.60
38th Coupon/Interest Payment Date	Saturday, August 27, 2022	Monday, August 29, 2022	31	860.36
39th Coupon/Interest Payment Date	Tuesday, September 27, 2022	Tuesday, September 27, 2022	31	860.36
40th Coupon/Interest Payment Date	Thursday, October 27, 2022	Thursday, October 27, 2022	30	832.60
41st Coupon/Interest Payment Date	Sunday, November 27, 2022	Monday, November 28, 2022	31	860.36
42nd Coupon/Interest Payment Date	Tuesday, December 27, 2022	Tuesday, December 27, 2022	30	832.60
43rd Coupon/Interest Payment Date	Friday, January 27, 2023	Friday, January 27, 2023	31	860.36
44th Coupon/Interest Payment Date	Monday, February 27, 2023	Monday, February 27, 2023	31	860.36
45th Coupon/Interest Payment Date	Monday, March 27, 2023	Monday, March 27, 2023	28	777.10
46th Coupon/Interest Payment Date	Thursday, April 27, 2023	Thursday, April 27, 2023	31	860.36
47th Coupon/Interest	Saturday, May 27, 2023	Monday, May 29, 2023	30	832.60

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Payment Date				
48th Coupon/Interest Payment Date	Tuesday, June 27, 2023	Tuesday, June 27, 2023	31	860.36
49th Coupon/Interest Payment Date	Thursday, July 27, 2023	Thursday, July 27, 2023	30	830.33
50th Coupon/Interest Payment Date	Sunday, August 27, 2023	Monday, August 28, 2023	31	858.01
51st Coupon/Interest Payment Date	Wednesday, September 27, 2023	Wednesday, September 27, 2023	31	858.01
52nd Coupon/Interest Payment Date	Friday, October 27, 2023	Friday, October 27, 2023	30	830.33
53rd Coupon/Interest Payment Date	Monday, November 27, 2023	Monday, November 27, 2023	31	858.01
54th Coupon/Interest Payment Date	Wednesday, December 27, 2023	Wednesday, December 27, 2023	30	830.33
55th Coupon/Interest Payment Date	Saturday, January 27, 2024	Monday, January 29, 2024	31	858.01
56th Coupon/Interest Payment Date	Tuesday, February 27, 2024	Tuesday, February 27, 2024	31	858.01
57th Coupon/Interest Payment Date	Wednesday, March 27, 2024	Wednesday, March 27, 2024	29	802.65
58th Coupon/Interest Payment Date	Saturday, April 27, 2024	Monday, April 29, 2024	31	858.01
59th Coupon/Interest Payment Date	Monday, May 27, 2024	Monday, May 27, 2024	30	830.33
60th Coupon/Interest Payment Date	Thursday, June 27, 2024	Thursday, June 27, 2024	31	858.01
Redemption of Principal	Thursday, June 27, 2024	Thursday, June 27, 2024		100,000.00
Total Cash Flows				150,650.00
XIRR				10.60%

Series VIII Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	60 Months
Coupon	10.61%
Redemption Date/Maturity Date	Thursday, 27 June 2024
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
1st Coupon/Interest Payment Date	Saturday, June 27, 2020	Monday, June 29, 2020	366	10,610.00
2nd Coupon/Interest Payment Date	Sunday, June 27, 2021	Monday, June 28, 2021	365	10,610.00
3rd Coupon/Interest Payment Date	Monday, June 27, 2022	Monday, June 27, 2022	365	10,610.00
4th Coupon/Interest Payment Date	Tuesday, June 27, 2023	Tuesday, June 27, 2023	365	10,610.00
5th Coupon/Interest Payment Date	Thursday, June 27, 2024	Thursday, June 27, 2024	366	10,610.00
Redemption of Principal	Thursday, June 27, 2024	Thursday, June 27, 2024		100,000.00
Total Cash Flows				153,050.00
XIRR				10.60%

Series IX Tranche II Issue

Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, 27 June 2019
Tenor	60 Months
Redemption Date/Maturity Date	Thursday, 27 June 2024
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
Initial Amount	Thursday, June 27, 2019			(100,000)
Redemption Premium	Thursday, June 27, 2024	Thursday, June 27, 2024	1827	65,583.00
Redemption of Principal	Thursday, June 27, 2024	Thursday, June 27, 2024		100,000.00
Total Cash Flows				165,583.00
	XIRR			10.60%

Assumptions:

1. The Deemed Date of Allotment is assumed to be June 27, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the Financial Year 2020 and 2024, being leap years, have been calculated for 366 days.
3. In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is Rs. 2,515.07/-, then the amount shall be rounded off to Rs. 2,515.00/-. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder.

Note:

The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

ANNEXURE E

For the annexure, please see the page below.

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
6th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

T +91 120 710 9001
F +91 120 710 9002

The Board of Directors,
Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

Proposed public issue of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each (the “Securities”) for an amount aggregating upto Rs. 10,000 million in India by Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the “Company”/ “Issuer”) (the “Offering”).

Auditors’ Report on Reformatted Consolidated Financial Information

1. The accompanying Reformatted Consolidated Financial Information of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the ‘Company’ or ‘Holding Company’), which comprise the Reformatted Consolidated Statement of Assets and Liabilities as at 31 March 2019, the Reformatted Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Consolidated Cash Flow Statement, the Reformatted Consolidated Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information for the year then ended (together comprising the “Reformatted Consolidated Financial Information”) are derived from the audited consolidated financial statements (the “Audited Consolidated Financial Statements”) of the Company for the year audited by us as detailed in paragraph 3 below, which are to be included in the Tranche II Prospectus to be filed by the Company in connection with the Offering.
2. The Reformatted Consolidated Financial Information have been prepared by the Management of the Company on the basis of accounting described in Note 2 to the Reformatted Consolidated Financial Information and have been approved by the Bond Issue Committee.
3. We expressed our opinion on the Audited Consolidated Financial Statements of the Company as of and for the year ended 31 March 2019 *vide* our report dated 25 April 2019.
4. The figures included in the Reformatted Consolidated Financial Information, do not reflect the effect of events that occurred subsequent to the date of the report on the year referred to in paragraph 3 above.



Management's Responsibility for the Reformatted Consolidated Financial Information

5. Management is responsible for the preparation of the Reformatted Consolidated Financial Information, as mentioned in paragraph 1 above, for inclusion in the Tranche II Prospectus to be filed by the Company in connection with the Offering, on the basis of accounting described in Note 2 to the Reformatted Consolidated Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Consolidated Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Consolidated Financial Information.

Auditor's Responsibility

6. Our responsibility is to express an opinion on the Reformatted Consolidated Financial Information based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, Engagements to Report on Summary Financial Statements.

Opinion

7. In our opinion, the Reformatted Consolidated Financial Information derived from the Audited Consolidated Financial Statements of the Company for the year ended 31 March 2019 are a fair presentation of the Audited Consolidated Financial Statements of the year on the basis of accounting described in Note 2 to the Reformatted Consolidated Financial Information.

Other matters

8. The audited consolidated financial statements also include the Holding Company's share of net loss (including other comprehensive income) of Rs. 2.84 lakh for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Holding Company.
9. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these consolidated financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements for the year ended 31 March 2017 were audited by the predecessor auditor whose audit report dated 25 April 2017 expressed an unmodified opinion on those consolidated financial statements. The financial statements for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.
10. The Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These financial statements have



Walker Chandiook & Co LLP

been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.

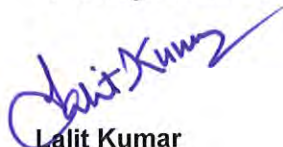
This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us on the Reformatted Consolidated Financial Information.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Restrictions on use

This report is addressed to and is provided to enable the Company for inclusion in the Tranche II Prospectus, to be filed by the Company in connection with the Offering with BSE Limited, National Stock Exchange of India Limited, Registrar of Companies of Delhi and Haryana and with the Securities and Exchange Board of India. The Reformatted Consolidated Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For **Walker Chandiook & LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Lalit Kumar
Partner
Membership Number: 095256



Place: Noida
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE I - REFORMATTED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
(All amounts in Rs. million unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	9,307.85	8,823.56	14.51
Bank balance other than cash and cash equivalents	5	1,453.88	674.65	-
Loans	6	105,081.33	40,025.13	897.62
Investments	7	5,766.34	4,488.25	1,125.47
Other financial assets	8	478.94	153.85	-
Total financial assets		122,088.34	54,165.44	2,037.60
Non-financial assets				
Current tax assets (net)	9	242.14	79.97	81.95
Deferred tax assets (net)	10	168.55	116.79	13.34
Investment accounted for using equity method	11	356.76	-	-
Property, plant and equipment	12(a)	309.32	155.10	0.07
Intangible assets under development	12(b)	24.61	5.80	-
Other intangible assets	12(c)	518.49	307.47	-
Other non-financial assets	13	868.90	268.71	17.44
Total non-financial assets		2,488.77	933.84	112.80
TOTAL ASSETS		124,577.11	55,099.28	2,150.40
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	14	20.94	67.98	-
Payables				
Trade payables	15			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.72	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		580.41	276.54	-
Other payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		181.94	36.00	0.04
Debt securities	17	17,348.62	3,500.00	-
Borrowings (other than debt securities)	18	54,199.69	27,801.57	-
Others financial liabilities	19	8,205.58	6,309.80	-
Total financial liabilities		80,537.18	37,992.61	0.04
Non-financial liabilities				
Current tax liabilities (net)	20	-	68.97	4.96
Provisions	21	106.75	22.10	0.94
Other non-financial liabilities	22	252.18	130.73	54.96
Total non-financial liabilities		358.93	221.80	60.86
EQUITY				
Equity share capital	23	611.88	245.52	52.19
Instruments entirely equity in nature	24	-	55.00	-
Other equity	25	43,069.12	16,584.35	2,037.31
Total equity		43,681.00	16,884.87	2,089.50
TOTAL LIABILITIES AND EQUITY		124,577.11	55,099.28	2,150.40

The accompanying notes form an integral part of these consolidated financial statements
This is the consolidated balance sheet referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Pinank Jayant Shah
Whole Time Director
& Chief
Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE II - REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Rs. million unless stated otherwise)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	26	14,670.49	3,446.97
Dividend income	27	253.48	1,969.24
Fees and commission income	28	1,183.31	1,124.64
Net gain on fair value changes	29	75.35	-
Net gain on derecognition of financial instruments under amortised cost category	30	297.96	-
Total revenue from operations		16,480.59	6,540.85
Other income	31	19.61	2.56
Total income		16,500.20	6,543.41
Expenses			
Finance costs	32	5,594.78	1,344.92
Net loss on fair value changes	29	-	1,521.99
Impairment on financial instruments	33	1,030.13	248.80
Employee benefits expenses	34	2,299.26	642.56
Depreciation and amortisation	35	189.08	56.08
Other expenses	36	2,052.99	550.60
Total expenses		11,166.24	4,364.95
Profit before share of loss in associate and tax		5,333.96	2,178.46
Share of loss in associate		(0.28)	-
Profit before tax		5,333.68	2,178.46
Tax expense:	37		
Current tax		1,382.21	579.01
Deferred tax credit		(50.19)	(100.89)
Total tax expenses		1,332.02	478.12
Profit for the year		4,001.66	1,700.34
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(4.46)	(7.41)
Income tax expense relating to above items		1.56	2.56
Other comprehensive income		(2.90)	(4.85)
Total comprehensive income for the year		3,998.76	1,695.49
Earnings per equity share	38		
Basic (Rs.)		79.49	111.48
Diluted (Rs.)		71.66	86.13

The accompanying notes form an integral part of these consolidated financial statements
This is the consolidated statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE III - REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities:		
Net profit before tax	5,333.68	2,178.46
Adjustments for :		
Depreciation and amortisation	189.08	56.08
Impairment on financial instruments	1,030.13	248.80
Provision for gratuity and compensated absences	35.86	(0.40)
(Loss)/profit on fair value changes	(75.35)	1,521.99
Gain on sale of loan portfolio through assignment	(315.80)	-
Effective interest rate adjustment for financial instruments	(210.30)	(23.03)
Share of loss in associate	0.28	
Share based payments to employees	345.37	237.10
	<u>999.27</u>	<u>2,040.54</u>
Operating profit before working capital changes	6,332.95	4,219.00
Adjustments for:		
Loans	(66,086.33)	(39,376.31)
Other financial assets	(9.27)	(153.85)
Other non financial assets	(440.94)	(229.76)
Derivative liabilities	(47.04)	67.98
Trade payables	303.15	277.26
Other payables	145.94	35.96
Other financial liabilities	1,895.78	6,309.80
Provisions	44.33	14.15
Other non financial liabilities	121.45	75.77
	<u>(64,072.93)</u>	<u>(32,979.00)</u>
Cash used in operating activities	(57,739.98)	(28,760.00)
Income taxes paid (including tax deducted at source)	(1,613.35)	(513.02)
Net cash used in operating activities	(59,353.33)	(29,273.02)
B Cash flow from investing activities:		
Purchase of property, plant and equipment, intangible assets under development and intangible assets	(732.38)	(545.89)
Investment made in associate	(357.04)	-
Purchase of other investments (net)	(1,981.97)	(5,559.42)
Net cash used in investing activities	(3,071.39)	(6,105.31)
C Cash flow from financing activities:		
Proceeds from issue of equity shares (including premium)	25,722.45	10,027.67
Repayment of preference shares (including premium)	(2,750.00)	2,750.00
Proceeds from debt securities	78,653.98	3,500.00
Repayment of debt securities	(64,641.92)	-
Proceeds from borrowings other than debt securities	89,409.97	30,756.41
Repayment of borrowings other than debt securities	(62,927.54)	(2,846.69)
Dividends paid (including dividend distribution tax)	(557.93)	-
Net cash flows from financing activities	62,909.01	44,187.39
D Net increase in cash and cash equivalents (A+B+C)	484.29	8,809.05
E Cash and cash equivalents at the beginning of the year	8,823.56	14.51
F Cash and cash equivalents at the end of the year (D + E)	9,307.85	8,823.56

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE III - REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in Rs. million unless stated otherwise)

Notes :

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

Cash in hand	0.09	0.04
Balances with banks:		
- in current accounts	8,502.99	5,612.71
- in term deposits with original maturity of less than three months*	804.77	3,210.81
Cash and cash equivalents at the end of the year	9,307.85	8,823.56

* (Rs. 55.67 million (31 March 2018: Rs. 3,210.81 million) pledged for overdraft facilities availed by the Company

3 For disclosures relating to changes in liabilities arising from financing activities, refer note 50.

The accompanying notes form an integral part of these consolidated financial statements
This is the consolidated cash flow statement referred to in our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 23 May 2019

Pinank Jayant Shah

Whole Time Director &
Chief Executive Officer

DIN: 07859798

Place: Mumbai

Date: 23 May 2019

Nafees Ahme

Director

DIN:
03496241

Place: Gurugram

Date: 23 May 2019

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company Secretary

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE IV - REFORMATTED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Rs. million unless stated otherwise)

(A) Equity share capital

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	52.19	193.33	245.52	366.36	611.88

(B) Instruments entirely equity in nature

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Compulsorily convertible preference shares	-	55.00	55.00	(55.00)	-

(C) Other equity

Particulars	Statutory reserves	Securities premium	Capital redemption reserve	Debenture redemption reserve	Share options outstanding account	Retained earnings	Other component of equity	Total
Balance as at 1 April 2017	35.64	1,862.99	10.00	-	6.88	121.80	-	2,037.31
Profit for the year	-	-	-	-	-	1,700.34	-	1,700.34
Other comprehensive income (net of tax)	-	-	-	-	-	(4.85)	-	(4.85)
Transfer from retained earnings	383.04	-	-	-	-	(383.04)	-	-
Issue of equity shares	-	9,834.33	-	-	-	-	-	9,834.33
Issue of compulsory convertible preference shares (refer note 24)	-	2,695.00	-	-	-	-	-	2,695.00
Share based payment to employees	-	-	-	-	237.10	-	-	237.10
Equity component for financial guarantee	-	-	-	-	-	-	85.12	85.12
Balance as at 31 March 2018	418.68	14,392.32	10.00	-	243.98	1,434.25	85.12	16,584.35
Profit for the year	-	-	-	-	-	4,001.66	-	4,001.66
Other comprehensive income (net of tax)	-	-	-	-	-	(2.90)	-	(2.90)
Transfer from retained earnings	799.81	-	-	41.65	-	(841.46)	-	-
Issue of equity shares	-	25,356.12	-	-	-	-	-	25,356.12
Adjustment of compulsory convertible preference shares (refer note 24)	-	(2,695.00)	-	-	-	-	-	(2,695.00)
Share based payment to employees	-	-	-	-	345.37	-	-	345.37
Transfer to retained earnings	-	-	-	-	(1.28)	1.28	-	-
Equity component for financial guarantee	-	-	-	-	-	-	37.45	37.45
Dividends (including dividend distribution tax) during the year (Rs. 18.85 per share)	-	-	-	-	-	(557.93)	-	(557.93)
Balance as at 31 March 2019	1,218.49	37,053.44	10.00	41.65	588.07	4,034.90	122.57	43,069.12

The accompanying notes form an integral part of these consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 23 May 2019

Pinank Jayant Shah

Whole Time Director & Chief

Executive Officer

DIN: 07859798

Place: Mumbai

Date: 23 May 2019

Nafees Ahmed

Director

DIN: 03496241

Place: Gurugram

Date: 23 May 2019

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company Secretary

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

1. Company overview

Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) ('the Company' or 'the Holding Company') is a public limited Company incorporated under the provisions of Companies Act and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at M-62 a 63, First Floor, Connaught Place, New Delhi - 110001.

In accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 14 October 2016, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 19 October 2016 in respect of the said change. Accordingly, the name of the Company was changed from Shivshakti Financial Services Limited to IVL Finance Limited ("IVLFL").

Further, in accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 17 September 2018, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 18 September 2018 in respect of the said change. Accordingly, the name of the Company was changed from IVL Finance Limited to Indiabulls Consumer Finance Limited ("ICFL" or "the Company" or "Holding Company")

During the year ended 31 March 2019, the Company has acquired 33% equity shares of TranServ Private Limited ("TPL"), thereby becoming its associate w.e.f 29 March 2019. TPL is engaged in the business of providing technical services like online payment gateway, data processing, banking transaction solutions and smart card based solutions to banking and other customers. Revenue from said services is recognised on accrual basis as per the terms and conditions of the contract when the control is transferred to the customer.

2. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These Reformatted Consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company and its associate has uniformly applied the accounting policies in these consolidated financial statements.

The consolidated financial statements for the year ended 31 March 2019 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

As these are the Company's first consolidated financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 52.

The consolidated financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 22 May 2019.

The Financial Statements have been prepared by the Management in connection with the proposed issue of non-convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in accordance with the requirements of Section 26 of the Companies Act, 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time and related clarifications issued by the Stock Exchanges.

(ii) Historical cost convention

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

a) Basis of consolidation

Associates

Investment in entities where exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Company. The consolidated statement of profit and loss (including other comprehensive income) includes the Company's share of the results of the operations of the investee. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The Company discontinues the use of equity method from the date when investment ceases to be an associate.

b) Business combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of the acquired entity. Acquisition costs are generally recognized in the statement of profit and loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interests' method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

c) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

d) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

e) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

f) Revenue recognition

Interest income on loans

Interest (including processing fee) income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue charges are recognised on realisation basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Interest on term deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Fee and commission income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

h) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

i) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

j) Share based payments

Share based compensation benefits are provided to employees via Indiabulls Ventures Limited ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

k) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

l) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

n) Equity investment in associate

Investments representing equity interest in associate is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

p) Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

q) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a Company of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Financial guarantee

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Compulsorily convertible preference shares

Instruments which are entirely equity in nature such as compulsorily convertible preference shares are measured at transaction value and presented as separate line item on the face of balance sheet.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Company also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the statement of profit and loss along with change in fair value of underlying asset.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

t) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

u) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how Companies of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March

(All amounts in Rs. million unless stated otherwise)

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases - The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') - The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Companies of similar financial assets for the purposes of measuring ECL.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets - Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Expected life of loan assets - Basis the historical information available and management judgement, the Company has arrived at expected life of loan assets and applied the same for measurement at amortised cost.

Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

v) Standards issued but not yet effective

Ind AS 116 'Leases'

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 28, Investments in associates and joint ventures

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 28 "Investments in Associates and Joint Ventures" in relation to long-term interests in associates and joint ventures. The amendment clarifies that an entity applies Ind-AS 109 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 103, Business combinations

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 103, "Business Combinations". The amendment clarifies that when an entity obtains control of a business that is a joint operation, it shall need to re-measure the previously held interests in that business. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 111, Joint arrangements

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 111, "Joint Arrangements". The amendment clarifies that when an entity obtains joint control of a business that is a joint operation, the entity shall not re-measure previously held interests in that business. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 4			
Cash and cash equivalents			
Cash on hand	0.09	0.04	0.01
Balances with banks			
- Current accounts	8,502.99	5,612.71	14.50
- Bank deposits with original maturity of three months or less (refer note below)	804.77	3,210.81	-
	<u>9,307.85</u>	<u>8,823.56</u>	<u>14.51</u>

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 5			
Bank balance other than cash and cash equivalents			
Bank deposits with original maturity of more than 3 months (refer note below)	1,453.88	674.65	-
	<u>1,453.88</u>	<u>674.65</u>	<u>-</u>

Note:

The amount under lien as security against overdraft facility availed, assets securitised, bank guarantee and margin money are as follows (included above in note 4 and 5):

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Overdraft facilities	774.45	3,762.59	-
Securitisations	621.24	-	-
Bank guarantee	2.53	2.51	-
Margin money	111.33	120.36	-
	<u>1,509.55</u>	<u>3,885.46</u>	<u>-</u>

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 6			
Loans (at amortised cost)			
Loans			
Secured	49,608.34	18,866.36	-
Unsecured	56,721.72	21,308.92	919.10
Total - gross	106,330.06	40,175.28	919.10
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	105,081.33	40,025.13	897.62

Secured by tangible assets	49,430.67	18,693.53	-
Secured by other assets	177.67	172.83	-
Unsecured	56,721.72	21,308.92	919.10
Total - gross	106,330.06	40,175.28	919.10
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	105,081.33	40,025.13	897.62

Loans in India			
(i) Public Sector	-	-	-
(ii) Others	106,330.06	40,175.28	919.10
Total - gross	106,330.06	40,175.28	919.10
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	105,081.33	40,025.13	897.62

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 7			
Investments (at fair value through profit or loss)			
Investment in mutual funds			
- Indiabulls liquid fund - direct growth [No of units: nil (31 March 2018: 589,508.14; 1 April 2017: 708,350.68) NAV Rs. nil (31 March 2018: 1,698.25; 1 April 2017: Rs. 1,588.86) per unit]	-	1,001.13	1,125.47
- Indiabulls Short Term Fund - Direct Plan - Growth [No of units nil (31 March 2018: 141,599.71; 1 April 2017 : nil) NAV Rs. nil (31 March 2018: Rs. 1,512.30; 1 April 2017 : Rs. nil) per unit]	-	214.14	-
- Invesco India Treasury Advantage Fund- Direct Plan Growth [No of units nil (31 March 2018: 511,333.46; 1 April 2017: nil) NAV Rs. nil (31 March 2018: Rs. 2,445.96; 1 April 2017: Rs. nil) per unit]	-	1,250.70	-
- JM Equity Fund-Monthly Dividend Option [No of units nil (31 March 2018: 35,793,030.38; 1 April 2017: nil) NAV: Rs. nil (31 March 2018: Rs. 11.95; 1 April 2017: Rs. nil) per unit]	-	428.03	-
- JM Balanced Fund - Direct - Annual Dividend [No of units nil (31 March 2018: 43,853,812.56; 1 April 2017 : nil) NAV: Rs. nil (31 March 2018: Rs 19.85; 1 April 2017: Rs. nil) per unit]	-	870.44	-
- Indiabulls Income fund- Direct Plan - Growth [No of units: 6,246,745.81 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 16.35 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	102.15	-	-
- Indiabulls Savings fund- Direct Plan - Growth [No of units 487,557.47 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 1043.53 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	508.78	-	-
- Indiabulls Ultra Short term fund- Direct Plan- Growth [No of units 544,893.74 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 1,866.21 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	1,016.89	-	-
- Invesco India Liquid Fund- Direct Plan Growth [No of units 194,585.50 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,572.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	500.56	-	-
- UTI Liquid Cash Plan - Direct Growth Plan [No of units 81,778.44 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,060.74 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	250.30	-	-
- JM Large Cap Fund - Dividend option [No of units 116,117,193.26 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 26.91 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	3,124.79	-	-
- Axis Liquid Fund - Direct Growth [No of units 76.54 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,073.52 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Aditya Birla Sun life liquid fund- Growth- Direct Plan [No of units 528.17 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 300.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- HDFC Liquid Fund - Direct Plan- Growth [No of units 43.14 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,678.29 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- ICICI Prudential Liquid Fund - Direct Plan- Growth [No of units 547.05 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 276.42 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Kotak Liquid Direct Plan Growth [No of units 41.92 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,784.33 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Reliance Liquid Fund - Direct Plan Growth Plan [No of units 34.78 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 4,561.89 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- SBI Liquid Fund Direct Growth [No of units 54.19 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,928.57 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
Investment in debt securities			
25 (31 March 2018: nil, 1 April 2017: nil) non convertible debentures of Housing Development Finance Corporation Limited	261.75	-	-
Investment in equity instruments			
Nil (31 March 2018: 820,000, 1 April 2017: nil) equity shares of Rs. 10 each, fully paid-up of Reliance Industries Limited	-	723.81	-
	5,766.34	4,488.25	1,125.47

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Investments outside India	-	-	-
Investments in India	5,766.34	4,488.25	1,125.47
Total	5,766.34	4,488.25	1,125.47

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 8			
Other financial assets			
Interest spread on assigned assets	298.07	-	-
Security deposits	88.64	39.66	-
Deposit for mark to market margin account	58.18	109.78	-
Loan to employees	16.05	4.41	-
Others recoverable	18.00	-	-
	478.94	153.85	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 9			
Current tax assets (net)			
Advance income-tax (including tax deducted at source) [Net of provision for taxation]	242.14	79.97	81.95
	<u>242.14</u>	<u>79.97</u>	<u>81.95</u>
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 10			
Deferred tax assets (net)			
Deferred tax assets			
- Impairment loss allowance	291.59	14.86	6.11
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	27.15	5.50	0.22
- Disallowance under Section 43B of the Income-tax Act, 1961	10.16	2.15	0.05
- Lease equalisation reserve	10.99	4.00	-
- Depreciation and amortisation	-	-	0.03
- Minimum alternative tax credit entitlement *	-	-	4.71
- Financial assets measured at amortised cost	-	45.93	-
- Share based payments	205.94	84.44	2.38
Deferred tax liabilities			
- Financial assets measured at fair value through profit and loss	-	-	0.16
- Derecognition of financial instruments measured under amortised cost category	104.16	-	-
- Financial assets measured at amortised cost	115.25	-	-
- Financial liabilities measured at amortised cost	102.90	14.01	-
- Depreciation and amortisation	54.97	26.08	-
Deferred tax assets (net)	<u>168.55</u>	<u>116.79</u>	<u>13.34</u>

Movement in deferred tax assets

Particulars	As at 31 March 2018	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
- Impairment loss allowance	14.86	276.73	-	291.59
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	5.50	20.09	1.56	27.15
- Disallowance under Section 43B of the Income-tax Act, 1961	2.15	8.01	-	10.16
- Lease equalisation reserve	4.00	6.99	-	10.99
- Financial assets measured at amortised cost	45.93	(161.18)	-	(115.25)
- Share based payments	84.44	121.50	-	205.94
Deferred tax liabilities				
- Derecognition of financial instruments measured under amortised cost	-	(104.16)	-	(104.16)
- Depreciation and amortisation	(26.08)	(28.89)	-	(54.97)
- Financial liabilities at amortised cost	(14.01)	(88.89)	-	(102.90)
	<u>116.79</u>	<u>50.19</u>	<u>1.56</u>	<u>168.55</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Particulars	As at 1 April 2017	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax assets				
- Impairment loss allowance	6.11	8.75	-	14.86
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	0.22	2.72	2.56	5.50
- Disallowance under Section 43B of the Income-tax Act, 1961	0.05	2.10	-	2.15
- Lease equalisation reserve	-	4.00	-	4.00
- Depreciation and amortisation	0.03	(26.11)	-	(26.08)
- Minimum alternative tax credit entitlement *	4.71	(4.71)	-	-
- Financial assets measured at amortised cost	-	45.93	-	45.93
- Share based payments	2.38	82.06	-	84.44
Deferred tax liabilities				
- Financial assets measured at fair value through profit and loss	(0.16)	0.16	-	-
- Financial liabilities measured at amortised cost	-	(14.01)	-	(14.01)
	13.34	100.89	2.56	116.79

* Expiry date of minimum alternative tax credit

Expiry financial year (as per Income-tax Act, 1961)	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
1 April 2025 - 31 March 2026	-	1.33	1.33
1 April 2026 - 31 March 2027	-	3.38	3.38
Less: MAT credit utilised during the year	-	(4.71)	-
	-	-	4.71

Note - 11

Investment accounted for using equity method

Investment in associate (Unquoted, at cost)

2,137,981 (31 March 2018: Nil, 1 April 2017: Nil) equity shares of Rs. 10 each, of Transerv Private Limited

Less : Share of loss in associate (refer note 57)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
	357.04	-	-
	(0.28)	-	-
	356.76	-	-

Proportion of ownership interest in associate as at 31 March 2019

Particulars	Country of incorporation	Proportion of ownership
Transerv Private Limited	India	33.00%

Notes

a) Equity investments in associate are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

b) The Company had acquired 33% equity stake of "Transerv Private Limited" (hereinafter referred to as "Investee") on 29 March 2019. The Company exercises significant influence over the investee and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture".

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 12

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 01 April 2018	Additions	Disposals/ adjustment	As at 31 March 2019	As at 01 April 2018	Charge for the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
a) Property, plant and equipment									
Freehold land	-	1.30	-	1.30	-	-	-	1.30	-
Computers	113.77	145.81	-	259.58	12.06	47.37	59.43	200.15	101.71
Office equipment	22.33	33.83	-	56.16	1.41	7.32	8.73	47.43	20.92
Furniture	24.26	30.05	-	54.31	0.67	3.91	4.58	49.73	23.59
Vehicles ⁽ⁱⁱ⁾	9.44	3.41	-	12.85	0.56	1.58	2.14	10.71	8.88
Total	169.80	214.40	-	384.20	14.70	60.18	74.88	309.32	155.10
b) Intangible asset under development	5.81	125.00	106.19	24.62	-	-	-	24.61	5.80
c) Intangible assets									
Software	348.85	339.94	-	688.79	41.38	128.91	170.30	518.49	307.47
Total	348.85	339.94	-	688.79	41.38	128.91	170.30	518.49	307.47

Particulars	Gross block			Accumulated depreciation			Net block		
	Deemed cost as at 01 April 2017	Additions	Disposals/ adjustment	As at 31 March 2018	As at 01 April 2017	Charge for the year	As at 31 March 2018	As at 31 March 2018	As at 01 April 2017
a) Property, plant and equipment									
Computers ⁽ⁱ⁾	0.04	113.73	-	113.77	-	12.06	12.06	101.71	0.04
Office equipment ⁽ⁱ⁾	0.03	22.30	-	22.33	-	1.41	1.41	20.92	0.03
Furniture	-	24.26	-	24.26	-	0.67	0.67	23.59	-
Vehicles ⁽ⁱⁱⁱ⁾	-	9.44	-	9.44	-	0.56	0.56	8.88	-
Total	0.07	169.73	-	169.80	-	14.70	14.70	155.10	0.07
b) Intangible asset under development	-	360.30	354.49	5.81	-	-	-	5.80	-
c) Intangible assets									
Software	-	348.85	-	348.85	-	41.38	41.38	307.47	-
Total	-	348.85	-	348.85	-	41.38	41.38	307.47	-

Notes:

(i) Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Computers	Office Equipment	Total
	Gross block as at 1 April 2017	0.36	0.34
Accumulated depreciation as at 1 April 2017	(0.32)	(0.31)	(0.63)
Carrying amount as at 1 April 2017	0.04	0.03	0.07

(ii) Vehicles stated above comprises of vehicles pledged as security by the Company.

(iii) Refer note 41 for disclosures of capital commitments for the acquisition of property, plant and equipment.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 13			
Other non-financial assets			
Capital advances	180.76	21.51	-
Advances to suppliers	171.78	81.96	17.44
Prepaid expenses	313.26	105.40	-
Balance with government authorities	203.10	59.84	-
	<u>868.90</u>	<u>268.71</u>	<u>17.44</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Notional amounts	Fair value	Notional amounts	Fair value	Notional amounts	Fair value
Note -14						
Derivative financial instruments						
Part I						
Equity linked derivatives	-	-	735.65	44.46	-	-
Index linked derivatives	1,228.22	20.94	480.47	23.52	-	-
Total derivative financial instruments	1,228.22	20.94	1,216.12	67.98	-	-
Part II						
Included are derivatives held for hedging and risk management purpose as follows:						
i. Fair value hedging						
- Equity linked derivatives	-	-	735.65	44.46	-	-
ii. Undesignated derivatives						
- Index linked derivatives	1,228.22	20.94	480.47	23.52	-	-
Total derivative financial instruments	1,228.22	20.94	1,216.12	67.98	-	-

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note -15			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	0.72	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	580.41	276.54	-
	580.41	277.26	-

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note -16			
Other payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	181.94	36.00	0.04
	181.94	36.00	0.04

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note -17			
Debt securities (at amortised cost)			
Non- convertible debentures (refer note a below)	7,848.62	1,000.00	-
Commercial papers (refer note b below)	9,500.00	2,500.00	-
Total	17,348.62	3,500.00	-
Debt securities in India	17,348.62	3,500.00	-
Debt securities outside India	-	-	-
Total	17,348.62	3,500.00	-

Note:
a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
8.50% redeemable non-convertible debentures of face value Rs. 1 million each redeemable on 29 March 2019 in one instalment.	-	1,000.00	-
10.6% redeemable non-convertible debentures of face value Rs. 1 million each redeemable on 29 March 2021 and is repayable in four equated instalments falling due in year 2020-21.	1,691.18	-	-
10.75% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	3,709.28	-	-
10.75% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	243.90	-	-
10.40% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	319.29	-	-
10.90% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	742.15	-	-
10.90% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	233.26	-	-
10.50% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	461.80	-	-
11.00% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	256.12	-	-
11.00% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	191.64	-	-

Non-convertible debentures is secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

b) Unsecured commercial papers:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
This amount is repayable in one instalment in June 2019.	500.00	-	-
This amount is repayable in one instalment in May 2019.	4,500.00	-	-
This amount is repayable in one instalment in May 2019.	1,250.00	-	-
This amount is repayable in one instalment in June 2019.	2,000.00	-	-
This amount is repayable in one instalment in May 2019.	1,250.00	-	-
This amount is repayable in one instalment in May 2018.	-	2,500.00	-

Commercial paper carries interest in the range of 8.75 % p.a. to 9.50% p.a.

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 18			
Borrowings (other than debt securities) (at amortised cost)			
Term loans			
- From banks - secured ⁽ⁱ⁾	49,969.99	27,795.70	-
Loans from related parties			
- Holding Company - unsecured ⁽ⁱⁱ⁾	2,752.00	-	-
Loans repayable on demand from banks - secured	1,472.97	-	-
Vehicle loans from bank - secured ⁽ⁱⁱⁱ⁾	4.73	5.87	-
Total	54,199.69	27,801.57	-
Borrowings in India	54,199.69	27,801.57	-
Borrowings outside India	-	-	-
Total	54,199.69	27,801.57	-

i) Term loans from banks includes:

Particulars	As at 31 March 2019	As at 31 March 2018
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	268.31	420.91
This loan is repayable in 16 quarterly equated instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	874.37	998.98
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	940.49	1,476.43
This loan is repayable in one instalment in April 2019.	1,499.96	1,498.55
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	2,984.45	2,980.17
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	2,983.72	2,978.30
This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	4,998.21	4,997.61
This loan is repayable in one instalment in September 2019.	9,991.85	9,948.73
This loan is repayable in one instalment in September 2018.	-	2,496.02
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	1,495.47	-
This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	767.13	-
This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	1,637.81	-
This loan is repayable in one instalment in September 2019.	3,000.00	-
This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	9,918.44	-
This loan is repayable in five years with instalments of Rs. 750.00 million each to be paid for the first six instalments and instalments of Rs. 100.00 million each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	4,237.98	-
This loan is repayable in five years with instalments of Rs. 546.00 million each to be paid for the first six instalments and instalments of Rs. 72.80 million each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	3,628.24	-
This loan is repayable in 3 equated instalments of Rs. 250 million each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years.	743.56	-
Total	49,969.99	27,795.70

a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts.

b. Interest rate on term loans varies from 8.00% to 10.75% per annum.

(ii) Loan from related party carries interest rate of 14.90% per annum and shall be repayment within five years as per agreement.

(iii) Vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

INDIABULLS CONSUMER FINANCE LIMITED**(Formerly known as IVL Finance Limited)****ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019***(All amounts in Rs. million unless stated otherwise)*

	<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>	<u>As at</u> <u>01 April 2017</u>
Note -19			
Others financial liabilities			
Interest accrued on debt securities	41.00	0.93	-
Interest accrued on borrowings other than debt securities	79.57	0.48	-
Liability against securitised assets	4,082.86	-	-
Temporarily overdrawn bank balances as per books	3,893.25	6,308.39	-
Payable towards assignment transactions	108.90	-	-
	<u>8,205.58</u>	<u>6,309.80</u>	<u>-</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 20			
Current tax liabilities (net)			
Provision for taxation	-	68.97	4.96
[Net of tax deducted at source/advance tax]			
	<u>-</u>	<u>68.97</u>	<u>4.96</u>
	<u>As at</u> 31 March 2019	<u>As at</u> 31 March 2018	<u>As at</u> 01 April 2017
Note - 21			
Provisions			
Provision for employee benefits:			
Provision for gratuity	77.69	15.89	0.75
Provision for compensated absences	29.06	6.21	0.19
	<u>106.75</u>	<u>22.10</u>	<u>0.94</u>
	<u>As at</u> 31 March 2019	<u>As at</u> 31 March 2018	<u>As at</u> 01 April 2017
Note - 22			
Other non-financial liabilities			
Statutory liabilities	112.91	119.18	54.96
Advance from customers	107.82	-	-
Lease equalisation reserve	31.45	11.55	-
	<u>252.18</u>	<u>130.73</u>	<u>54.96</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 23

Equity share capital

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Equity shares of face value of Rs. 10 each	80,000,000	800.00	58,500,000	585.00	5,219,000	52.19
	80,000,000	800.00	58,500,000	585.00	5,219,000	52.19
B. Issued, subscribed and fully paid up						
Equity shares of face value of Rs. 10 each	61,188,000	611.88	24,551,565	245.52	5,219,000	52.19
	61,188,000	611.88	24,551,565	245.52	5,219,000	52.19

C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	24,551,565	245.52	5,219,000	52.19
Add: Issued during the year	36,636,435	366.36	19,332,565	193.33
Outstanding at the end of the year	61,188,000	611.88	24,551,565	245.52

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to received remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Shares held by shareholders holding more than 5% shares and holding company:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Ventures Limited and its nominees	61,188,000	100%	24,551,565	100%	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	-	-	5,219,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

F. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

G. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 24

Instruments entirely equity in nature

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Preference shares of face value of Rs. 10 each	5,500,000	55.00	5,500,000	55.00	4,781,000	47.81
	5,500,000	55.00	5,500,000	55.00	4,781,000	47.81
B. Issued, subscribed and fully paid up						
Convertible preference shares of face value of Rs. 10 each	-	-	5,500,000	55.00	-	-
	-	-	5,500,000	55.00	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

C. Reconciliation of the convertible preference shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	5,500,000	55.00	-	-
Add: Issued during the year	-	-	5,500,000	55.00
Less: Adjusted during the year *	(5,500,000)	(55.00)	-	-
Outstanding at the end of the year	-	-	5,500,000	55.00

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

D. Terms/rights attached to convertible preference shares

The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance at equal ratio. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

E. Shares held by shareholders holding more than 5% shares:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Distribution Services Limited	-	-	5,500,000	100%	-	-

F. No preference shares have been bought back during the period of five years immediately preceding 31 March 2019.

G. No preference shares have been issued for consideration other than cash during the period of five years immediately preceding 31 March 2019.

Note - 25	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Other equity			
Statutory reserves	1,218.49	418.68	35.64
Securities premium	37,053.44	14,392.32	1,862.99
Capital redemption reserve	10.00	10.00	10.00
Debenture redemption reserve	41.65	-	-
Share options outstanding account	588.07	243.98	6.88
Retained earnings	4,034.90	1,434.25	121.80
Other component of equity	122.57	85.12	-
	43,069.12	16,584.35	2,037.31

Nature and purpose of other reserve:

Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium

Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Debenture redemption reserve

The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The Company has created DRR on the basis of period for which these NCD's have remained outstanding during the year. The amount credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

Other component of equity

The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 26		
Interest income		
On financial assets measured at amortised cost		
Interest on loans	14,477.22	3,388.62
Interest on deposits with banks	72.08	26.34
Other interest income	8.08	2.05
On financial assets classified at fair value through profit or loss		
Interest from investments:		
- Bonds	85.61	23.70
- Commercial deposits	10.08	-
- Commercial paper	17.42	6.26
	<u>14,670.49</u>	<u>3,446.97</u>
Note - 27		
Dividend income		
Dividend on investments	253.48	1,969.24
	<u>253.48</u>	<u>1,969.24</u>
Note - 28		
Fees and commission income		
Fees and commission	1,183.31	1,124.64
	<u>1,183.31</u>	<u>1,124.64</u>
Note - 29		
Net gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	140.75	(1,495.44)
- Derivatives	(65.40)	(26.55)
Total net gain/(loss) on fair value changes	<u>75.35</u>	<u>(1,521.99)</u>
Fair value changes		
- Realised	70.36	(626.95)
- Unrealised	4.99	(895.04)
Total net gain/(loss) on fair value changes	<u>75.35</u>	<u>(1,521.99)</u>
Note - 30		
Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	315.80	-
Loss on derecognition of financial guarantee liability	(17.84)	-
	<u>297.96</u>	<u>-</u>
Note - 31		
Other income		
Net gain on ineffective portion of hedges	19.61	2.56
	<u>19.61</u>	<u>2.56</u>
Note - 32		
Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	4,246.59	1,298.36
Interest on debt securities	1,093.88	21.15
Other interest expense	100.32	24.06
Other borrowing costs	153.99	1.35
	<u>5,594.78</u>	<u>1,344.92</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 33		
Impairment on financial instruments (measured at amortised cost)		
Impairment allowance on loans	1,030.13	128.67
Loans written off	-	120.13
	<u>1,030.13</u>	<u>248.80</u>
Note - 34		
Employee benefits expenses		
Salaries and wages	1,898.15	396.07
Contribution to provident and other funds*	28.25	5.55
Share based payments to employees	345.37	237.10
Staff welfare expenses	27.49	3.84
	<u>2,299.26</u>	<u>642.56</u>

*There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on compliance with the Provident Fund Act, 1952.

Note - 35		
Depreciation and amortisation		
Depreciation on property, plant and equipment	60.17	14.70
Amortisation on intangible assets	128.91	41.38
	<u>189.08</u>	<u>56.08</u>

Note - 36		
Other expenses		
Repair and maintenance	13.98	6.63
Communication expenses	148.38	23.33
Printing and stationery	16.34	3.94
Lease rent (refer note 40)	279.86	81.19
Legal and professional charges (inclusive of Auditors remuneration (Refer note below))	1,157.24	226.99
Rates and taxes	6.63	6.54
Electricity expenses	22.81	6.22
Business promotion	91.55	138.36
Office maintenance	88.44	34.41
Travelling expenses	42.42	5.07
Software expenses	116.56	13.33
Corporate social responsibility expenses [#]	27.25	0.66
Donations	-	0.15
Bank charges	36.32	0.71
Web hosting charges	3.71	2.89
Miscellaneous	1.50	0.18
	<u>2,052.99</u>	<u>550.60</u>

Note:

Auditor's remuneration		
As auditor	6.80	1.00
For taxation matters	-	-
For company law matters	-	-
For other services	-	-
For reimbursement of expenses	0.19	-

#Corporate social responsibility expenses

The Company spent Rs. 27.25 million (31 March 2018 Rs. 0.66 million), towards corporate social responsibility (CSR) activities as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Amount spent on		
Construction/acquisition of any asset	-	-
On purpose other than above*	27.25	0.66
(b) Amount unpaid	-	-
Total	<u>27.25</u>	<u>0.66</u>

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 37		
Tax expense		
Current tax	1,382.21	579.01
Deferred tax credit	(50.19)	(100.89)
Income tax expense reported in the statement of profit and loss	1,332.02	478.12

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 29.12% (31 March 2018: 28.84%) and the reported tax expense in statement of profit or loss are as follows:

Accounting profit before share of loss in associate and tax	5,333.96	2,178.46
Income tax rate	29.12%	28.84%
Expected tax expense	1,553.25	628.27
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which will never be allowed	35.75	9.28
Tax impact on items exempt under income tax	(146.56)	(567.95)
Income chargeable under capital gain (difference of tax rates)	(145.99)	431.15
Impact of change in tax rate	41.00	(18.24)
Others	(5.43)	(4.39)
Tax expense	1,332.02	478.12

Change in tax rate

The increase of the Indian corporate tax rate from 25% to 30% is effective from 1 April 2019 (basis turnover criteria). As a result, the relevant deferred tax balances have been remeasured.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 38		
Earnings per equity share		
Net profit for the year	4,001.66	1,700.34
Nominal value of equity share (Rs.)	10	10
Weighted-average number of equity shares for basis earnings per share	50,346,686	15,252,024
Effect of dilution:		
Preference shares*	5,500,000	4,490,411
Weighted-average number of equity shares used to compute diluted earnings per share	55,846,686	19,742,435
Basic earnings per share (Rs.)	79.49	111.48
Diluted earnings per share (Rs.)	71.66	86.13

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 39

Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of Rs. 28.25 million (31 March 2018 Rs. 5.55 million) pertaining to employers' contribution to provident and other fund is recognized as an expense and included in "Employee benefits expense".

Defined benefit plans

A Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation	77.69	15.89	0.75
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	77.69	15.89	0.75

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Current service cost	22.74	3.56
Past service cost including curtailment gains/losses	-	2.34
Interest cost on defined benefit obligation	1.99	0.18
Interest income on plan assets	-	-
Net impact on profit (before tax)	24.73	6.08

(iii) Amount recognised in the other comprehensive income:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Actuarial gain/(loss) recognised during the year	(4.46)	(7.41)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Present value of defined benefit obligation as at the beginning of year	15.89	0.75
Acquisition adjustment	32.72	2.65
Current service cost	22.74	3.56
Interest cost	1.99	0.18
Past service cost including curtailment gains/losses	-	2.34
Benefits paid	(0.11)	(1.00)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	3.80	(0.72)
Actuarial (gain)/loss on arising from experience adjustment	0.66	8.13
Present value of defined benefit obligation as at the end of the year	77.69	15.89

(v) Actuarial assumptions

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Discounting rate	7.65%	7.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	22.39	22.20

Mortality rates inclusive of provision for disability -100% of IALM (2006 - 08)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	77.69	15.89
- Impact due to increase of 0.50 %	(5.92)	(1.15)
- Impact due to decrease of 0.50 %	6.57	1.27
Impact of the change in salary increase		
Present value of obligation at the end of the year	77.69	15.89
- Impact due to increase of 0.50 %	6.71	1.30
- Impact due to decrease of 0.50 %	(6.09)	(1.19)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation	As at	As at
	31 March 2019	31 March 2018
0 to 1 year	1.46	0.33
1 to 2 year	0.87	0.21
2 to 3 year	0.85	0.21
3 to 4 year	0.90	0.18
4 to 5 year	1.04	0.26
5 to 6 year	1.44	0.27
6 year onwards	71.13	14.43

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of Rs. 15.72 million (31 March 2018: Rs. 4.86 million) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Note - 40

Operating lease as lessee

The Company has taken office premises at various locations under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Operating lease expenses recognised during the year	279.86	81.19	-
Minimum lease obligations:			
- Less than one year	334.77	138.98	-
- Between one and five years	1,266.66	547.72	-
- More than five years	832.27	303.03	-
	2,433.70	989.73	-

Note - 41

Capital commitments

(to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	115.46	12.60	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 42

Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets measured at fair value				
Investments measured at				
Fair value through profit and loss	Note - 7	5,766.34	4,488.25	1,125.47
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 4	9,307.85	8,823.56	14.51
Bank balances other than cash and cash equivalents	Note - 5	1,453.88	674.65	-
Loans	Note - 6	105,081.33	40,025.13	897.62
Security deposits	Note - 8	88.64	39.66	-
Other financial assets	Note - 8	390.30	114.19	-
Total		122,088.34	54,165.44	2,037.60
Financial liabilities measured at fair value				
Derivative financial instruments	Note - 14	20.94	67.98	-
Financial liabilities measured at amortised cost				
Trade payables	Note - 15	580.41	277.26	-
Other payables	Note - 16	181.94	36.00	0.04
Debt securities (including interest accrued)	Note - 17	17,389.62	3,500.93	-
Borrowings (including interest accrued)	Note - 18	54,279.26	27,802.05	-
Other financial liabilities	Note - 19	8,085.01	6,308.39	-
Total		80,537.18	37,992.61	0.04

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	261.75	-	-	261.75
Mutual fund	5,504.59	-	-	5,504.59
Financial liabilities at fair value through profit and loss				
Derivative liability	20.94	-	-	20.94

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Quoted equity instruments	723.81	-	-	723.81
Mutual funds	3,764.44	-	-	3,764.44
Financial liabilities at fair value through profit and loss				
Derivative liability	67.98	-	-	67.98

As at 1 April 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	1,125.47	-	-	1,125.47

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- the use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 45.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	9,307.85	9,307.85	8,823.56	8,823.56	14.51	14.51
Bank balances other than cash and cash equivalents	1,453.88	1,453.88	674.65	674.65	-	-
Loans	105,081.33	107,689.19	40,025.13	40,227.48	897.62	901.14
Security deposits	88.64	83.34	39.66	38.36	-	-
Other financial assets	390.30	393.23	114.19	114.19	-	-
Total	116,322.00	118,927.49	49,677.19	49,878.24	912.13	915.65
Financial liabilities						
Trade payables	580.41	580.41	277.26	277.26	-	-
Other payables	181.94	181.94	36.00	36.00	0.04	0.04
Debt securities	17,389.62	17,389.62	3,500.93	3,500.93	-	-
Borrowings (other than debt securities)	54,279.26	54,279.26	27,802.05	27,802.05	-	-
Other financial liabilities	8,085.01	8,200.23	6,308.39	6,308.39	-	-
Total	80,516.24	80,631.46	37,924.63	37,924.63	0.04	0.04

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- The fair values of the Company's fixed interest bearing loans are determined by applying discounted cash flows ('DCF') method. For variable rate interest-bearing loans, carrying value represent best estimate of their fair value.
- The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note - 43

Financial risk management

i) Risk Management

As a Non-Banking Financial Institution (NBFC), the Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- Low credit risk
- Moderate credit risk
- High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Low credit risk			
Cash and cash equivalents	9,307.85	8,823.56	14.51
Bank balances other than above	1,453.88	674.65	-
Loans	104,754.92	40,029.73	0.00
Security deposits	88.64	39.66	-
Other financial assets	390.30	114.19	-
(ii) Moderate credit risk			
Loans	733.85	124.76	919.10
(iii) High credit risk			
Loans	841.29	20.80	-

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans to employees, security deposits, Interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Company
- Credit bureau check - In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per industry trends 2. Supplemental external information that could affect the borrowers behaviour	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	3. Discount rate is based on internal rate of return on the loan	2. Management judgement is applied to determine the economic scenarios and the application of probability weights

* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) **Credit risk exposure**

i) **Expected credit losses for financial assets other than loans**

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,307.85	-	9,307.85
Bank balances other than cash and cash equivalents	1,453.88	-	1,453.88
Security deposits	88.64	-	88.64
Other financial assets	390.30	-	390.30

As at 31 March 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	8,823.56	-	8,823.56
Bank balances other than above	674.65	-	674.65
Security deposits	39.66	-	39.66
Other financial assets	114.19	-	114.19

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

As at 1 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	14.51	-	14.51

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2017	-	919.10	-
Assets originated	63,858.26	-	-
Net transfer between stages	(149.92)	127.58	22.34
Assets derecognised (excluding write offs)	(23,678.62)	(802.13)	(1.54)
Write - offs	-	(119.79)	-
Gross carrying amount as at 31 March 2018	40,029.72	124.76	20.80
Assets originated and acquired	98,456.21	-	-
Net transfer between stages	(1,859.24)	888.34	970.90
Assets derecognised (excluding write offs)	(31,871.77)	(279.25)	(150.40)
Gross carrying amount as at 31 March 2019	104,754.92	733.85	841.30

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2017	-	21.48	-
Increase of provision due to assets originated during the year	268.20	-	-
Net transfer between stages	(48.17)	31.41	16.76
Loss allowance written back	(99.12)	(40.36)	(0.05)
Write - offs	-	-	-
Loss allowance on 31 March 2018	120.91	12.53	16.71
Increase of provision due to assets originated and purchased during the year	413.52	-	-
Net transfer between stages	(813.38)	218.71	594.67
Loss allowance written back	719.72	(1.43)	(33.23)
Write - offs	-	-	-
Loss allowance on 31 March 2019	440.77	229.81	578.15

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Corporate borrowers	32,438.28	19,592.22	849.02
Retail borrowers	73,891.78	20,583.05	70.08
Total	106,330.06	40,175.27	919.10

c) Loans secured against collateral

Company's secured portfolio has security base as follows::

Particulars	Value of loans		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured by tangible assets	49,430.67	18,693.53	-
Secured by other assets	177.67	172.83	-

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's (through Asset Liability Management Committee) liquidity positions (also comprising the undrawn borrowing facilities), matching of the financial assets and financial liabilities position and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2019	Total facility	Undrawn
- Expiring within one year	2,085.90	612.93
Total	2,085.90	612.93

As at 31 March 2018	Total facility	Undrawn
- Expiring within one year	4,500.00	4,500.00
Total	4,500.00	4,500.00

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	10,176.52	680.18	-	10,856.70
Loans	46,250.85	64,530.85	27,932.81	138,714.51
Investments	5,766.34	-	-	5,766.34
Other financial assets	148.98	206.45	181.31	536.74
Total undiscounted financial assets	62,342.69	65,417.48	28,114.12	155,874.29
Financial liabilities				
Non-derivatives				
Debt Securities	10,264.07	6,934.65	2,416.10	19,614.82
Borrowings other than debt securities	28,927.32	19,788.57	8,889.70	57,605.59
Trade payables	580.41	-	-	580.41
Other payable	181.94	-	-	181.94
Other financial liabilities	6,200.67	1,901.12	6.89	8,108.68
Derivatives (net settled)				
Index linked derivatives	20.94	-	-	20.94
Total undiscounted financial liabilities	46,175.35	28,624.34	11,312.69	86,112.38
Net undiscounted financial assets/(liabilities)	16,167.34	36,793.14	16,801.43	69,761.91

As at 31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	9,518.22	-	-	9,518.22
Loans	16,737.04	22,769.66	11,739.89	51,246.59
Investments	4,488.25	-	-	4,488.25
Other financial assets	115.02	6.01	59.54	180.57
Total undiscounted financial assets	30,858.53	22,775.67	11,799.43	65,433.63
Financial liabilities				
Non-derivatives				
Debt securities	3,629.56	-	-	3,629.56
Borrowings other than debt securities	5,703.12	16,017.30	12,390.80	34,111.22
Trade payables	277.26	-	-	277.26
Other payable	36.00	-	-	36.00
Other financial liabilities	6,308.39	-	-	6,308.39
Derivatives (net settled)				
Index linked derivatives	67.98	-	-	67.98
Total undiscounted financial liabilities	16,022.31	16,017.30	12,390.80	44,430.41
Net undiscounted financial assets/(liabilities)	14,836.22	6,758.37	(591.37)	21,003.22

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

As at 1 April 2017	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	14.51	-	-	14.51
Loans	312.41	30.61	729.47	1,072.49
Investments	1,125.47	-	-	1,125.47
Total undiscounted financial assets	1,452.39	30.61	729.47	2,212.47
Financial liabilities				
Non-derivatives				
Other payable	0.04	-	-	0.04
Total undiscounted financial liabilities	0.04	-	-	0.04
Net undiscounted financial assets/(liabilities)	1,452.35	30.61	729.47	2,212.43

C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Company's exposure to market risk is primarily on account of interest rate risk and price risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fixed rate liabilities			
Debt securities	17,348.62	3,500.00	-
Variable rate liabilities			
Borrowings other than debt securities	54,199.69	27,801.57	-
Total	71,548.31	31,301.57	-

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest sensitivity*		
Interest rates - increase by 0.50%	(271.00)	(139.01)
Interest rates - decrease by 0.50%	271.00	139.01

* Holding all other variables constant

ii) Assets

The Company's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mutual funds		
Net assets value - increase by 5%	275.23	188.22
Net assets value - decrease by 5%	(275.23)	(188.22)
Quoted equity instruments		
Value per share - increase by 5%	-	36.19
Value per share - decrease by 5%	-	(36.19)
Quoted debt securities		
Market price - increase by 5%	13.09	-
Market price - decrease by 5%	(13.09)	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 44

Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net debt*	62,361.03	22,479.42	(14.51)
Total equity	43,681.00	16,884.87	2,089.50
Net debt to equity ratio	1.43	1.33	-

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 45

Fair value hedges

A Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Company uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Company guidelines and policies.

B Hedge relationship

The Company has done investment in shares of Reliance Industries Limited. The Company enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Company has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C Other hedge related disclosures

The fair value of the Company's derivative positions recorded under derivative financial liabilities are as follows:

31 March 2019

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(263.40)	27 September 2018	283.01	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	19.61

31 March 2018

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(44.03)	24 April 2018	46.59	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	(44.03)	723.81	2.56

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 46

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS						
Financial assets						
Cash and cash equivalents	9,307.85	-	8,823.56	-	14.51	-
Bank balances other than cash and cash equivalents	832.64	621.24	674.65	-	-	-
Loans	45,301.36	59,779.97	9,434.41	30,590.72	897.62	-
Investments	5,766.34	-	4,488.25	-	1,125.47	-
Other financial assets	196.11	282.83	114.19	39.66	-	-
	61,404.30	60,684.04	23,535.06	30,630.38	2,037.60	-
Non-financial assets						
Current tax assets (net)	242.14	-	79.97	-	81.95	-
Deferred tax assets (net)	-	168.55	-	116.79	-	13.34
Investment accounted for using equity method	-	356.76	-	-	-	-
Property, plant and equipment	-	309.32	-	155.10	-	0.07
Intangible assets under development	-	24.61	-	5.80	-	-
Other intangible assets	-	518.49	-	307.47	-	-
Other non-financial assets	767.35	101.55	236.03	32.68	17.44	-
	1,009.49	1,479.28	316.00	617.84	99.39	13.41
TOTAL ASSETS	62,413.79	62,163.32	23,851.06	31,248.22	2,136.99	13.41
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	20.94	-	67.98	-	-	-
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	0.72	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	580.41	-	276.54	-	-	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	181.94	-	36.00	-	0.04	-
Debt securities	6,748.00	10,600.62	3,500.00	-	-	-
Borrowings (other than debt securities)	25,565.74	28,633.95	3,305.58	24,495.99	-	-
Other financial liabilities	6,321.24	1,884.34	6,309.80	-	-	-
	39,418.27	41,118.91	13,496.62	24,495.99	0.04	-
Non-financial liabilities						
Current tax liabilities (net)	-	-	68.97	-	4.96	-
Provisions	2.34	104.41	0.43	21.67	0.03	0.91
Other non-financial liabilities	226.65	25.53	127.32	3.41	54.96	-
	228.99	129.94	196.72	25.08	59.95	0.91
TOTAL LIABILITIES	39,647.26	41,248.85	13,693.34	24,521.07	59.99	0.91
Net	22,766.53	20,914.47	10,157.72	6,727.15	2,077.00	12.51

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 47

Operating segments

A. General information

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

B. Information about interest income:

Particulars	As at 31 March 2019	As at 31 March 2018
Corporate borrowers	4,072.28	2,660.56
Retail borrowers	10,404.94	728.05
Total	14,477.22	3,388.61

Note - 48

Related party disclosure

(a) Details of related parties:

Description of relationship	Names of related parties
Ultimate holding company	Indiabulls Ventures Limited (till 18 May 2017)
Holding company	Indiabulls Distribution Services Limited (till 18 May 2017) Indiabulls Ventures Limited (from 19 May 2017)
Fellow subsidiary companies (with whom transactions took place)	Gyansagar Buildtech Limited Indiabulls Distribution Services Limited (from 19 May 2017) Indiabulls Investment Advisors Limited
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director (from 14 September 2017) and Chief Executive Officer Mr. Gagan Banga, Director (from 22 March 2018) Mr. Alok Kumar Mishra, Director (from 22 March 2018) Mr. Nafees Ahmed, Director (from 14 September 2017) Mr. Ajit Kumar Mittal, Director (from 14 September 2017) Mr. Labh Singh Sitara (from 14 September 2017) Mrs. Preetinder Virk (from 4 December 2018) Mrs. Manjari Ashok Kacker (till 4 December 2018) Mr. Ravinder, Whole Time Director (till 14 September 2017) Mr. Jogender Singh, Whole Time Director (till 14 September 2017) Mr. Aishwarya Katoch, Director (till September 14, 2017) Mr. Sanjeev Kashyap, Director (till 14 September 2017) Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

(b) Statement of transactions with related parties during the year:

Particulars	Holding company		Fellow subsidiaries		Key management personnel	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance						
Loans given						
(Maximum balance outstanding during the year):						
- Gyansagar Buildtech Limited	-	-	-	80.33	-	-
- Indiabulls Distribution Services Limited	-	130.00	3,000.00	-	-	-
Loans taken						
(Maximum balance outstanding during the year):						
- Indiabulls Ventures Limited	9,892.00	2,449.50	-	-	-	-
- Indiabulls Distribution Services Limited	-	2,625.00	-	-	-	-
Share capital						
Issue of equity shares						
- Indiabulls Ventures Limited	25,722.48	10,027.66	-	-	-	-
Issue of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	-	2,750.00	-	-
Redemption of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	2,750.00	-	-	-
Employee benefits transfer received/paid(net)						
- Indiabulls Distribution Services Limited	-	-	13.91	-	-	-
- Indiabulls Investment Advisors Limited	-	-	6.69	-	-	-
- Indiabulls Ventures Limited	1.38	-	-	-	-	-
Deposit for mark to margin account						
- Indiabulls Ventures Limited	4.25	26.66	-	-	-	-
Contingent liabilities						
Fixed deposits pledged						
- Indiabulls Ventures Limited	110.00	120.00	-	-	-	-
Corporate guarantees taken						
- Indiabulls Ventures Limited	14,390.00	31,000.00	-	-	-	-
Corporate guarantees released						
- Indiabulls Ventures Limited	22,500.00	-	-	-	-	-
Interest income						
- Gyansagar Buildtech Limited	-	-	-	0.48	-	-
- Indiabulls Distribution Services Limited	-	0.87	2.71	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Expenses							
Brokerage paid							
- Indiabulls Ventures Limited	2.56	3.55	-	-	-	-	-
Interest expense							
- Indiabulls Ventures Limited	403.25	17.53	-	-	-	-	-
- Indiabulls Distribution Services Limited	-	5.83	-	-	-	-	-
Reimbursement of expenses paid							
- Indiabulls Ventures Limited	-	4.09	-	-	-	-	-
- Indiabulls Distribution Services Limited	-	-	5.11	-	-	-	-
Non convertible debentures issued							
- Mr. Gagan banga	-	-	-	-	1.00	-	-
Compensation to key management personnel*							
- Short term employee benefits							
Mr. Pinank Shah	-	-	-	-	28.22	20.02	
Mr. Ravinder	-	-	-	-	-	0.34	
Mr. Joginder Singh	-	-	-	-	-	0.34	
Mr. Alok Mishra	-	-	-	-	0.87	-	
Mr. Labh Singh Sitara	-	-	-	-	0.76	-	
Mr. Manjari Kacher	-	-	-	-	0.44	-	
Mr. Preetinder Virk	-	-	-	-	0.11	-	
- Post employee benefits- gratuity							
Mr. Pinank Shah	-	-	-	-	0.05	1.27	
- Other long-term benefits- compensated absences							
Mr. Pinank Shah	-	-	-	-	0.45	0.83	
- Share based payments expenses							
Mr. Pinank Shah	-	-	-	-	72.75	57.01	
Mr. Nafees Ahmed	-	-	-	-	11.09	8.85	
Mr. Ajit Kumar Mittal	-	-	-	-	0.59	0.99	

(c) Outstanding at year ended 31 March 2019:

Nature of transaction	Holding company			Fellow subsidiaries		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loans given	-	-	130.00	-	-	272.34
Loans taken	2,752.00	-	-	-	-	-
Equity shares	611.88	245.52	52.19	-	-	-
Compulsory convertible preference shares	-	-	-	-	55.00	-
Securities premium	37,053.44	11,697.32	1,862.99	-	2,695.00	-
Deposit for mark to market margin account	30.91	26.66	-	-	-	-
Corporate guarantees taken	22,890.00	31,000.00	-	-	-	-
Fixed deposits pledged (excluding interest accrued)	110.00	120.00	-	-	-	-

Note - 49
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Trade payables

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.72	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Other payables

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 50

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Total
01 April 2017	-	-	-
Cash flows:			
- Repayment	-	(2,846.69)	(2,846.69)
- Proceeds	3,500.00	30,756.40	34,256.40
Non cash:			
- Amortisation of upfront fees and others	-	(108.15)	(108.15)
31 March 2018	3,500.00	27,801.56	31,301.56
Cash flows:			
- Repayment	(64,641.92)	(62,927.54)	(127,569.46)
- Proceeds	78,653.97	89,409.97	168,063.94
Non cash:			
- Amortisation of upfront fees and others	(163.44)	(84.31)	(247.75)
31 March 2019	17,348.61	54,199.68	71,548.29

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

51 Transferred financial assets

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Gross carrying amount of securitised assets	4,219.70	-	-
Gross carrying amount of associated liabilities	4,082.86	-	-
Carrying value and fair value of securitised assets	4,311.20	-	-
Carrying value and fair value of associated liabilities	4,082.86	-	-
Net position	228.34	-	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019
(All amounts in Rs. million unless stated otherwise)
Note - 52
A Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 31 March 2018

Particulars	Note	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		8,823.56	-	8,823.56
Bank balance other than cash and cash equivalents		674.65	-	674.65
Loans	2 and 5	40,142.03	(116.90)	40,025.13
Investments		4,488.25	-	4,488.25
Other financial assets	2	180.57	(26.72)	153.85
Total financial assets		54,309.06	(143.62)	54,165.44
Non-financial assets				
Current tax assets (net)		79.97	-	79.97
Deferred tax assets (net)	8	8.05	108.74	116.79
Property, plant and equipment		155.10	-	155.10
Intangible assets under development		5.80	-	5.80
Other intangible assets		307.47	-	307.47
Other non-financial assets	2	242.57	26.14	268.71
Total non-financial assets		798.96	134.88	933.84
TOTAL ASSETS		55,108.02	(8.74)	55,099.28
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments		67.98	-	67.98
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.72	-	0.72
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		276.54	-	276.54
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		36.00	-	36.00
Debt securities		3,500.00	-	3,500.00
Borrowings (other than debt securities)	1 and 7	27,909.71	(108.14)	27,801.57
Others financial liabilities		6,309.80	-	6,309.80
Total financial liabilities		38,100.75	(108.14)	37,992.61
Non-financial liabilities				
Current tax liabilities (net)		68.97	-	68.97
Provisions		22.10	-	22.10
Other non-financial liabilities	7	137.48	(6.75)	130.73
Total non-financial liabilities		228.55	(6.75)	221.80
EQUITY				
Equity share capital		245.52	-	245.52
Instruments entirely equity in nature		55.00	-	55.00
Other equity		16,478.20	106.15	16,584.35
Total equity		16,778.72	106.15	16,884.87
TOTAL LIABILITIES AND EQUITY		55,108.02	(8.74)	55,099.28

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 1 April 2017

Particulars	Note	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		14.51	-	14.51
Loans	5	896.14	1.48	897.62
Investments	3	1,125.00	0.47	1,125.47
Total financial assets		2,035.65	1.95	2,037.60
Non-financial assets				
Current tax assets (net)		81.95	-	81.95
Deferred tax assets (net)	8	11.64	1.70	13.34
Property, plant and equipment		0.07	-	0.07
Other non-financial assets		17.44	-	17.44
Total non-financial assets		111.10	1.70	112.80
TOTAL ASSETS		2,146.75	3.65	2,150.40
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.04	-	0.04
Total financial liabilities		0.04	-	0.04
Non-financial liabilities				
Current tax liabilities (net)		4.96	-	4.96
Provisions		0.94	-	0.94
Other non-financial liabilities		54.96	-	54.96
Total non-financial liabilities		60.86	-	60.86
EQUITY				
Equity share capital		52.19	-	52.19
Other equity		2,033.66	3.65	2,037.31
Total equity		2,085.85	3.65	2,089.50
TOTAL LIABILITIES AND EQUITY		2,146.75	3.65	2,150.40

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2018

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Revenue from operations				
Interest income	2	3,418.73	28.24	3,446.97
Dividend income		1,969.24	-	1,969.24
Fees and commission income	2	1,612.73	(488.09)	1,124.64
Total revenue from operations		7,000.70	(459.85)	6,540.85
Other income		2.56	-	2.56
Total income		7,003.26	(459.85)	6,543.41
Expenses				
Finance costs	1 and 7	1,367.95	(23.03)	1,344.92
Fees and commission expense	2	249.79	(249.79)	-
Net loss on fair value changes	3	1,521.52	0.47	1,521.99
Impairment on financial instruments	5	262.55	(13.75)	248.80
Employee benefits expenses	2, 6 and 9	422.00	220.56	642.56
Depreciation and amortisation		56.08	-	56.08
Other expenses	2 and 4	625.55	(74.95)	550.60
Total expenses		4,505.44	(140.49)	4,364.95
Profit before tax		2,497.82	(319.36)	2,178.46
Tax expense:				
Current tax		579.01	-	579.01
Deferred tax credit	8	3.60	(104.49)	(100.89)
		582.61	(104.49)	478.12
Profit for the year		1,915.21	(214.87)	1,700.34
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	9	-	(7.41)	(7.41)
Income tax expense relating to above items	8	-	2.56	2.56
Total comprehensive income for the year		1,915.21	(219.72)	1,695.49

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

B Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2017. The Company has elected to apply this exemptions for such vested options.

B Ind AS mandatory exceptions

1 Estimates

An Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at **FVTPL or FVOCI**
- b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile total equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2018 and 1 April 2017

Note	As at 31 March 2018	As at 1 April 2017
Total equity (shareholder's funds) as per previous GAAP	16,778.72	2,085.85
Adjustments:		
Straightlining of rental expense	Note 4	6.76
Financial assets measured at amortised cost	Note 2	(132.74)
Financial liabilities measured at amortised cost	Note 1	40.47
Impact of financial guarantee	Note 7	67.67
Allowance for expected credit loss	Note 5	15.23
Fair valuation of investments	Note 3	-
Tax impact on above	Note 8	108.75
Total adjustments		106.14
Total equity as per Ind AS	16,884.86	2,089.50

2 Reconciliation of total comprehensive income for the year

Note	For the year ended 31 March 2018
Profit after tax as per previous GAAP	1,915.21
Adjustments:	
Remeasurement of defined benefit obligations	Note 9
Measurement of employee share based payments at fair value	Note 6
Straightlining of rental expense	Note 4
Financial assets measured at amortised cost	Note 2
Financial liabilities measured at amortised cost	Note 1
Impact of financial guarantee	Note 7
Allowance for expected credit loss	Note 5
Fair valuation of investments	Note 3
Tax impact on above	Note 8
Total adjustments	(214.87)
Profit after tax as per Ind AS	1,700.34
Remeasurement of defined benefit obligations	Note 9
Tax impact on above	Note 8
Total comprehensive income as per Ind AS	1,695.49

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

3 Impact of Ind AS adoption on statement of cash flows for the year ended on 31 March 2018:

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activity	(31,242.26)	1,969.24	(29,273.02)
Net cash flow from investing activity	(4,136.08)	(1,969.24)	(6,105.32)
Net cash flow from financing activity	44,187.39	-	44,187.39
Net increase/(decrease) in cash and cash equivalent	8,809.05	-	8,809.05
Cash and cash equivalent as at 1 April 2017	14.51	-	14.51
Cash and cash equivalent as at 31 March 2018	8,823.56	-	8,823.56

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Notes to first time adoption

1 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

2 Loan assets and security deposits paid

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss on straight-line basis over the period of loan. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

3 Financial instruments carried at fair value through profit and loss

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

4 Lease equalisation reserve

Under the previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. However, straight line impact is charged only to the extent of rent free period. Hence, lease equalization reserve pertaining to operating lease agreements has been reversed and credited to equity as on transition date except for the impact on account of rent free period.

5 Impairment of loan assets

Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

6 Share based payment

Under the previous GAAP, the Company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date.

7 Financial guarantee

Under previous GAAP, recipient of financial guarantees were disclosing this as part of security details for borrowings. Under Ind AS, such financial guarantee contracts are recognised as financial liability. The liability is initially measured at fair value and subsequently charged to statement of profit and loss over the period of the underlying borrowing.

8 Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 53

Schedule in terms of Annex II of Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2019:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	7,928.19	-	1,000.93	-
: Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred credits		-	-	-
(c) Term loans	50,049.56	-	27,796.18	-
(d) Loan from related parties	2,752.00	-	-	-
(e) Commercial paper	9,500.00	-	2,500.00	-
(f) Other loans				
- Loan repayable on demand	1,472.97	-	-	-
- Vehicle loan	4.73	-	5.87	-
Assets side:				
			Amount outstanding as at 31 March 2019	Amount outstanding as at 31 March 2018
(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:				
(a) Secured			49,608.34	18,866.36
(b) Unsecured			56,721.72	21,308.92
Less: Impairment loss allowance			(1,248.73)	(150.15)
Total			105,081.33	40,025.13
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(i) Lease assets including lease rentals under sundry debtors				
(a) Financial lease			-	-
(b) Operating lease			-	-
(ii) Stock on hire including hire charges under sundry debtors				
(a) Assets on hire			-	-
(b) Repossessed Assets			-	-
(iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed			-	-
(b) Loans other than (a) above			-	-
(4) Break-up of Investments :				
1. Quoted:				
(i) Shares: (a) Equity			-	723.81
(b) Preference			-	-
(ii) Debentures and bonds			261.75	-
(iii) Units of mutual funds			-	-
(iv) Government securities			-	-
(v) Others (please specify)			-	-
2. Unquoted:				
(i) Shares: (a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and bonds			-	-
(iii) Units of mutual funds			5,504.59	3,764.44
(iv) Government securities			-	-
(v) Investment in associate			356.76	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

Category	Amount (net of allowance for impairment loss)			
	As at 31 March 2019		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	49,025.74	56,055.59	18,795.85	21,229.28
Total	49,025.74	56,055.59	18,795.85	21,229.28

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2019		As at 31 March 2018	
	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment loss)
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	356.76	356.76	-	-
2. Other than related parties	5,766.34	5,766.34	4,488.25	4,488.25
Total	6,123.10	6,123.10	4,488.25	4,488.25

(7) Other information:

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	841.30	20.80
(II) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	263.14	4.09

(III) Assets acquired in satisfaction of debt

Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated 10 November 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

(i) Disclosure for capital to risk assets ratio (CRAR):-

Items	As at 31 March 2019	As at 31 March 2018
(i) CRAR (%)	37.70%	33.52%
(ii) CRAR - Tier I Capital (%)	37.12%	33.25%
(iii) CRAR - Tier II Capital (%)	0.58%	0.27%

(ii) Exposure to real estate sector:-

Category	As at 31 March 2019	As at 31 March 2018
Direct exposure		
(i) Residential mortgages:		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial real estate*:		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	48,529.45	18,620.60
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-

* as per contractual receivables at balance sheet date.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(iii) Exposure to capital markets*

Particulars	As at 31 March 2019	As at 31 March 2018
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	3,481.55	2,022.28
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	175.19	172.15
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-
Total exposure	3,656.74	2,194.43

* as per contractual receivables at balance sheet date.

(iv) Maturity pattern of assets and liabilities as at 31 March 2019:

In accordance with the Reserve Bank of India ("RBI") guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	1,493.98	553.39	1,268.29	16,377.29	5,872.79	16,597.38	9,211.77	72.80
Market borrowings	-	7,000.00	2,500.00	-	-	5,647.18	4,953.43	-
Assets								
Advances	3,705.63	3,901.10	3,965.09	11,977.81	22,290.07	50,596.41	9,181.03	712.92
Investments	2,641.54	3,124.79	-	-	-	-	-	357.04

Maturity pattern of assets and liabilities as at 31 March 2018:

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	0.09	0.09	172.50	2,663.00	469.90	13,162.88	11,333.10	-
Market borrowings	-	-	2,500	-	1,000	-	-	-
Assets								
Advances	776.53	1,141.86	646.22	2,112.25	4,792.92	16,778.95	8,453.73	5,472.80
Investments	-	-	2,500.00	1,264.45	-	723.81	-	-

Note - 54

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014:

i. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Value of		
A. Gross value of investments		
a) In India	6,123.10	4,488.25
b) Outside India	-	-
Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
Net value of investments		
a) In India	6,123.10	4,488.25
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments.	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2018: Rs. Nil)

iii. Disclosures relating to securitisation:

The Company has entered into various agreements for the securitisation of loans with assignees, wherein it has securitised a part of its loans portfolio amounting to Rs. 4,082.86 million as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the amount outstanding as on the date of balance sheet.

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to Rs. 6,064.82 million as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the principal value outstanding as on the date of the assignment transaction. In terms of accounting policy mentioned in significant accounting policies, the Company has derecognised these loan portfolios.

The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation/assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

a. Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposure retained by the NBFC as on the date of balance sheet towards the Minimum Retention Requirements (MRR)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1. No of SPVs sponsored by the NBFC for securitisation transactions	3.00	-
2. Total amount of securitised assets as per books of SPVs sponsored	4,082.86	-
3. Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet		-
i) Off-balance sheet exposures towards credit concentration		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards credit concentration		
- Cash collateral (inclusive of accrued interest)	621.24	-
- Others	-	-
4. Amount of exposures to securitisation transactions other than MRR		
i) Off-balance sheet exposures towards credit concentration	-	-
ii) On-balance sheet exposures towards credit concentration	-	-

b. Details of Financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

c. Details of Assignment transactions undertaken by NBFCs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts (nos)	345.00	-
ii) Aggregate value (net of provisions) of accounts assigned	6,064.82	-
iii) Aggregate consideration	6,064.82	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

d. Details of non-performing assets purchased:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

Details of non-performing assets sold:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

iv. Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

v. Penalties imposed by RBI and other Regulators

No penalties have been imposed by RBI during the financial year 2018-19 (FY 2017-18 - NIL).

vi. Details of financing of parent company products

There is no financing during the current year.

vii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

viii. Unsecured advances

The Company has given loans against shares amounting to Rs. 177.67 million (31 March 2018: Rs. 172.83 million)

ix. Draw down from reserves

The Company has made no drawdown from reserves.

x. Provision and contingencies

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended 31 March 2019	For the year ended 31 March 2018
Provision for depreciation on investment	-	-
Provision towards non-performing assets	578.15	16.71
Provision made towards income tax [net of advance tax]	-	68.97
Other provision and contingencies (with details)		
i) Provision for compensated absences	15.72	4.86
ii) Provision for gratuity	24.73	6.08
Provision for Standard assets	670.58	133.44

xi. Concentration of advances, exposures & NPA's *

a. Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers*	7,068.54	4,017.95
Percentage of advances to twenty largest borrowers to total advances of the NBFC	6.65%	10.00%

* as per contractual receivables at balance sheet date.

b. Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposures to twenty largest borrowers*	5,631.87	4,017.95
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	5.30%	10.00%

* as per contractual receivables as per balance sheet date.

c. Concentration of NPA's

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposure to top four NPA accounts*	111.75	16.13

* as per contractual receivables as per balance sheet date.

d. Sector-wise distribution of NPA's*

Particulars	Percentage of NNPA's to total advances	
	As at 31 March 2019	As at 31 March 2018
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.06%	0.02%
Services	0.05%	0.03%
Unsecured personal loans	0.14%	-
Auto loans	-	-
Other personal loans	-	-

* as per contractual receivables as per balance sheet date.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

xii. Movement of NPAs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Net NPAs to Net Advances (%)	0.25%	0.01%
b. Opening gross NPA	20.80	-
Add : Addition during the year	820.50	20.80
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Gross NPA	841.30	20.80
c. Opening Net NPAs	4.09	-
Add: Addition during the year	259.05	4.09
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Net NPAs	263.14	4.09
d. Movement of provisions for NPA		
Opening balance	16.71	-
Provision made during the year	561.45	16.71
Write off/write back of excess provisions	-	-
Less: Write off	-	-
Closing balance	578.16	16.71

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

xv. The Company has been assigned the following credit ratings:

Instruments	As at 31 March 2019	As at 31 March 2018
Non- convertible debentures	CARE AA; Stable [Double A; Outlook: Stable] BWR AA+/Stable	CARE AA; Stable [Double A; Outlook: Stable] -
Commercial papers	CARE A1+ (A One plus) BWR A1+ CRISIL A1+ ICRA A1+	CARE A1+ (A One plus) BWR A1+ - -
Bank borrowings	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus] BWR AA+/Stable	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus] -

xv. Customer complaints

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	211	59
No. of complaints redressed during the year	209	58
No. of complaints pending at the end of the year	3	1

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 55

Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Indiabulls Ventures Limited ('Holding Company'). On exercise, the employees will be allotted shares of the Holding Company. The Company has accounted for charge related to its employees amounting to Rs. 345.37 million (31 March 2018 Rs. 237.10 million) with a corresponding credit to equity.

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Holding Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Holding Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Holding Company. Employees covered by the plan were granted an option to purchase shares of the Holding Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Holding Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1. Exercise price (Rs.)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (weighted average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Holding Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Holding Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Holding Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in the Holding Company, at an exercise price of Rs. 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 16 per equity share and Rs. 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019
(All amounts in Rs. million unless stated otherwise)
Note - 55 (continued)

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

	IBVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
1. Exercise price (Rs.)	35.25	31.35	27.45	16	24.15	219.65	254.85
2. Expected volatility *	0.77	0.4896	0.3859	0.4074	0.4297	0.467	0.4715
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6. Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7. Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The Company has recognised employee stock compensation expense of Rs. 345.37 million (31 March 2018 Rs. 237.10 million) in the statement of Profit and loss for the year ended 31 March 2019.

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Total options under the scheme (Nos.)				
Options granted (Nos.)				
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	January 25 th each year, commencing 25 January 2010	July 2 nd each year, commencing 2 July 2017	September 2 nd each year, commencing 2 September 2018	March 25 th each year, commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	1,277,866	9,700,000	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 59.77).

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 55 (Continued)

Total options under the Scheme (Nos.)	IBVL ESOP - 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Uniformly over a period of ten years	Uniformly over a period of ten years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	December 2 nd each year, commencing 2 December 2010	April 13 th each year, commencing 13 April 2011	August 26 th each year, commencing 26 August 2016	May 13 th each year, commencing 13 May 2017	July 2 nd each year, commencing 2 July 2017	September 2 nd each year, commencing 2 September 2018	March 25 th each year, commencing 25 March 2019
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	-	150,000	-	6,487,700	-	9,880,000	219,400
Exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (weighted months)	-	60	-	67	-	77	84

* Net of options surrendered before vesting.

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 121.14).

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 56

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Indiabulls Consumer Finance Limited	99.18%	43,324.24	100.01%	4,001.94	100.00%	(2.90)	100.01%	3,999.04
Associates (Indian)								
Investment as per equity method								
Transerv Private Limited	0.82%	356.76	(0.01%)	(0.28)	0.00%	-	(0.01%)	(0.28)
Total	100.00%	43,681.00	100.00%	4,001.66	100.00%	(2.90)	100.00%	3,998.76

Note - 57
Investment in Associates

The Company has 33% (Nil as at 31 March 2018 and Nil as at 1 April 2017) interest in Transerv Private Limited, acquired on 29 March 2019, which is primarily engaged in the business of providing technical services like online payment gateway, data processing, banking transaction solutions, development of specialized system software and application software, smart card based solutions, in India. The Company's interest in Transerv Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Company's investment in Transerv Private Limited:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets	185.27	-	-
Non-financial assets	75.28	-	-
Financial liabilities	171.76	-	-
Non-financial liabilities	8.39	-	-
Equity	80.40	-	-
Total revenue for the period*	0.98	-	-
Total expenses for the period*	1.84	-	-
Loss for the period*	(0.86)	-	-
Company's share of loss for the period*	(0.28)	-	-

*from 29 March 2019 to 31 March 2019

(i) The associate has commitments outstanding as at 31 March 2019: Nil (31 March 2018: Nil and 1 April 2017: Rs. 1.50 million)

(ii) The associate has no contingent liabilities as at 31 March 2019, 31 March 2018 and 1 April 2017.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Consolidated Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 58

In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2019 (31 March 2018: Rs. nil; 1 April 2017: Rs. nil).

In terms of our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 23 May 2019

Pinank Jayant Shah

Whole Time Director &

Chief Executive Officer

DIN: 07859798

Place: Mumbai

Date: 23 May 2019

Nafees Ahmed

Director

DIN: 03496241

Place: Gurugram

Date: 23 May 2019

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company

Secretary

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
6th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

T +91 120 710 9001
F +91 120 710 9002

The Board of Directors,
Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

Proposed public issue of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each (the “Securities”) for an amount aggregating upto Rs. 10,000 million in India by Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the “Company”/ “Issuer”) (the “Offering”).

Auditors’ Report on Reformatted Standalone Financial Information

1. The accompanying Reformatted Standalone Financial Information of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the ‘Company’), which comprise the Reformatted Standalone Statement of Assets and Liabilities as at 31 March 2019, the Reformatted Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Standalone Cash Flow Statement, the Reformatted Standalone Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information for the year then ended (together comprising the “Reformatted Standalone Financial Information”) are derived from the audited standalone financial statements (the “Audited Standalone Financial Statements”) of the Company for the year audited by us as detailed in paragraph 3 below, which are to be included in the Tranche II Prospectus to be filed by the Company in connection with the Offering.
2. The Reformatted Standalone Financial Information have been prepared by the Management of the Company on the basis of accounting described in Note 2 to the Reformatted Standalone Financial Information and have been approved by the Bond Issue Committee.
3. We expressed our opinion on the Audited Standalone Financial Statements of the Company as of and for the year ended 31 March 2019 *vide* our report dated 25 April 2019.
4. The figures included in the Reformatted Standalone Financial Information, do not reflect the effect of events that occurred subsequent to the date of the report on the year referred to in paragraph 3 above.



Management's Responsibility for the Reformatted Standalone Financial Information

5. Management is responsible for the preparation of the Reformatted Standalone Financial Information, as mentioned in paragraph 1 above, for inclusion in the Tranche II Prospectus to be filed by the Company in connection with the Offering, on the basis of accounting described in Note 2 to the Reformatted Standalone Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Standalone Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Standalone Financial Information.

Auditor's Responsibility

6. Our responsibility is to express an opinion on the Reformatted Standalone Financial Information based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, Engagements to Report on Summary Financial Statements.

Opinion

7. In our opinion, the Reformatted Standalone Financial Information derived from the Audited Standalone Financial Statements of the Company for the year ended 31 March 2019 are a fair presentation of the Audited Standalone Financial Statements of the year on the basis of accounting described in Note 2 to the Reformatted Standalone Financial Information.

Other matters

8. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these standalone financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements for the year ended 31 March 2017 were audited by the predecessor auditor whose audit report dated 25 April 2017 expressed an unmodified opinion on those standalone financial statements. The financial statements for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.
9. The Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.

This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us on the Reformatted Standalone Financial Information.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

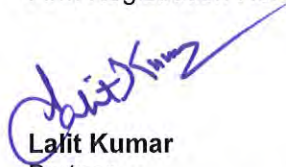


Walker Chandiook & Co LLP

Restrictions on use

10. This report is addressed to and is provided to enable the Company for inclusion in the Tranche II Prospectus, to be filed by the Company in connection with the Offering with BSE Limited, National Stock Exchange of India Limited, Registrar of Companies of Delhi and Haryana and with the Securities and Exchange Board of India. The Reformatted Standalone Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For **Walker Chandiook & LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Lalit Kumar
Partner
Membership Number: 095256



Place: Noida
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE I - REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES
(All amounts in Rs. million unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	9,307.85	8,823.56	14.51
Bank balance other than cash and cash equivalents	5	1,453.88	674.65	-
Loans	6	105,081.33	40,025.13	897.62
Investments	7	5,766.34	4,488.25	1,125.47
Other financial assets	8	478.94	153.85	-
Total financial assets		122,088.34	54,165.44	2,037.60
Non-financial assets				
Current tax assets (net)	9	242.14	79.97	81.95
Deferred tax assets (net)	10	168.55	116.79	13.34
Investment accounted for using equity method	11	357.04	-	-
Property, plant and equipment	12(a)	309.32	155.10	0.07
Intangible assets under development	12(b)	24.61	5.80	-
Other intangible assets	12(c)	518.49	307.47	-
Other non-financial assets	13	868.90	268.71	17.44
Total non-financial assets		2,489.05	933.84	112.80
TOTAL ASSETS		124,577.39	55,099.28	2,150.40
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	14	20.94	67.98	-
Payables				
Trade payables	15			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.72	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		580.41	276.54	-
Other payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		181.94	36.00	0.04
Debt securities	17	17,348.62	3,500.00	-
Borrowings (other than debt securities)	18	54,199.69	27,801.57	-
Others financial liabilities	19	8,205.58	6,309.80	-
Total financial liabilities		80,537.18	37,992.61	0.04
Non-financial liabilities				
Current tax liabilities (net)	20	-	68.97	4.96
Provisions	21	106.75	22.10	0.94
Other non-financial liabilities	22	252.18	130.73	54.96
Total non-financial liabilities		358.93	221.80	60.86
EQUITY				
Equity share capital	23	611.88	245.52	52.19
Instruments entirely equity in nature	24	-	55.00	-
Other equity	25	43,069.40	16,584.35	2,037.31
Total equity		43,681.28	16,884.87	2,089.50
TOTAL LIABILITIES AND EQUITY		124,577.39	55,099.28	2,150.40

The accompanying notes form an integral part of these financial statements
This is the standalone balance sheet referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Pinank Jayant Shah
Whole Time Director
& Chief
Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE II - REFORMATTED STANDALONE STATEMENT OF PROFIT AND LOSS
(All amounts in Rs. million unless stated otherwise)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	26	14,670.49	3,446.97
Dividend income	27	253.48	1,969.24
Fees and commission income	28	1,183.31	1,124.64
Net gain on fair value changes	29	75.35	-
Net gain on derecognition of financial instruments under amortised cost category	30	297.96	-
Total revenue from operations		16,480.59	6,540.85
Other income	31	19.61	2.56
Total income		16,500.20	6,543.41
Expenses			
Finance costs	32	5,594.78	1,344.92
Net loss on fair value changes	29	-	1,521.99
Impairment on financial instruments	33	1,030.13	248.80
Employee benefits expenses	34	2,299.26	642.56
Depreciation and amortisation	35	189.08	56.08
Other expenses	36	2,052.99	550.60
Total expenses		11,166.24	4,364.95
Profit before tax		5,333.96	2,178.46
Tax expense:	37		
Current tax		1,382.21	579.01
Deferred tax credit		(50.19)	(100.89)
Total tax expenses		1,332.02	478.12
Profit for the year		4,001.94	1,700.34
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(4.46)	(7.41)
Income tax expense relating to above items		1.56	2.56
Other comprehensive income		(2.90)	(4.85)
Total comprehensive income for the year		3,999.04	1,695.49
Earnings per equity share	38		
Basic (Rs.)		79.49	111.48
Diluted (Rs.)		71.66	86.13

The accompanying notes form an integral part of these financial statements
This is the standalone statement of profit and loss referred to in our report of even date

For Walker Chandniok & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE III - REFORMATTED STANDALONE STATEMENT OF CASH FLOWS
(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities:		
Net profit before tax	5,333.96	2,178.46
Adjustments for :		
Depreciation and amortisation	189.08	56.08
Impairment on financial instruments	1,030.13	248.80
Provision for gratuity and compensated absences	35.86	(0.40)
(Loss)/profit on fair value changes	(75.35)	1,521.99
Gain on sale of loan portfolio through assignment	(315.80)	-
Effective interest rate adjustment for financial instruments	(210.30)	(23.03)
Share based payments to employees	345.37	237.10
	<u>998.99</u>	<u>2,040.54</u>
Operating profit before working capital changes	6,332.95	4,219.00
Adjustments for:		
Loans	(66,086.33)	(39,376.31)
Other financial assets	(9.27)	(153.85)
Other non financial assets	(440.94)	(229.76)
Derivative liabilities	(47.04)	67.98
Trade payables	303.15	277.26
Other payables	145.94	35.96
Other financial liabilities	1,895.78	6,309.80
Provisions	44.33	14.15
Other non financial liabilities	121.45	75.77
	<u>(64,072.93)</u>	<u>(32,979.00)</u>
Cash used in operating activities	(57,739.98)	(28,760.00)
Income taxes paid (including tax deducted at source)	(1,613.35)	(513.02)
Net cash used in operating activities	(59,353.33)	(29,273.02)
B Cash flow from investing activities:		
Purchase of property, plant and equipment, intangible assets under development and intangible assets	(732.38)	(545.89)
Investment made in associate	(357.04)	-
Purchase of other investments (net)	(1,981.97)	(5,559.42)
Net cash used in investing activities	(3,071.39)	(6,105.31)
C Cash flow from financing activities:		
Proceeds from issue of equity shares (including premium)	25,722.45	10,027.67
Repayment of preference shares (including premium)	(2,750.00)	2,750.00
Proceeds from debt securities	78,653.98	3,500.00
Repayment of debt securities	(64,641.92)	-
Proceeds from borrowings other than debt securities	89,409.97	30,756.41
Repayment of borrowings other than debt securities	(62,927.54)	(2,846.69)
Dividends paid (including dividend distribution tax)	(557.93)	-
Net cash flows from financing activities	62,909.01	44,187.39
D Net increase in cash and cash equivalents (A+B+C)	484.29	8,809.05
E Cash and cash equivalents at the beginning of the year	8,823.56	14.51
F Cash and cash equivalents at the end of the year (D + E)	9,307.85	8,823.56

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE III - REFORMATTED STANDALONE STATEMENT OF CASH FLOWS
(All amounts in Rs. million unless stated otherwise)

Notes :

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

Cash in hand	0.09	0.04
Balances with banks:		
- in current accounts	8,502.99	5,612.71
- in term deposits with original maturity of less than three months*	804.77	3,210.81
Cash and cash equivalents at the end of the year	9,307.85	8,823.56

* (Rs. 55.67 million (31 March 2018: Rs. 3,210.81 million) pledged for overdraft facilities availed by the Company

3 For disclosures relating to changes in liabilities arising from financing activities, refer note 50.

The accompanying notes form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Pinank Jayant Shah

Whole Time Director &
Chief Executive Officer

DIN: 07859798

Nafees Ahme

Director

DIN:
03496241

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company Secretary

Place: Noida

Date: 23 May 2019

Place: Mumbai

Date: 23 May 2019

Place: Gurugram

Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE IV - REFORMATTED STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in Rs. million unless stated otherwise)

(A) Equity share capital

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	52.19	193.33	245.52	366.36	611.88

(B) Instruments entirely equity in nature

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Compulsorily convertible preference shares	-	55.00	55.00	(55.00)	-

(C) Other equity

Particulars	Statutory reserves	Securities premium	Capital redemption reserve	Debenture redemption reserve	Share options outstanding account	Retained earnings	Other component of equity	Total
Balance as at 1 April 2017	35.64	1,862.99	10.00	-	6.88	121.80	-	2,037.31
Profit for the year	-	-	-	-	-	1,700.34	-	1,700.34
Other comprehensive income (net of tax)	-	-	-	-	-	(4.85)	-	(4.85)
Transfer from retained earnings	383.04	-	-	-	-	(383.04)	-	-
Issue of equity shares	-	9,834.33	-	-	-	-	-	9,834.33
Issue of compulsory convertible preference shares (refer note 24)	-	2,695.00	-	-	-	-	-	2,695.00
Share based payment to employees	-	-	-	-	237.10	-	-	237.10
Equity component for financial guarantee	-	-	-	-	-	-	85.12	85.12
Balance as at 31 March 2018	418.68	14,392.32	10.00	-	243.98	1,434.25	85.12	16,584.35
Profit for the year	-	-	-	-	-	4,001.94	-	4,001.94
Other comprehensive income (net of tax)	-	-	-	-	-	(2.90)	-	(2.90)
Transfer from retained earnings	799.81	-	-	41.65	-	(841.46)	-	-
Issue of equity shares	-	25,356.12	-	-	-	-	-	25,356.12
Adjustment of compulsory convertible preference shares (refer note 24)	-	(2,695.00)	-	-	-	-	-	(2,695.00)
Share based payment to employees	-	-	-	-	345.37	-	-	345.37
Transfer to retained earnings	-	-	-	-	(1.28)	1.28	-	-
Equity component for financial guarantee	-	-	-	-	-	-	37.45	37.45
Dividends (including dividend distribution tax) during the year (Rs. 18.85 per share)	-	-	-	-	-	(557.93)	-	(557.93)
Balance as at 31 March 2019	1,218.49	37,053.44	10.00	41.65	588.07	4,035.18	122.57	43,069.40

The accompanying notes form an integral part of these financial statements

This is the statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 23 May 2019

Pinank Jayant Shah

Whole Time Director & Chief

Executive Officer

DIN: 07859798

Place: Mumbai

Date: 23 May 2019

Nafees Ahmed

Director

DIN: 03496241

Place: Gurugram

Date: 23 May 2019

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company Secretary

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

1. Company overview

Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) ('the Company') is a public limited Company incorporated under the provisions of Companies Act and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company (NBFC-ND) and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at M-62 a 63, First Floor, Connaught Place, New Delhi - 110001.

In accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 14 October 2016, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 19 October 2016 in respect of the said change. Accordingly, the name of the Company was changed from Shivshakti Financial Services Limited to IVL Finance Limited ("IVLFL" or "the Company").

Further, in accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 17 September 2018, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 18 September 2018 in respect of the said change. Accordingly, the name of the Company was changed from IVL Finance Limited to Indiabulls Consumer Finance Limited ("ICFL" or "the Company")

2. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These Reformatted financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended 31 March 2019 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements upto and for the year ended 31 March 2018 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 52.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 22 May 2019.

The Financial Statements have been prepared by the Management in connection with the proposed issue of non-convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in accordance with the requirements of Section 26 of the Companies Act, 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time and related clarifications issued by the Stock Exchanges.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d) Revenue recognition

Interest income on loans

Interest (including processing fee) income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue charges are recognised on realisation basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Interest on term deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Fee and commission income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

f) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

g) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

h) Share based payments

Share based compensation benefits are provided to employees via Indiabulls Ventures Limited ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

j) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

l) Equity investment in associate

Investments representing equity interest in associate is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

o) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Financial guarantee

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Compulsorily convertible preference shares

Instruments which are entirely equity in nature such as compulsorily convertible preference shares are measured at transaction value and presented as separate line item on the face of balance sheet.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Company also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the statement of profit and loss along with change in fair value of underlying asset.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

r) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases - The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') - The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets - Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

t) Standards issued but not yet effective

Ind AS 116 'Leases'

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 4			
Cash and cash equivalents			
Cash on hand	0.09	0.04	0.01
Balances with banks			
- Current accounts	8,502.99	5,612.71	14.50
- Bank deposits with original maturity of three months or less (refer note below)	804.77	3,210.81	-
	<u>9,307.85</u>	<u>8,823.56</u>	<u>14.51</u>

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 5			
Bank balance other than cash and cash equivalents			
Bank deposits with original maturity of more than 3 months (refer note below)	1,453.88	674.65	-
	<u>1,453.88</u>	<u>674.65</u>	<u>-</u>

Note:

The amount under lien as security against overdraft facility availed, assets securitised, bank guarantee and margin money are as follows (included above in note 4 and 5):

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Overdraft facilities	774.45	3,762.59	-
Securitisations	621.24	-	-
Bank guarantee	2.53	2.51	-
Margin money	111.33	120.36	-
	<u>1,509.55</u>	<u>3,885.46</u>	<u>-</u>

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 6			
Loans (at amortised cost)			
Loans			
Secured	49,608.34	18,866.36	-
Unsecured	56,721.72	21,308.92	919.10
Total - gross	<u>106,330.06</u>	<u>40,175.28</u>	<u>919.10</u>
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	<u>105,081.33</u>	<u>40,025.13</u>	<u>897.62</u>

Secured by tangible assets	49,430.67	18,693.53	-
Secured by other assets	177.67	172.83	-
Unsecured	56,721.72	21,308.92	919.10
Total - gross	<u>106,330.06</u>	<u>40,175.28</u>	<u>919.10</u>
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	<u>105,081.33</u>	<u>40,025.13</u>	<u>897.62</u>

Loans in India			
(i) Public Sector	-	-	-
(ii) Others	106,330.06	40,175.28	919.10
Total - gross	<u>106,330.06</u>	<u>40,175.28</u>	<u>919.10</u>
Less: Impairment loss allowance	(1,248.73)	(150.15)	(21.48)
Total - net	<u>105,081.33</u>	<u>40,025.13</u>	<u>897.62</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 7			
Investments (at fair value through profit or loss)			
Investment in mutual funds			
- Indiabulls liquid fund - direct growth [No of units: nil (31 March 2018: 589,508.14; 1 April 2017: 708,350.68) NAV Rs. nil (31 March 2018: 1,698.25; 1 April 2017: Rs. 1,588.86) per unit]	-	1,001.13	1,125.47
- Indiabulls Short Term Fund - Direct Plan - Growth [No of units nil (31 March 2018: 141,599.71; 1 April 2017 : nil) NAV Rs. nil (31 March 2018: Rs. 1,512.30; 1 April 2017 : Rs. nil) per unit]	-	214.14	-
- Invesco India Treasury Advantage Fund- Direct Plan Growth [No of units nil (31 March 2018: 511,333.46; 1 April 2017: nil) NAV Rs. nil (31 March 2018: Rs. 2,445.96; 1 April 2017: Rs. nil) per unit]	-	1,250.70	-
- JM Equity Fund-Monthly Dividend Option [No of units nil (31 March 2018: 35,793,030.38; 1 April 2017: nil) NAV: Rs. nil (31 March 2018: Rs. 11.95; 1 April 2017: Rs. nil) per unit]	-	428.03	-
- JM Balanced Fund - Direct - Annual Dividend [No of units nil (31 March 2018: 43,853,812.56; 1 April 2017 : nil) NAV: Rs. nil (31 March 2018: Rs 19.85; 1 April 2017: Rs. nil) per unit]	-	870.44	-
- Indiabulls Income fund- Direct Plan - Growth [No of units: 6,246,745.81 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 16.35 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	102.15	-	-
- Indiabulls Savings fund- Direct Plan - Growth [No of units 487,557.47 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 1043.53 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	508.78	-	-
- Indiabulls Ultra Short term fund- Direct Plan- Growth [No of units 544,893.74 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 1,866.21 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	1,016.89	-	-
- Invesco India Liquid Fund- Direct Plan Growth [No of units 194,585.50 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,572.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	500.56	-	-
- UTI Liquid Cash Plan - Direct Growth Plan [No of units 81,778.44 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,060.74 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	250.30	-	-
- JM Large Cap Fund - Dividend option [No of units 116,117,193.26 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 26.91 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	3,124.79	-	-
- Axis Liquid Fund - Direct Growth [No of units 76.54 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,073.52 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Aditya Birla Sun life liquid fund- Growth- Direct Plan [No of units 528.17 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 300.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- HDFC Liquid Fund - Direct Plan- Growth [No of units 43.14 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,678.29 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- ICICI Prudential Liquid Fund - Direct Plan- Growth [No of units 547.05 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 276.42 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Kotak Liquid Direct Plan Growth [No of units 41.92 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,784.33 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- Reliance Liquid Fund - Direct Plan Growth Plan [No of units 34.78 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 4,561.89 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
- SBI Liquid Fund Direct Growth [No of units 54.19 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,928.57 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]	0.16	-	-
Investment in debt securities			
25 (31 March 2018: nil, 1 April 2017: nil) non convertible debentures of Housing Development Finance Corporation Limited	261.75	-	-
Investment in equity instruments			
Nil (31 March 2018: 820,000, 1 April 2017: nil) equity shares of Rs. 10 each, fully paid-up of Reliance Industries Limited	-	723.81	-
	5,766.34	4,488.25	1,125.47

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Investments outside India	-	-	-
Investments in India	5,766.34	4,488.25	1,125.47
Total	5,766.34	4,488.25	1,125.47

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 8			
Other financial assets			
Interest spread on assigned assets	298.07	-	-
Security deposits	88.64	39.66	-
Deposit for mark to market margin account	58.18	109.78	-
Loan to employees	16.05	4.41	-
Others recoverable	18.00	-	-
	478.94	153.85	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 9			
Current tax assets (net)			
Advance income-tax (including tax deducted at source) [Net of provision for taxation]	242.14	79.97	81.95
	<u>242.14</u>	<u>79.97</u>	<u>81.95</u>
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 10			
Deferred tax assets (net)			
Deferred tax assets			
- Impairment loss allowance	291.59	14.86	6.11
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	27.15	5.50	0.22
- Disallowance under Section 43B of the Income-tax Act, 1961	10.16	2.15	0.05
- Lease equalisation reserve	10.99	4.00	-
- Depreciation and amortisation	-	-	0.03
- Minimum alternative tax credit entitlement *	-	-	4.71
- Financial assets measured at amortised cost	-	45.93	-
- Share based payments	205.94	84.44	2.38
Deferred tax liabilities			
- Financial assets measured at fair value through profit and loss	-	-	0.16
- Derecognition of financial instruments measured under amortised cost category	104.16	-	-
- Financial assets measured at amortised cost	115.25	-	-
- Financial liabilities measured at amortised cost	102.90	14.01	-
- Depreciation and amortisation	54.97	26.08	-
Deferred tax assets (net)	<u>168.55</u>	<u>116.79</u>	<u>13.34</u>

Movement in deferred tax assets

Particulars	As at 31 March 2018	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
- Impairment loss allowance	14.86	276.73	-	291.59
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	5.50	20.09	1.56	27.15
- Disallowance under Section 43B of the Income-tax Act, 1961	2.15	8.01	-	10.16
- Lease equalisation reserve	4.00	6.99	-	10.99
- Financial assets measured at amortised cost	45.93	(161.18)	-	(115.25)
- Share based payments	84.44	121.50	-	205.94
Deferred tax liabilities				
- Derecognition of financial instruments measured under amortised cost	-	(104.16)	-	(104.16)
- Depreciation and amortisation	(26.08)	(28.89)	-	(54.97)
- Financial liabilities at amortised cost	(14.01)	(88.89)	-	(102.90)
	<u>116.79</u>	<u>50.19</u>	<u>1.56</u>	<u>168.55</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Particulars	As at 1 April 2017	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax assets				
- Impairment loss allowance	6.11	8.75	-	14.86
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	0.22	2.72	2.56	5.50
- Disallowance under Section 43B of the Income-tax Act, 1961	0.05	2.10	-	2.15
- Lease equalisation reserve	-	4.00	-	4.00
- Depreciation and amortisation	0.03	(26.11)	-	(26.08)
- Minimum alternative tax credit entitlement *	4.71	(4.71)	-	-
- Financial assets measured at amortised cost	-	45.93	-	45.93
- Share based payments	2.38	82.06	-	84.44
Deferred tax liabilities				
- Financial assets measured at fair value through profit and loss	(0.16)	0.16	-	-
- Financial liabilities measured at amortised cost	-	(14.01)	-	(14.01)
	13.34	100.89	2.56	116.79

* Expiry date of minimum alternative tax credit

Expiry financial year (as per income-tax Act, 1961)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
1 April 2025 - 31 March 2026	-	1.33	1.33
1 April 2026 - 31 March 2027	-	3.38	3.38
Less: MAT credit utilised during the year	-	(4.71)	-
	-	-	4.71

Note - 11

Investment in associate (at cost)

2,137,981 (31 March 2018: Nil, 1 April 2017: Nil) equity shares of Rs. 10 each, of Transerv Private Limited

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
	357.04	-	-
	357.04	-	-

Proportion of ownership interest in associate as at 31 March 2019

Particulars	Country of incorporation	Proportion of ownership
Transerv Private Limited	India	33.00%

Notes

a) Equity investments in associate are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

b) The Company had acquired 33% equity stake of "Transerv Private Limited" (hereinafter referred to as "Investee") on 29 March 2019. The Company exercises significant influence over the investee and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture".

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 12

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 01 April 2018	Additions	Disposals/ adjustment	As at 31 March 2019	As at 01 April 2018	Charge for the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
a) Property, plant and equipment									
Freehold land	-	1.30	-	1.30	-	-	-	1.30	-
Computers	113.77	145.81	-	259.58	12.06	47.37	59.43	200.15	101.71
Office equipment	22.33	33.83	-	56.16	1.41	7.32	8.73	47.43	20.92
Furniture	24.26	30.05	-	54.31	0.67	3.91	4.58	49.73	23.59
Vehicles ⁽ⁱⁱ⁾	9.44	3.41	-	12.85	0.56	1.58	2.14	10.71	8.88
Total	169.80	214.40	-	384.20	14.70	60.18	74.88	309.32	155.10
b) Intangible asset under development	5.81	125.00	106.19	24.62	-	-	-	24.61	5.80
c) Intangible assets									
Software	348.85	339.94	-	688.79	41.38	128.91	170.30	518.49	307.47
Total	348.85	339.94	-	688.79	41.38	128.91	170.30	518.49	307.47

Particulars	Gross block			Accumulated depreciation			Net block		
	Deemed cost as at 01 April 2017	Additions	Disposals/ adjustment	As at 31 March 2018	As at 01 April 2017	Charge for the year	As at 31 March 2018	As at 31 March 2018	As at 01 April 2017
a) Property, plant and equipment									
Computers ⁽ⁱ⁾	0.04	113.73	-	113.77	-	12.06	12.06	101.71	0.04
Office equipment ⁽ⁱ⁾	0.03	22.30	-	22.33	-	1.41	1.41	20.92	0.03
Furniture	-	24.26	-	24.26	-	0.67	0.67	23.59	-
Vehicles ⁽ⁱⁱⁱ⁾	-	9.44	-	9.44	-	0.56	0.56	8.88	-
Total	0.07	169.73	-	169.80	-	14.70	14.70	155.10	0.07
b) Intangible asset under development	-	360.30	354.49	5.81	-	-	-	5.80	-
c) Intangible assets									
Software	-	348.85	-	348.85	-	41.38	41.38	307.47	-
Total	-	348.85	-	348.85	-	41.38	41.38	307.47	-

Notes:

(i) Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Computers	Office Equipment	Total
	Gross block as at 1 April 2017	0.36	0.34
Accumulated depreciation as at 1 April 2017	(0.32)	(0.31)	(0.63)
Carrying amount as at 1 April 2017	0.04	0.03	0.07

(ii) Vehicles stated above comprises of vehicles pledged as security by the Company.

(iii) Refer note 41 for disclosures of capital commitments for the acquisition of property, plant and equipment.

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019
(All amounts in Rs. million unless stated otherwise)

	<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>	<u>As at</u> <u>01 April 2017</u>
Note - 13			
Other non-financial assets			
Capital advances	180.76	21.51	-
Advances to suppliers	171.78	81.96	17.44
Prepaid expenses	313.26	105.40	-
Balance with government authorities	203.10	59.84	-
	<u>868.90</u>	<u>268.71</u>	<u>17.44</u>

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019
(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Notional amounts	Fair value	Notional amounts	Fair value	Notional amounts	Fair value
Note - 14						
Derivative financial instruments						
Part I						
Equity linked derivatives	-	-	735.65	44.46	-	-
Index linked derivatives	1,228.22	20.94	480.47	23.52	-	-
Total derivative financial instruments	1,228.22	20.94	1,216.12	67.98	-	-
Part II						
Included are derivatives held for hedging and risk management purpose as follows:						
i. Fair value hedging						
- Equity linked derivatives	-	-	735.65	44.46	-	-
ii. Undesignated derivatives						
- Index linked derivatives	1,228.22	20.94	480.47	23.52	-	-
Total derivative financial instruments	1,228.22	20.94	1,216.12	67.98	-	-

Note - 15
Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 49)

Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	0.72	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	580.41	276.54	-
Total	580.41	277.26	-

Note - 16
Other payables

Total outstanding dues of micro enterprises and small enterprises (refer note 49)

Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	181.94	36.00	0.04
Total	181.94	36.00	0.04

Note - 17
Debt securities (at amortised cost)

Non-convertible debentures (refer note a below)

Commercial papers (refer note b below)

Total

Debt securities in India

Debt securities outside India

Total

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-convertible debentures (refer note a below)	7,848.62	1,000.00	-
Commercial papers (refer note b below)	9,500.00	2,500.00	-
Total	17,348.62	3,500.00	-
Debt securities in India	17,348.62	3,500.00	-
Debt securities outside India	-	-	-
Total	17,348.62	3,500.00	-

Note:
a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
8.50% redeemable non-convertible debentures of face value Rs. 1 million each redeemable on 29 March 2019 in one instalment.	-	1,000.00	-
10.6% redeemable non-convertible debentures of face value Rs. 1 million each redeemable on 29 March 2021 and is repayable in four equated instalments falling due in year 2020-21.	1,691.18	-	-
10.75% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	3,709.28	-	-
10.75% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	243.90	-	-
10.40% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	319.29	-	-
10.90% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	742.15	-	-
10.90% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	233.26	-	-
10.50% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	461.80	-	-
11.00% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	256.12	-	-
11.00% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	191.64	-	-

Non-convertible debentures is secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

b) Unsecured commercial papers:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
This amount is repayable in one instalment in June 2019.	500.00	-	-
This amount is repayable in one instalment in May 2019.	4,500.00	-	-
This amount is repayable in one instalment in May 2019.	1,250.00	-	-
This amount is repayable in one instalment in June 2019.	2,000.00	-	-
This amount is repayable in one instalment in May 2019.	1,250.00	-	-
This amount is repayable in one instalment in May 2018.	-	2,500.00	-

Commercial paper carries interest in the range of 8.75 % p.a. to 9.50% p.a.

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 18			
Borrowings (other than debt securities) (at amortised cost)			
Term loans			
- From banks - secured ⁽ⁱ⁾	49,969.99	27,795.70	-
Loans from related parties			
- Holding Company - unsecured ⁽ⁱⁱ⁾	2,752.00	-	-
Loans repayable on demand from banks - secured	1,472.97	-	-
Vehicle loans from bank - secured ⁽ⁱⁱⁱ⁾	4.73	5.87	-
Total	54,199.69	27,801.57	-
Borrowings in India	54,199.69	27,801.57	-
Borrowings outside India	-	-	-
Total	54,199.69	27,801.57	-

i) Term loans from banks includes:

Particulars	As at 31 March 2019	As at 31 March 2018
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	268.31	420.91
This loan is repayable in 16 quarterly equated instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	874.37	998.98
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	940.49	1,476.43
This loan is repayable in one instalment in April 2019.	1,499.96	1,498.55
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	2,984.45	2,980.17
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	2,983.72	2,978.30
This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	4,998.21	4,997.61
This loan is repayable in one instalment in September 2019.	9,991.85	9,948.73
This loan is repayable in one instalment in September 2018.	-	2,496.02
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	1,495.47	-
This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	767.13	-
This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	1,637.81	-
This loan is repayable in one instalment in September 2019.	3,000.00	-
This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	9,918.44	-
This loan is repayable in five years with instalments of Rs. 750.00 million each to be paid for the first six instalments and instalments of Rs. 100.00 million each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	4,237.98	-
This loan is repayable in five years with instalments of Rs. 546.00 million each to be paid for the first six instalments and instalments of Rs. 72.80 million each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	3,628.24	-
This loan is repayable in 3 equated instalments of Rs. 250 million each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years.	743.56	-
Total	49,969.99	27,795.70

a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts.

b. Interest rate on term loans varies from 8.00% to 10.75% per annum.

(ii) Loan from related party carries interest rate of 14.90% per annum and shall be repayment within five years as per agreement.

(iii) Vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 19			
Others financial liabilities			
Interest accrued on debt securities	41.00	0.93	-
Interest accrued on borrowings other than debt securities	79.57	0.48	-
Liability against securitised assets	4,082.86	-	-
Temporarily overdrawn bank balances as per books	3,893.25	6,308.39	-
Payable towards assignment transactions	108.90	-	-
	8,205.58	6,309.80	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 20			
Current tax liabilities (net)			
Provision for taxation	-	68.97	4.96
[Net of tax deducted at source/advance tax]			
	-	68.97	4.96
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 21			
Provisions			
Provision for employee benefits:			
Provision for gratuity	77.69	15.89	0.75
Provision for compensated absences	29.06	6.21	0.19
	106.75	22.10	0.94
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 22			
Other non-financial liabilities			
Statutory liabilities	112.91	119.18	54.96
Advance from customers	107.82	-	-
Lease equalisation reserve	31.45	11.55	-
	252.18	130.73	54.96

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 23

Equity share capital

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Equity shares of face value of Rs. 10 each	80,000,000	800.00	58,500,000	585.00	5,219,000	52.19
	80,000,000	800.00	58,500,000	585.00	5,219,000	52.19
B. Issued, subscribed and fully paid up						
Equity shares of face value of Rs. 10 each	61,188,000	611.88	24,551,565	245.52	5,219,000	52.19
	61,188,000	611.88	24,551,565	245.52	5,219,000	52.19

C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	24,551,565	245.52	5,219,000	52.19
Add: Issued during the year	36,636,435	366.36	19,332,565	193.33
Outstanding at the end of the year	61,188,000	611.88	24,551,565	245.52

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to received remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Shares held by shareholders holding more than 5% shares and holding company:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Ventures Limited and its nominees	61,188,000	100%	24,551,565	100%	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	-	-	5,219,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

F. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

G. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 24

Instruments entirely equity in nature

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Preference shares of face value of Rs. 10 each	5,500,000	55.00	5,500,000	55.00	4,781,000	47.81
	5,500,000	55.00	5,500,000	55.00	4,781,000	47.81
B. Issued, subscribed and fully paid up						
Convertible preference shares of face value of Rs. 10 each	-	-	5,500,000	55.00	-	-
	-	-	5,500,000	55.00	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

C. Reconciliation of the convertible preference shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	5,500,000	55.00	-	-
Add: Issued during the year	-	-	5,500,000	55.00
Less: Adjusted during the year *	(5,500,000)	(55.00)	-	-
Outstanding at the end of the year	-	-	5,500,000	55.00

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

D. Terms/rights attached to convertible preference shares

The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance at equal ratio. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

E. Shares held by shareholders holding more than 5% shares:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Distribution Services Limited	-	-	5,500,000	100%	-	-

F. No preference shares have been bought back during the period of five years immediately preceding 31 March 2019.

G. No preference shares have been issued for consideration other than cash during the period of five years immediately preceding 31 March 2019.

Note - 25 Other equity	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Statutory reserves	1,218.49	418.68
Securities premium	37,053.44	14,392.32	1,862.99
Capital redemption reserve	10.00	10.00	10.00
Debenture redemption reserve	41.65	-	-
Share options outstanding account	588.07	243.98	6.88
Retained earnings	4,035.18	1,434.25	121.80
Other component of equity	122.57	85.12	-
	43,069.40	16,584.35	2,037.31

Nature and purpose of other reserve:

Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium

Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Debenture redemption reserve

The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The Company has created DRR on the basis of period for which these NCD's have remained outstanding during the year. The amount credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

Other component of equity

The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 26		
Interest income		
On financial assets measured at amortised cost		
Interest on loans	14,477.22	3,388.62
Interest on deposits with banks	72.08	26.34
Other interest income	8.08	2.05
On financial assets classified at fair value through profit or loss		
Interest from investments:		
- Bonds	85.61	23.70
- Commercial deposits	10.08	-
- Commercial paper	17.42	6.26
	<u>14,670.49</u>	<u>3,446.97</u>
Note - 27		
Dividend income		
Dividend on investments	253.48	1,969.24
	<u>253.48</u>	<u>1,969.24</u>
Note - 28		
Fees and commission income		
Fees and commission	1,183.31	1,124.64
	<u>1,183.31</u>	<u>1,124.64</u>
Note - 29		
Net gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	140.75	(1,495.44)
- Derivatives	(65.40)	(26.55)
Total net gain/(loss) on fair value changes	<u>75.35</u>	<u>(1,521.99)</u>
Fair value changes		
- Realised	70.36	(626.95)
- Unrealised	4.99	(895.04)
Total net gain/(loss) on fair value changes	<u>75.35</u>	<u>(1,521.99)</u>
Note - 30		
Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	315.80	-
Loss on derecognition of financial guarantee liability	(17.84)	-
	<u>297.96</u>	<u>-</u>
Note - 31		
Other income		
Net gain on ineffective portion of hedges	19.61	2.56
	<u>19.61</u>	<u>2.56</u>
Note - 32		
Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	4,246.59	1,298.36
Interest on debt securities	1,093.88	21.15
Other interest expense	100.32	24.06
Other borrowing costs	153.99	1.35
	<u>5,594.78</u>	<u>1,344.92</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 33		
Impairment on financial instruments (measured at amortised cost)		
Impairment allowance on loans	1,030.13	128.67
Loans written off	-	120.13
	1,030.13	248.80

Note - 34		
Employee benefits expenses		
Salaries and wages	1,898.15	396.07
Contribution to provident and other funds*	28.25	5.55
Share based payments to employees	345.37	237.10
Staff welfare expenses	27.49	3.84
	2,299.26	642.56

*There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February, 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on compliance with the Provident Fund Act, 1952.

Note - 35		
Depreciation and amortisation		
Depreciation on property, plant and equipment	60.17	14.70
Amortisation on intangible assets	128.91	41.38
	189.08	56.08

Note - 36		
Other expenses		
Repair and maintenance	13.98	6.63
Communication expenses	148.38	23.33
Printing and stationery	16.34	3.94
Lease rent (refer note 40)	279.86	81.19
Legal and professional charges [inclusive of Auditors remuneration (Refer note below)]	1,157.24	226.99
Rates and taxes	6.63	6.54
Electricity expenses	22.81	6.22
Business promotion	91.55	138.36
Office maintenance	88.44	34.41
Travelling expenses	42.42	5.07
Software expenses	116.56	13.33
Corporate social responsibility expenses [#]	27.25	0.66
Donations	-	0.15
Bank charges	36.32	0.71
Web hosting charges	3.71	2.89
Miscellaneous	1.50	0.18
	2,052.99	550.60

Note:

Auditor's remuneration		
As auditor	6.80	1.00
For taxation matters	-	-
For company law matters	-	-
For other services	-	-
For reimbursement of expenses	0.19	-

#Corporate social responsibility expenses

The Company spent Rs. 27.25 million (31 March 2018 Rs. 0.66 million), towards corporate social responsibility (CSR) activities as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Amount spent on		
Construction/acquisition of any asset	-	-
On purpose other than above*	27.25	0.66
(b) Amount unpaid	-	-
Total	27.25	0.66

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 37		
Tax expense		
Current tax	1,382.21	579.01
Deferred tax credit	(50.19)	(100.89)
Income tax expense reported in the statement of profit and loss	1,332.02	478.12

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 29.12% (31 March 2018: 28.84%) and the reported tax expense in statement of profit or loss are as follows:

Accounting profit before tax expense	5,333.96	2,178.46
Income tax rate	29.12%	28.84%
Expected tax expense	1,553.25	628.27
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which will never be allowed	35.75	9.28
Tax impact on items exempt under income tax	(146.56)	(567.95)
Income chargeable under capital gain (difference of tax rates)	(145.99)	431.15
Impact of change in tax rate	41.00	(18.24)
Others	(5.43)	(4.39)
Tax expense	1,332.02	478.12

Change in tax rate

The increase of the Indian corporate tax rate from 25% to 30% is effective from 1 April 2019 (basis turnover criteria). As a result, the relevant deferred tax balances have been remeasured.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 38		
Earnings per equity share		
Net profit for the year	4,001.94	1,700.34
Nominal value of equity share (Rs.)	10	10
Weighted-average number of equity shares for basis earnings per share	50,346,686	15,252,024
Effect of dilution:		
Preference shares*	5,500,000	4,490,411
Weighted-average number of equity shares used to compute diluted earnings per share	55,846,686	19,742,435
Basic earnings per share (Rs.)	79.49	111.48
Diluted earnings per share (Rs.)	71.66	86.13

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 39

Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of Rs. 28.25 million (31 March 2018 Rs. 5.55 million) pertaining to employers' contribution to provident and other fund is recognized as an expense and included in "Employee benefits expense".

Defined benefit plans

A Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation	77.69	15.89	0.75
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	77.69	15.89	0.75

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Current service cost	22.74	3.56
Past service cost including curtailment gains/losses	-	2.34
Interest cost on defined benefit obligation	1.99	0.18
Interest income on plan assets	-	-
Net impact on profit (before tax)	24.73	6.08

(iii) Amount recognised in the other comprehensive income:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Actuarial gain/(loss) recognised during the year	(4.46)	(7.41)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Present value of defined benefit obligation as at the beginning of year	15.89	0.75
Acquisition adjustment	32.72	2.65
Current service cost	22.74	3.56
Interest cost	1.99	0.18
Past service cost including curtailment gains/losses	-	2.34
Benefits paid	(0.11)	(1.00)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	3.80	(0.72)
Actuarial (gain)/loss on arising from experience adjustment	0.66	8.13
Present value of defined benefit obligation as at the end of the year	77.69	15.89

(v) Actuarial assumptions

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Discounting rate	7.65%	7.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	22.39	22.20

Mortality rates inclusive of provision for disability -100% of IALM (2006 - 08)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	77.69	15.89
- Impact due to increase of 0.50 %	(5.92)	(1.15)
- Impact due to decrease of 0.50 %	6.57	1.27
Impact of the change in salary increase		
Present value of obligation at the end of the year	77.69	15.89
- Impact due to increase of 0.50 %	6.71	1.30
- Impact due to decrease of 0.50 %	(6.09)	(1.19)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation	As at	As at
	31 March 2019	31 March 2018
0 to 1 year	1.46	0.33
1 to 2 year	0.87	0.21
2 to 3 year	0.85	0.21
3 to 4 year	0.90	0.18
4 to 5 year	1.04	0.26
5 to 6 year	1.44	0.27
6 year onwards	71.13	14.43

INDIABULLS CONSUMER FINANCE LIMITED**(Formerly known as IVL Finance Limited)****ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019***(All amounts in Rs. million unless stated otherwise)***Other long-term employee benefit plans**

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of Rs. 15.72 million (31 March 2018: Rs. 4.86 million) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Note - 40**Operating lease as lessee**

The Company has taken office premises at various locations under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Operating lease expenses recognised during the year	279.86	81.19	-
Minimum lease obligations:			
- Less than one year	334.77	138.98	-
- Between one and five years	1,266.66	547.72	-
- More than five years	832.27	303.03	-
	2,433.70	989.73	-

Note - 41**Capital commitments***(to the extent not provided for)*

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	115.46	12.60	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 42

Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets measured at fair value				
Investments measured at				
Fair value through profit and loss	Note - 7	5,766.34	4,488.25	1,125.47
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 4	9,307.85	8,823.56	14.51
Bank balances other than cash and cash equivalents	Note - 5	1,453.88	674.65	-
Loans	Note - 6	105,081.33	40,025.13	897.62
Security deposits	Note - 8	88.64	39.66	-
Other financial assets	Note - 8	390.30	114.19	-
Total		122,088.34	54,165.44	2,037.60
Financial liabilities measured at fair value				
Derivative financial instruments	Note - 14	20.94	67.98	-
Financial liabilities measured at amortised cost				
Trade payables	Note - 15	580.41	277.26	-
Other payables	Note - 16	181.94	36.00	0.04
Debt securities (including interest accrued)	Note - 17	17,389.62	3,500.93	-
Borrowings (including interest accrued)	Note - 18	54,279.26	27,802.05	-
Other financial liabilities	Note - 19	8,085.01	6,308.39	-
Total		80,537.18	37,992.61	0.04

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	261.75	-	-	261.75
Mutual fund	5,504.59	-	-	5,504.59
Financial liabilities at fair value through profit and loss				
Derivative liability	20.94	-	-	20.94

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Quoted equity instruments	723.81	-	-	723.81
Mutual funds	3,764.44	-	-	3,764.44
Financial liabilities at fair value through profit and loss				
Derivative liability	67.98	-	-	67.98

As at 1 April 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	1,125.47	-	-	1,125.47

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- the use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 45.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	9,307.85	9,307.85	8,823.56	8,823.56	14.51	14.51
Bank balances other than cash and cash equivalents	1,453.88	1,453.88	674.65	674.65	-	-
Loans	105,081.33	107,689.19	40,025.13	40,227.48	897.62	901.14
Security deposits	88.64	83.34	39.66	38.36	-	-
Other financial assets	390.30	393.23	114.19	114.19	-	-
Total	116,322.00	118,927.49	49,677.19	49,878.24	912.13	915.65
Financial liabilities						
Trade payables	580.41	580.41	277.26	277.26	-	-
Other payables	181.94	181.94	36.00	36.00	0.04	0.04
Debt securities	17,389.62	17,389.62	3,500.93	3,500.93	-	-
Borrowings (other than debt securities)	54,279.26	54,279.26	27,802.05	27,802.05	-	-
Other financial liabilities	8,085.01	8,200.23	6,308.39	6,308.39	-	-
Total	80,516.24	80,631.46	37,924.63	37,924.63	0.04	0.04

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- The fair values of the Company's fixed interest bearing loans are determined by applying discounted cash flows ('DCF') method. For variable rate interest-bearing loans, carrying value represent best estimate of their fair value.
- The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note - 43

Financial risk management

i) Risk Management

As a Non-Banking Financial Institution (NBFC), the Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- Low credit risk
- Moderate credit risk
- High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Low credit risk			
Cash and cash equivalents	9,307.85	8,823.56	14.51
Bank balances other than above	1,453.88	674.65	-
Loans	104,754.92	40,029.73	0.00
Security deposits	88.64	39.66	-
Other financial assets	390.30	114.19	-
(ii) Moderate credit risk			
Loans	733.85	124.76	919.10
(iii) High credit risk			
Loans	841.29	20.80	-

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans to employees, security deposits, Interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Company
- Credit bureau check - In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per industry trends 2. Supplemental external information that could affect the borrowers behaviour	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	3. Discount rate is based on internal rate of return on the loan	2. Management judgement is applied to determine the economic scenarios and the application of probability weights

* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) **Credit risk exposure**

i) **Expected credit losses for financial assets other than loans**

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,307.85	-	9,307.85
Bank balances other than cash and cash equivalents	1,453.88	-	1,453.88
Security deposits	88.64	-	88.64
Other financial assets	390.30	-	390.30

As at 31 March 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	8,823.56	-	8,823.56
Bank balances other than above	674.65	-	674.65
Security deposits	39.66	-	39.66
Other financial assets	114.19	-	114.19

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

As at 1 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	14.51	-	14.51

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2017	-	919.10	-
Assets originated	63,858.26	-	-
Net transfer between stages	(149.92)	127.58	22.34
Assets derecognised (excluding write offs)	(23,678.62)	(802.13)	(1.54)
Write - offs	-	(119.79)	-
Gross carrying amount as at 31 March 2018	40,029.72	124.76	20.80
Assets originated and acquired	98,456.21	-	-
Net transfer between stages	(1,859.24)	888.34	970.90
Assets derecognised (excluding write offs)	(31,871.77)	(279.25)	(150.40)
Gross carrying amount as at 31 March 2019	104,754.92	733.85	841.30

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2017	-	21.48	-
Increase of provision due to assets originated during the year	268.20	-	-
Net transfer between stages	(48.17)	31.41	16.76
Loss allowance written back	(99.12)	(40.36)	(0.05)
Write - offs	-	-	-
Loss allowance on 31 March 2018	120.91	12.53	16.71
Increase of provision due to assets originated and purchased during the year	413.52	-	-
Net transfer between stages	(813.38)	218.71	594.67
Loss allowance written back	719.72	(1.43)	(33.23)
Write - offs	-	-	-
Loss allowance on 31 March 2019	440.77	229.81	578.15

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Corporate borrowers	32,438.28	19,592.22	849.02
Retail borrowers	73,891.78	20,583.05	70.08
Total	106,330.06	40,175.27	919.10

c) Loans secured against collateral

Company's secured portfolio has security base as follows::

Particulars	Value of loans		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured by tangible assets	49,430.67	18,693.53	-
Secured by other assets	177.67	172.83	-

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's (through Asset Liability Management Committee) liquidity positions (also comprising the undrawn borrowing facilities), matching of the financial assets and financial liabilities position and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2019	Total facility	Undrawn
- Expiring within one year	2,085.90	612.93
Total	2,085.90	612.93

As at 31 March 2018	Total facility	Undrawn
- Expiring within one year	4,500.00	4,500.00
Total	4,500.00	4,500.00

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	10,176.52	680.18	-	10,856.70
Loans	46,250.85	64,530.85	27,932.81	138,714.51
Investments	5,766.34	-	-	5,766.34
Other financial assets	148.98	206.45	181.31	536.74
Total undiscounted financial assets	62,342.69	65,417.48	28,114.12	155,874.29
Financial liabilities				
Non-derivatives				
Debt Securities	10,264.07	6,934.65	2,416.10	19,614.82
Borrowings other than debt securities	28,927.32	19,788.57	8,889.70	57,605.59
Trade payables	580.41	-	-	580.41
Other payable	181.94	-	-	181.94
Other financial liabilities	6,200.67	1,901.12	6.89	8,108.68
Derivatives (net settled)				
Index linked derivatives	20.94	-	-	20.94
Total undiscounted financial liabilities	46,175.35	28,624.34	11,312.69	86,112.38
Net undiscounted financial assets/(liabilities)	16,167.34	36,793.14	16,801.43	69,761.91

As at 31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	9,518.22	-	-	9,518.22
Loans	16,737.04	22,769.66	11,739.89	51,246.59
Investments	4,488.25	-	-	4,488.25
Other financial assets	115.02	6.01	59.54	180.57
Total undiscounted financial assets	30,858.53	22,775.67	11,799.43	65,433.63
Financial liabilities				
Non-derivatives				
Debt securities	3,629.56	-	-	3,629.56
Borrowings other than debt securities	5,703.12	16,017.30	12,390.80	34,111.22
Trade payables	277.26	-	-	277.26
Other payable	36.00	-	-	36.00
Other financial liabilities	6,308.39	-	-	6,308.39
Derivatives (net settled)				
Index linked derivatives	67.98	-	-	67.98
Total undiscounted financial liabilities	16,022.31	16,017.30	12,390.80	44,430.41
Net undiscounted financial assets/(liabilities)	14,836.22	6,758.37	(591.37)	21,003.22

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

As at 1 April 2017	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	14.51	-	-	14.51
Loans	312.41	30.61	729.47	1,072.49
Investments	1,125.47	-	-	1,125.47
Total undiscounted financial assets	1,452.39	30.61	729.47	2,212.47
Financial liabilities				
Non-derivatives				
Other payable	0.04	-	-	0.04
Total undiscounted financial liabilities	0.04	-	-	0.04
Net undiscounted financial assets/(liabilities)	1,452.35	30.61	729.47	2,212.43

C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Company's exposure to market risk is primarily on account of interest rate risk and price risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fixed rate liabilities			
Debt securities	17,348.62	3,500.00	-
Variable rate liabilities			
Borrowings other than debt securities	54,199.69	27,801.57	-
Total	71,548.31	31,301.57	-

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest sensitivity*		
Interest rates - increase by 0.50%	(271.00)	(139.01)
Interest rates - decrease by 0.50%	271.00	139.01

* Holding all other variables constant

ii) Assets

The Company's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mutual funds		
Net assets value - increase by 5%	275.23	188.22
Net assets value - decrease by 5%	(275.23)	(188.22)
Quoted equity instruments		
Value per share - increase by 5%	-	36.19
Value per share - decrease by 5%	-	(36.19)
Quoted debt securities		
Market price - increase by 5%	13.09	-
Market price - decrease by 5%	(13.09)	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 44

Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net debt*	62,361.03	22,479.42	(14.51)
Total equity	43,681.28	16,884.87	2,089.50
Net debt to equity ratio	1.43	1.33	-

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 45

Fair value hedges

A Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Company uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Company guidelines and policies.

B Hedge relationship

The Company has done investment in shares of Reliance Industries Limited. The Company enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Company has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C Other hedge related disclosures

The fair value of the Company's derivative positions recorded under derivative financial liabilities are as follows:

31 March 2019

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(263.40)	27 September 2018	283.01	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	19.61

31 March 2018

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(44.03)	24 April 2018	46.59	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	(44.03)	723.81	2.56

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 46

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS						
Financial assets						
Cash and cash equivalents	9,307.85	-	8,823.56	-	14.51	-
Bank balances other than cash and cash equivalents	832.64	621.24	674.65	-	-	-
Loans	45,301.36	59,779.97	9,434.41	30,590.72	897.62	-
Investments	5,766.34	-	4,488.25	-	1,125.47	-
Other financial assets	196.11	282.83	114.19	39.66	-	-
	61,404.30	60,684.04	23,535.06	30,630.38	2,037.60	-
Non-financial assets						
Current tax assets (net)	242.14	-	79.97	-	81.95	-
Deferred tax assets (net)	-	168.55	-	116.79	-	13.34
Investment accounted for using equity method	-	357.04	-	-	-	-
Property, plant and equipment	-	309.32	-	155.10	-	0.07
Intangible assets under development	-	24.61	-	5.80	-	-
Other intangible assets	-	518.49	-	307.47	-	-
Other non-financial assets	767.35	101.55	236.03	32.68	17.44	-
	1,009.49	1,479.56	316.00	617.84	99.39	13.41
TOTAL ASSETS	62,413.79	62,163.60	23,851.06	31,248.22	2,136.99	13.41
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	20.94	-	67.98	-	-	-
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	0.72	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	580.41	-	276.54	-	-	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	181.94	-	36.00	-	0.04	-
Debt securities	6,748.00	10,600.62	3,500.00	-	-	-
Borrowings (other than debt securities)	25,565.74	28,633.95	3,305.58	24,495.99	-	-
Other financial liabilities	6,321.24	1,884.34	6,309.80	-	-	-
	39,418.27	41,118.91	13,496.62	24,495.99	0.04	-
Non-financial liabilities						
Current tax liabilities (net)	-	-	68.97	-	4.96	-
Provisions	2.34	104.41	0.43	21.67	0.03	0.91
Other non-financial liabilities	226.65	25.53	127.32	3.41	54.96	-
	228.99	129.94	196.72	25.08	59.95	0.91
TOTAL LIABILITIES	39,647.26	41,248.85	13,693.34	24,521.07	59.99	0.91
Net	22,766.53	20,914.75	10,157.72	6,727.15	2,077.00	12.51

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 47

Operating segments

A. General information

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

B. Information about interest income:

Particulars	As at 31 March 2019	As at 31 March 2018
Corporate borrowers	4,072.28	2,660.56
Retail borrowers	10,404.94	728.05
Total	14,477.22	3,388.61

Note - 48

Related party disclosure

(a) Details of related parties:

Description of relationship	Names of related parties
Ultimate holding company	Indiabulls Ventures Limited (till 18 May 2017)
Holding company	Indiabulls Distribution Services Limited (till 18 May 2017) Indiabulls Ventures Limited (from 19 May 2017)
Fellow subsidiary companies (with whom transactions took place)	Gyansagar Buildtech Limited Indiabulls Distribution Services Limited (from 19 May 2017) Indiabulls Investment Advisors Limited
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director (from 14 September 2017) and Chief Executive Officer Mr. Gagan Banga, Director (from 22 March 2018) Mr. Alok Kumar Mishra, Director (from 22 March 2018) Mr. Nafees Ahmed, Director (from 14 September 2017) Mr. Ajit Kumar Mittal, Director (from 14 September 2017) Mr. Labh Singh Sitara (from 14 September 2017) Mrs. Preetinder Virk (from 4 December 2018) Mrs. Manjari Ashok Kacker (till 4 December 2018) Mr. Ravinder, Whole Time Director (till 14 September 2017) Mr. Jogender Singh, Whole Time Director (till 14 September 2017) Mr. Aishwarya Katoch, Director (till September 14, 2017) Mr. Sanjeev Kashyap, Director (till 14 September 2017) Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

(b) Statement of transactions with related parties during the year:

Particulars	Holding company		Fellow subsidiaries		Key management personnel	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance						
Loans given						
(Maximum balance outstanding during the year):						
- Gyansagar Buildtech Limited	-	-	-	80.33	-	-
- Indiabulls Distribution Services Limited	-	130.00	3,000.00	-	-	-
Loans taken						
(Maximum balance outstanding during the year):						
- Indiabulls Ventures Limited	9,892.00	2,449.50	-	-	-	-
- Indiabulls Distribution Services Limited	-	2,625.00	-	-	-	-
Share capital						
Issue of equity shares						
- Indiabulls Ventures Limited	25,722.48	10,027.66	-	-	-	-
Issue of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	-	2,750.00	-	-
Redemption of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	2,750.00	-	-	-
Employee benefits transfer received/paid(net)						
- Indiabulls Distribution Services Limited	-	-	13.91	-	-	-
- Indiabulls Investment Advisors Limited	-	-	6.69	-	-	-
- Indiabulls Ventures Limited	1.38	-	-	-	-	-
Deposit for mark to margin account						
- Indiabulls Ventures Limited	4.25	26.66	-	-	-	-
Contingent liabilities						
Fixed deposits pledged						
- Indiabulls Ventures Limited	110.00	120.00	-	-	-	-
Corporate guarantees taken						
- Indiabulls Ventures Limited	14,390.00	31,000.00	-	-	-	-
Corporate guarantees released						
- Indiabulls Ventures Limited	22,500.00	-	-	-	-	-
Interest income						
- Gyansagar Buildtech Limited	-	-	-	0.48	-	-
- Indiabulls Distribution Services Limited	-	0.87	2.71	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Expenses							
Brokerage paid							
- Indiabulls Ventures Limited	2.56	3.55	-	-	-	-	-
Interest expense							
- Indiabulls Ventures Limited	403.25	17.53	-	-	-	-	-
- Indiabulls Distribution Services Limited	-	5.83	-	-	-	-	-
Reimbursement of expenses paid							
- Indiabulls Ventures Limited	-	4.09	-	-	-	-	-
- Indiabulls Distribution Services Limited	-	-	5.11	-	-	-	-
Non convertible debentures issued							
- Mr. Gagan banga	-	-	-	-	1.00	-	-
Compensation to key management personnel*							
- Short term employee benefits							
Mr. Pinank Shah	-	-	-	-	28.22	20.02	
Mr. Ravinder	-	-	-	-	-	0.34	
Mr. Joginder Singh	-	-	-	-	-	0.34	
Mr. Alok Mishra	-	-	-	-	0.87	-	
Mr. Labh Singh Sitara	-	-	-	-	0.76	-	
Mr. Manjari Kacher	-	-	-	-	0.44	-	
Mr. Preetinder Virk	-	-	-	-	0.11	-	
- Post employee benefits- gratuity							
Mr. Pinank Shah	-	-	-	-	0.05	1.27	
- Other long-term benefits- compensated absences							
Mr. Pinank Shah	-	-	-	-	0.45	0.83	
- Share based payments expenses							
Mr. Pinank Shah	-	-	-	-	72.75	57.01	
Mr. Nafees Ahmed	-	-	-	-	11.09	8.85	
Mr. Ajit Kumar Mittal	-	-	-	-	0.59	0.99	

(c) Outstanding at year ended 31 March 2019:

Nature of transaction	Holding company			Fellow subsidiaries		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loans given	-	-	130.00	-	-	272.34
Loans taken	2,752.00	-	-	-	-	-
Equity shares	611.88	245.52	52.19	-	-	-
Compulsory convertible preference shares	-	-	-	-	55.00	-
Securities premium	37,053.44	11,697.32	1,862.99	-	2,695.00	-
Deposit for mark to market margin account	30.91	26.66	-	-	-	-
Corporate guarantees taken	22,890.00	31,000.00	-	-	-	-
Fixed deposits pledged (excluding interest accrued)	110.00	120.00	-	-	-	-

Note - 49
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Trade payables

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.72	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Other payables

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 50

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Total
01 April 2017	-	-	-
Cash flows:			
- Repayment	-	(2,846.69)	(2,846.69)
- Proceeds	3,500.00	30,756.40	34,256.40
Non cash:			
- Amortisation of upfront fees and others	-	(108.15)	(108.15)
31 March 2018	3,500.00	27,801.56	31,301.56
Cash flows:			
- Repayment	(64,641.92)	(62,927.54)	(127,569.46)
- Proceeds	78,653.97	89,409.97	168,063.94
Non cash:			
- Amortisation of upfront fees and others	(163.44)	(84.31)	(247.75)
31 March 2019	17,348.61	54,199.68	71,548.29

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

51 Transferred financial assets

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Gross carrying amount of securitised assets	4,219.70	-	-
Gross carrying amount of associated liabilities	4,082.86	-	-
Carrying value and fair value of securitised assets	4,311.20	-	-
Carrying value and fair value of associated liabilities	4,082.86	-	-
Net position	228.34	-	-

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019
(All amounts in Rs. million unless stated otherwise)
Note - 52
A Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 31 March 2018

Particulars	Note	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		8,823.56	-	8,823.56
Bank balance other than cash and cash equivalents		674.65	-	674.65
Loans	2 and 5	40,142.03	(116.90)	40,025.13
Investments		4,488.25	-	4,488.25
Other financial assets	2	180.57	(26.72)	153.85
Total financial assets		54,309.06	(143.62)	54,165.44
Non-financial assets				
Current tax assets (net)		79.97	-	79.97
Deferred tax assets (net)	8	8.05	108.74	116.79
Property, plant and equipment		155.10	-	155.10
Intangible assets under development		5.80	-	5.80
Other intangible assets		307.47	-	307.47
Other non-financial assets	2	242.57	26.14	268.71
Total non-financial assets		798.96	134.88	933.84
TOTAL ASSETS		55,108.02	(8.74)	55,099.28
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments		67.98	-	67.98
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.72	-	0.72
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		276.54	-	276.54
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		36.00	-	36.00
Debt securities		3,500.00	-	3,500.00
Borrowings (other than debt securities)	1 and 7	27,909.71	(108.14)	27,801.57
Others financial liabilities		6,309.80	-	6,309.80
Total financial liabilities		38,100.75	(108.14)	37,992.61
Non-financial liabilities				
Current tax liabilities (net)		68.97	-	68.97
Provisions		22.10	-	22.10
Other non-financial liabilities	7	137.48	(6.75)	130.73
Total non-financial liabilities		228.55	(6.75)	221.80
EQUITY				
Equity share capital		245.52	-	245.52
Instruments entirely equity in nature		55.00	-	55.00
Other equity		16,478.20	106.15	16,584.35
Total equity		16,778.72	106.15	16,884.87
TOTAL LIABILITIES AND EQUITY		55,108.02	(8.74)	55,099.28

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 1 April 2017

Particulars	Note	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		14.51	-	14.51
Loans	5	896.14	1.48	897.62
Investments	3	1,125.00	0.47	1,125.47
Total financial assets		2,035.65	1.95	2,037.60
Non-financial assets				
Current tax assets (net)		81.95	-	81.95
Deferred tax assets (net)	8	11.64	1.70	13.34
Property, plant and equipment		0.07	-	0.07
Other non-financial assets		17.44	-	17.44
Total non-financial assets		111.10	1.70	112.80
TOTAL ASSETS		2,146.75	3.65	2,150.40
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.04	-	0.04
Total financial liabilities		0.04	-	0.04
Non-financial liabilities				
Current tax liabilities (net)		4.96	-	4.96
Provisions		0.94	-	0.94
Other non-financial liabilities		54.96	-	54.96
Total non-financial liabilities		60.86	-	60.86
EQUITY				
Equity share capital		52.19	-	52.19
Other equity		2,033.66	3.65	2,037.31
Total equity		2,085.85	3.65	2,089.50
TOTAL LIABILITIES AND EQUITY		2,146.75	3.65	2,150.40

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2018

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Revenue from operations				
Interest income	2	3,418.73	28.24	3,446.97
Dividend income		1,969.24	-	1,969.24
Fees and commission income	2	1,612.73	(488.09)	1,124.64
Total revenue from operations		7,000.70	(459.85)	6,540.85
Other income		2.56	-	2.56
Total income		7,003.26	(459.85)	6,543.41
Expenses				
Finance costs	1 and 7	1,367.95	(23.03)	1,344.92
Fees and commission expense	2	249.79	(249.79)	-
Net loss on fair value changes	3	1,521.52	0.47	1,521.99
Impairment on financial instruments	5	262.55	(13.75)	248.80
Employee benefits expenses	2, 6 and 9	422.00	220.56	642.56
Depreciation and amortisation		56.08	-	56.08
Other expenses	2 and 4	625.55	(74.95)	550.60
Total expenses		4,505.44	(140.49)	4,364.95
Profit before tax		2,497.82	(319.36)	2,178.46
Tax expense:				
Current tax		579.01	-	579.01
Deferred tax credit	8	3.60	(104.49)	(100.89)
		582.61	(104.49)	478.12
Profit for the year		1,915.21	(214.87)	1,700.34
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	9	-	(7.41)	(7.41)
Income tax expense relating to above items	8	-	2.56	2.56
Total comprehensive income for the year		1,915.21	(219.72)	1,695.49

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

B Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2017. The Company has elected to apply this exemptions for such vested options.

B Ind AS mandatory exceptions

1 Estimates

An Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at **FVTPL or FVOCI**
- b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile total equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2018 and 1 April 2017

	Note	As at 31 March 2018	As at 1 April 2017
Total equity (shareholder's funds) as per previous GAAP		16,778.72	2,085.85
Adjustments:			
Straightlining of rental expense	Note 4	6.76	-
Financial assets measured at amortised cost	Note 2	(132.74)	-
Financial liabilities measured at amortised cost	Note 1	40.47	-
Impact of financial guarantee	Note 7	67.67	-
Allowance for expected credit loss	Note 5	15.23	1.48
Fair valuation of investments	Note 3	-	0.47
Tax impact on above	Note 8	108.75	1.70
Total adjustments		106.14	3.65
Total equity as per Ind AS		16,884.86	2,089.50

2 Reconciliation of total comprehensive income for the year

	Note	For the year ended 31 March 2018
Profit after tax as per previous GAAP		1,915.21
Adjustments:		
Remeasurement of defined benefit obligations	Note 9	7.41
Measurement of employee share based payments at fair value	Note 6	(237.10)
Straightlining of rental expense	Note 4	6.76
Financial assets measured at amortised cost	Note 2	(132.74)
Financial liabilities measured at amortised cost	Note 1	40.47
Impact of financial guarantee	Note 7	(17.44)
Allowance for expected credit loss	Note 5	13.75
Fair valuation of investments	Note 3	(0.47)
Tax impact on above	Note 8	104.49
Total adjustments		(214.87)
Profit after tax as per Ind AS		1,700.34
Remeasurement of defined benefit obligations	Note 9	(7.41)
Tax impact on above	Note 8	2.56
Total comprehensive income as per Ind AS		1,695.49

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

3 Impact of Ind AS adoption on statement of cash flows for the year ended on 31 March 2018:

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activity	(31,242.26)	1,969.24	(29,273.02)
Net cash flow from investing activity	(4,136.08)	(1,969.24)	(6,105.32)
Net cash flow from financing activity	44,187.39	-	44,187.39
Net increase/(decrease) in cash and cash equivalent	8,809.05	-	8,809.05
Cash and cash equivalent as at 1 April 2017	14.51	-	14.51
Cash and cash equivalent as at 31 March 2018	8,823.56	-	8,823.56

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Notes to first time adoption

1 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

2 Loan assets and security deposits paid

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss on straight-line basis over the period of loan. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

3 Financial instruments carried at fair value through profit and loss

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

4 Lease equalisation reserve

Under the previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. However, straight line impact is charged only to the extent of rent free period. Hence, lease equalization reserve pertaining to operating lease agreements has been reversed and credited to equity as on transition date except for the impact on account of rent free period.

5 Impairment of loan assets

Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

6 Share based payment

Under the previous GAAP, the Company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date.

7 Financial guarantee

Under previous GAAP, recipient of financial guarantees were disclosing this as part of security details for borrowings. Under Ind AS, such financial guarantee contracts are recognised as financial liability. The liability is initially measured at fair value and subsequently charged to statement of profit and loss over the period of the underlying borrowing.

8 Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 53

Schedule in terms of Annex II of Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2019:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	7,928.19	-	1,000.93	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits		-	-	-
(c) Term loans	50,049.56	-	27,796.18	-
(d) Loan from related parties	2,752.00	-	-	-
(e) Commercial paper	9,500.00	-	2,500.00	-
(f) Other loans				
- Loan repayable on demand	1,472.97	-	-	-
- Vehicle loan	4.73	-	5.87	-
Assets side:				
			Amount outstanding as at 31 March 2019	Amount outstanding as at 31 March 2018
(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:				
(a) Secured			49,608.34	18,866.36
(b) Unsecured			56,721.72	21,308.92
Less: Impairment loss allowance			(1,248.73)	(150.15)
Total			105,081.33	40,025.13
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(i) Lease assets including lease rentals under sundry debtors				
(a) Financial lease			-	-
(b) Operating lease			-	-
(ii) Stock on hire including hire charges under sundry debtors				
(a) Assets on hire			-	-
(b) Repossessed Assets			-	-
(iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed			-	-
(b) Loans other than (a) above			-	-
(4) Break-up of Investments :				
1. Quoted:				
(i) Shares: (a) Equity			-	723.81
(b) Preference			-	-
(ii) Debentures and bonds			261.75	-
(iii) Units of mutual funds			-	-
(iv) Government securities			-	-
(v) Others (please specify)			-	-
2. Unquoted:				
(i) Shares: (a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and bonds			-	-
(iii) Units of mutual funds			5,504.59	3,764.44
(iv) Government securities			-	-
(v) Investment in associate			357.04	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

Category	Amount (net of allowance for impairment loss)			
	As at 31 March 2019		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	49,025.74	56,055.59	18,795.85	21,229.28
Total	49,025.74	56,055.59	18,795.85	21,229.28

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2019		As at 31 March 2018	
	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment loss)
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	357.04	357.04	-	-
2. Other than related parties	5,766.34	5,766.34	4,488.25	4,488.25
Total	6,123.38	6,123.38	4,488.25	4,488.25

(7) Other information:

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	841.30	20.80
(II) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	263.14	4.09

(III) Assets acquired in satisfaction of debt

Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated 10 November 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

(i) Disclosure for capital to risk assets ratio (CRAR):-

Items	As at 31 March 2019	As at 31 March 2018
(i) CRAR (%)	37.70%	33.52%
(ii) CRAR - Tier I Capital (%)	37.12%	33.25%
(iii) CRAR - Tier II Capital (%)	0.58%	0.27%

(ii) Exposure to real estate sector:-

Category	As at 31 March 2019	As at 31 March 2018
Direct exposure		
(i) Residential mortgages:		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial real estate*:		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	48,529.45	18,620.60
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-

* as per contractual receivables at balance sheet date.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

(iii) Exposure to capital markets*

Particulars	As at 31 March 2019	As at 31 March 2018
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	3,481.83	2,022.28
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	175.19	172.15
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-
Total exposure	3,657.02	2,194.43

* as per contractual receivables at balance sheet date.

(iv) Maturity pattern of assets and liabilities as at 31 March 2019:

In accordance with the Reserve Bank of India ("RBI") guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	1,493.98	553.39	1,268.29	16,377.29	5,872.79	16,597.38	9,211.77	72.80
Market borrowings	-	7,000.00	2,500.00	-	-	5,647.18	4,953.43	-
Assets								
Advances	3,705.63	3,901.10	3,965.09	11,977.81	22,290.07	50,596.41	9,181.03	712.92
Investments	2,641.54	3,124.79	-	-	-	-	-	357.04

Maturity pattern of assets and liabilities as at 31 March 2018:

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	0.09	0.09	172.50	2,663.00	469.90	13,162.88	11,333.10	-
Market borrowings	-	-	2,500	-	1,000	-	-	-
Assets								
Advances	776.53	1,141.86	646.22	2,112.25	4,792.92	16,778.95	8,453.73	5,472.80
Investments	-	-	2,500.00	1,264.45	-	723.81	-	-

Note - 54

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014:

i. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Value of		
A. Gross value of investments		
a) In India	6,123.38	4,488.25
b) Outside India	-	-
Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
Net value of investments		
a) In India	6,123.38	4,488.25
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments.	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2018: Rs. Nil)

iii. Disclosures relating to securitisation:

The Company has entered into various agreements for the securitisation of loans with assignees, wherein it has securitised a part of its loans portfolio amounting to Rs. 4,082.86 million as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the amount outstanding as on the date of balance sheet.

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to Rs. 6,064.82 million as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the principal value outstanding as on the date of the assignment transaction. In terms of accounting policy mentioned in significant accounting policies, the Company has derecognised these loan portfolios.

The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation/assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

a. Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposure retained by the NBFC as on the date of balance sheet towards the Minimum Retention Requirements (MRR)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1. No of SPVs sponsored by the NBFC for securitisation transactions	3.00	-
2. Total amount of securitised assets as per books of SPVs sponsored	4,082.86	-
3. Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet		
i) Off-balance sheet exposures towards credit concentration		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards credit concentration		
- Cash collateral (inclusive of accrued interest)	621.24	-
- Others	-	-
4. Amount of exposures to securitisation transactions other than MRR		
i) Off-balance sheet exposures towards credit concentration	-	-
ii) On-balance sheet exposures towards credit concentration	-	-

b. Details of Financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

c. Details of Assignment transactions undertaken by NBFCs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts (nos)	345.00	-
ii) Aggregate value (net of provisions) of accounts assigned	6,064.82	-
iii) Aggregate consideration	6,064.82	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

d. Details of non-performing assets purchased:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

Details of non-performing assets sold:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

iv. Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

v. Penalties imposed by RBI and other Regulators

No penalties have been imposed by RBI during the financial year 2018-19 (FY 2017-18 - NIL).

vi. Details of financing of parent company products

There is no financing during the current year.

vii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

viii. Unsecured advances

The Company has given loans against shares amounting to Rs 177.67 million (31 March 2018: Rs 172.83 million)

ix. Draw down from reserves

The Company has made no drawdown from reserves.

x. Provision and contingencies

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended 31 March 2019	For the year ended 31 March 2018
Provision for depreciation on investment	-	-
Provision towards non-performing assets	578.15	16.71
Provision made towards income tax [net of advance tax]	-	68.97
Other provision and contingencies (with details)		
i) Provision for compensated absences	15.72	4.86
ii) Provision for gratuity	24.73	6.08
Provision for Standard assets	670.58	133.44

xi. Concentration of advances, exposures & NPA's *

a. Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers*	7,068.54	4,017.95
Percentage of advances to twenty largest borrowers to total advances of the NBFC	6.65%	10.00%

* as per contractual receivables at balance sheet date.

b. Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposures to twenty largest borrowers*	5,631.87	4,017.95
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	5.30%	10.00%

* as per contractual receivables as per balance sheet date.

c. Concentration of NPA's

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposure to top four NPA accounts*	111.75	16.13

* as per contractual receivables as per balance sheet date.

d. Sector-wise distribution of NPA's*

Particulars	Percentage of NNPA's to total advances	
	As at 31 March 2019	As at 31 March 2018
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.06%	0.02%
Services	0.05%	0.03%
Unsecured personal loans	0.14%	-
Auto loans	-	-
Other personal loans	-	-

* as per contractual receivables as per balance sheet date.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

xii. Movement of NPAs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Net NPAs to Net Advances (%)	0.25%	0.01%
b. Opening gross NPA	20.80	-
Add : Addition during the year	820.50	20.80
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Gross NPA	841.30	20.80
c. Opening Net NPAs	4.09	-
Add: Addition during the year	259.05	4.09
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Net NPAs	263.14	4.09
d. Movement of provisions for NPA		
Opening balance	16.71	-
Provision made during the year	561.45	16.71
Write off/write back of excess provisions	-	-
Less: Write off	-	-
Closing balance	578.16	16.71

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

xv. The Company has been assigned the following credit ratings:

Instruments	As at 31 March 2019	As at 31 March 2018
Non- convertible debentures	CARE AA; Stable [Double A; Outlook: Stable] BWR AA+/Stable	CARE AA; Stable [Double A; Outlook: Stable] -
Commercial papers	CARE A1+ (A One plus) BWR A1+ CRISIL A1+ ICRA A1+	CARE A1+ (A One plus) BWR A1+ - -
Bank borrowings	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus] BWR AA+/Stable	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus] -

xv. Customer complaints

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	211	59
No. of complaints redressed during the year	209	58
No. of complaints pending at the end of the year	3	1

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 55

Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Indiabulls Ventures Limited ('Holding Company'). On exercise, the employees will be allotted shares of the Holding Company. The Company has accounted for charge related to its employees amounting to Rs. 345.37 million (31 March 2018 Rs. 237.10 million) with a corresponding credit to equity.

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Holding Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Holding Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Holding Company. Employees covered by the plan were granted an option to purchase shares of the Holding Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Holding Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1. Exercise price (Rs.)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (weighted average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Holding Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Holding Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Holding Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in the Holding Company, at an exercise price of Rs. 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 16 per equity share and Rs. 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 55 (continued)

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

	IBVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
1. Exercise price (Rs.)	35.25	31.35	27.45	16	24.15	219.65	254.85
2. Expected volatility *	0.77	0.4896	0.3859	0.4074	0.4297	0.467	0.4715
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6. Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7. Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The Company has recognised employee stock compensation expense of Rs. 345.37 million (31 March 2018 Rs. 237.10 million) in the statement of Profit and loss for the year ended 31 March 2019.

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Total options under the scheme (Nos.)				
Options granted (Nos.)				
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	January 25 th each year, commencing 25 January 2010	July 2 nd each year, commencing 2 July 2017	September 2 nd each year, commencing 2 September 2018	March 25 th each year, commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	1,277,866	9,700,000	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 59.77).

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 55 (Continued)

Total options under the Scheme (Nos.)	IBVL ESOP - 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Uniformly over a period of ten years	Uniformly over a period of ten years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	December 2 nd each year, commencing 2 December 2010	April 13 th each year, commencing 13 April 2011	August 26 th each year, commencing 26 August 2016	May 13 th each year, commencing 13 May 2017	July 2 nd each year, commencing 2 July 2017	September 2 nd each year, commencing 2 September 2018	March 25 th each year, commencing 25 March 2019
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	-	150,000	-	6,487,700	-	9,880,000	219,400
Exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (weighted months)	-	60	-	67	-	77	84

* Net of options surrendered before vesting.

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 121.14).

(This space has been intentionally left blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE V - Summary of significant accounting policies and explanatory notes to Reformatted Standalone Financial Information for the year ended 31 March 2019

(All amounts in Rs. million unless stated otherwise)

Note - 56

In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2019 (31 March 2018: Rs. nil; 1 April 2017: Rs. nil).

In terms of our report of even date attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No.: 095256

Pinank Jayant Shah

Whole Time Director &

Chief Executive Officer

DIN: 07859798

Nafees Ahmed

Director

DIN: 03496241

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company

Secretary

Place: Noida

Date: 23 May 2019

Place: Mumbai

Date: 23 May 2019

Place: Gurugram

Date: 23 May 2019

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
6th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

T +91 120 710 9001
F +91 120 710 9002

The Board of Directors,
Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

Proposed public issue of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each (the “Securities”) for an amount aggregating upto Rs. 10,000 million in India by Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the “Company”/ “Issuer”) (the “Offering”).

Auditors’ Report on Reformatted Financial Information

1. The accompanying Reformatted Financial Information of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the ‘Company’), which comprise the Reformatted Statements of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015, the Reformatted Statements of Profit and Loss, the Reformatted Cash Flow Statements for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 and a summary of the significant accounting policies and other explanatory information for the years then ended (together comprising the “Reformatted Financial Information”) are derived from the audited financial statements (the “Audited Financial Statements”) of the Company for the respective years audited by us/predecessor auditors as detailed in paragraphs 3, 4 and 8 below, which are to be included in the Tranche II Prospectus to be filed by the Company in connection with the Offering.
2. The Reformatted Financial Information have been prepared by the Management of the Company on the basis of accounting described in Note 2 to the Reformatted Financial Information and have been approved by the Board of Directors.
3. We expressed our opinion on the Audited Financial Statements of the Company as of and for the year ended 31 March 2018 *vide* our report dated 23 April 2018.
4. The Reformatted Financial Information as of and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 has reported upon by predecessor auditors. The predecessor auditors have opined that the reformatted financial statements for each of



these financial information have been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the audited financial statements as of and for the year ended 31 March 2018. They have also opined that the figures included in the Reformatted Financial Statements, do not reflect the effect of events that occurred subsequent to the date of the reports on the respective years referred to in paragraph 3 and 4 above.

Management's Responsibility for the Reformatted Financial Information

5. Management is responsible for the preparation of the Reformatted Financial Information, as mentioned in paragraph 1 above, for inclusion in the Tranche II Prospectus to be filed by the Company in connection with the Offering, on the basis of accounting described in Note 2 to the Reformatted Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Financial Information.

Auditor's Responsibility

6. Our responsibility is to express an opinion on the Reformatted Financial Information based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, Engagements to Report on Summary Financial Statements.

Opinion

7. In our opinion and as per the report submitted by predecessor auditors, the Reformatted Financial Information derived from the Audited Financial Statements of the Company for the respective years are a fair presentation of the Audited Financial Statements of the respective years on the basis of accounting described in Note 2 to the Reformatted Financial Information.

Other matters

8. The financial statements of the Company for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 were audited by S A S & Co. (the "predecessor auditors"). In relation to the aforesaid financial statements audited by the predecessor auditors, we have not carried out any procedures. Our report on Reformatted Financial Information in so far as it relates to the financial information for each for the three years ended 31 March 2017, 31 March 2016 and 31 March 2015 is based solely on the report on reformatted financial statements for each of these years submitted by the predecessor auditors to the Board of Directors of the Company.

This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or predecessor auditors on the Reformatted Financial Information.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.



Walker Chandiook & Co LLP

Restrictions on use

9. This report is addressed to and is provided to enable the Company for inclusion in the Tranche II Prospectus, to be filed by the Company in connection with the Offering with BSE Limited, National Stock Exchange of India Limited, Registrar of Companies of Delhi and Haryana and with the Securities and Exchange Board of India. The Reformatted Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For **Walker Chandiook & LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Lalit Kumar
Partner
Membership Number: 095256



Place: Noida
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE-I
REFORMATTED STATEMENT OF ASSETS AND LIABILITIES
(All amounts in Rupees millions, unless otherwise stated)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	4	300.52	52.19	23.17	23.17
(b) Reserves and surplus	5	16,478.21	2,033.66	895.73	881.96
		<u>16,778.73</u>	<u>2,085.85</u>	<u>918.90</u>	<u>905.13</u>
(2) Non-current liabilities					
(a) Long-term borrowings	6	24,591.28	-	-	-
(b) Other long-term liabilities	7	18.30	-	-	-
(c) Long-term provisions	8	148.95	17.33	2.04	4.23
		<u>24,758.53</u>	<u>17.33</u>	<u>2.04</u>	<u>4.23</u>
(3) Current liabilities					
(a) Short-term borrowings	9	6,000.00	-	-	-
(b) Trade payables	10				
(i) total outstanding dues to micro and small enterprises		0.72	-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		276.54	0.03	-	-
(c) Other current liabilities	11	7,283.41	54.96	0.12	0.25
(d) Short-term provisions	12	107.51	11.53	7.76	12.21
		<u>13,668.18</u>	<u>66.52</u>	<u>7.88</u>	<u>12.46</u>
TOTAL		<u>55,205.44</u>	<u>2,169.70</u>	<u>928.82</u>	<u>921.82</u>
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Property, plant and equipment	13	155.10	0.07	0.16	0.23
(ii) Intangible assets	13	307.47	-	-	-
(iii) Intangible asset under development		5.80	-	-	-
		<u>468.37</u>	<u>0.07</u>	<u>0.16</u>	<u>0.23</u>
(b) Non-current investments	14	677.23	-	-	-
(c) Deferred tax assets (net)	15	8.03	6.92	1.03	3.67
(d) Long-term loans and advances	16	30,879.10	661.60	356.16	257.90
		<u>31,564.36</u>	<u>668.52</u>	<u>357.19</u>	<u>261.57</u>
(2) Current assets					
(a) Current investments	17	3,764.45	1,125.00	-	-
(b) Cash and bank balances	18	9,486.61	14.50	30.72	31.97
(c) Short-term loans and advances	19	9,532.56	361.61	375.89	530.11
(d) Other current assets	20	389.09	-	164.86	97.94
		<u>23,172.71</u>	<u>1,501.11</u>	<u>571.47</u>	<u>660.02</u>
TOTAL		<u>55,205.44</u>	<u>2,169.70</u>	<u>928.82</u>	<u>921.82</u>

Notes 1 - 40 form an integral part to the reformatted financial information

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole Time Director & Chief Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-II
REFORMATTED STATEMENT OF PROFIT AND LOSS
(All amounts in Rupees millions, unless otherwise stated)

	Note No.	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Revenue					
I. Revenue from operations	21	7,000.44	572.23	142.89	61.82
II. Other income	22	0.26	0.21	-	-
III. Total revenue (I + II)		7,000.70	572.44	142.89	61.82
IV. Expenses					
Employee benefits expense	23	422.00	4.44	3.95	4.09
Finance costs	24	1,367.94	0.05	-	-
Depreciation and amortisation	13	56.08	0.09	0.12	0.14
Other expenses	25	2,656.85	490.98	122.41	52.57
Total expenses		4,502.87	495.56	126.48	56.80
V. Profit before tax (III - IV)		2,497.83	76.88	16.41	5.02
VI. Tax expense:					
(1) Current tax		587.59	19.73	1.33	0.87
Less: Minimum alternate tax credit entitlement		-	(3.03)	(1.33)	-
(2) Tax credit for earlier years		(3.87)	(0.87)	-	-
(3) Deferred tax		(1.11)	(5.89)	2.64	(0.20)
		582.61	9.94	2.64	0.67
VII. Profit for the year (V-VI)		1,915.22	66.94	13.77	4.35
VIII. Earnings per equity share:					
(1) Basic	28	125.57	27.75	5.94	1.88
(2) Diluted		97.01	27.75	5.94	1.88
Face value per equity share		10.00	10.00	10.00	10.00

Notes 1 - 40 form an integral part to the reformatted financial information

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole Time Director & Chief
Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-III
REFORMATTED STATEMENT OF CASH FLOWS
(All amounts in Rupees millions, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
A Cash flow from operating activities:				
Net profit before tax	2,497.83	76.88	16.41	5.02
Adjustments for:				
Depreciation and amortisation expenses	56.08	0.09	0.12	0.14
Provision for loan assets	262.55	414.43	66.69	49.30
Provision for gratuity and compensated absences	14.41	0.28	0.04	0.34
Operating profit	2,830.87	491.68	83.26	54.80
Adjustments for:				
(Increase)/ decrease in trade and other receivables	(40,020.57)	(482.51)	(83.90)	(27.58)
(Increase) in investments	(3,316.67)	(1,125.00)	-	-
(Increase)/decrease in fixed deposits	(672.64)	-	-	-
Increase/ (decrease) in other liabilities and provisions	6,859.38	54.87	(0.12)	0.18
Cash (used in)/ generated from operating activities	(34,319.63)	(1,060.96)	(0.76)	27.40
Income taxes paid (including tax deducted at source)	(522.38)	(55.27)	(0.44)	(0.82)
Net cash (used in)/ generated from operating activities	(34,842.01)	(1,116.23)	(1.20)	26.58
B Cash flow from investing activities:				
Purchase of fixed assets including movement for capital advances	(540.09)	-	(0.05)	-
Intangible asset under development	(5.80)	-	-	-
Net cash used in investing activities	(545.89)	-	(0.05)	-
C Cash flow from financing activities:				
Proceeds from issue of equity shares (including securities premium)	10,027.66	1,100.01	-	-
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	2,750.00	-	-	-
Redemption of preference share capital (including securities premium)	-	-	-	-
Proceeds from term loans from banks	30,750.00	-	-	-
Repayment of term loans	(2,840.29)	-	-	-
Proceeds from issue of non convertible debentures	1,000.00	-	-	-
Proceeds from issue of commercial papers	2,500.00	-	-	-
Net cash generated from/ (used in) financing activities	44,187.37	1,100.01	-	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,799.47	(16.22)	(1.25)	26.58
E Cash and cash equivalents at the beginning of the year	14.50	30.72	31.97	5.39
F Cash and cash equivalents at the close of the year (D + E)	8,813.97	14.50	30.72	31.97

Notes :

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Cash in hand	0.04	-	0.03	0.03
Balances with banks:				
- in current accounts	5,612.71	14.50	30.69	31.94
- in fixed deposits with original maturity of less than three months	3,201.22	-	-	-
Cash and cash equivalents	8,813.97	14.50	30.72	31.97

3 Cash and cash equivalents include following balances not available for use by the Company:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Deposits pledged with banks for overdraft facilities	3,201.22	-	-	-

Notes 1 - 40 form an integral part to the reformatted financial information

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner

Pinank Jayant Shah
Whole Time Director
& Chief Executive
Officer
DIN: 07859798

Nafees Ahmed
Director

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Membership No. 095256

Place: Noida
Date: 23 May 2019

Place: Mumbai
Date: 23 May 2019

Place: Gurugram
Date: 23 May 2019

Note - 1

Company overview:

Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ("the Company") was incorporated on 27 October 1994 under Companies Act, 1956 and is engaged in the business of financing and allied activities. The Company is registered under section 45-IA of the Reserve bank of India Act, 1934 to carry on the business of a non-deposits taking Non-banking Financial Company.

The Company was initially incorporated with name of Malpani Securities Private Limited to carry on its business of stock and share broking, financing & related activities. The Company's name was changed to Shivshakti Financial Services Private Limited after obtaining the approval from the Registrar of Companies, National Capital Territory of Delhi & Haryana on 13 January 2010. The members of the Company at their Extraordinary General Meeting held on 7 October 2014, accorded their approval for conversion from private limited company to public limited company. The Company received a fresh certificate of incorporation consequent upon conversion from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 5 February 2015 in respect of the change from Shivshakti Financial Services Private Limited to IVL Finance Limited. Further, the name of the Company is changed from IVL Finance Limited to Indiabulls Consumer Finance Limited and a fresh certificate of incorporation dated 18 September 2018 has been obtained from the Registrar of Companies, National Capital Territory of Delhi & Haryana in this respect.

Note - 2

Basis of preparation:

The Reformatted Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015, Reformatted Statement of Profit and Loss, Reformatted Statement of Cash Flows for the year ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 and a summary of the significant accounting policies and other explanatory information (together referred as "Reformatted Financial Information") have been extracted by the Management from the Audited Financial Statements of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 (together referred as "the Audited Financial Statements").

The Reformatted Financial Information as at and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 have been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the audited financial statement as of and for the year ended 31 March 2018.

The Reformatted Financial Information have been prepared by the Management in connection with the proposed issue of non-convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in accordance with the requirements of Section 26 of the Companies Act, 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time and related clarifications issued by the Stock Exchanges.

The Audited Financial Statements of the Company were prepared in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (Indian GAAP). The financial statements were prepared on an accrual basis under the historical cost convention.

(This space has left intentionally blank)

Note - 3

Significant accounting policies:

a) Prudential norms:

The Company follows Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)" (RBI Directions, 2016), dated 1 September 2016, in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the balance sheet and provisioning. Accounting Standards (AS) and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI Directions, 2016.

b) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

c) Revenue recognition:

- i. Interest income from financing activities and others is recognised on an accrual basis. In terms of the RBI directions, 2016, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realised.
- ii. Processing fees received in respect of loans given is recognised in the year in which loan is disbursed.
- iii. Additional interest/ overdue charges is recognised on realisation basis.
- iv. Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Instalments ('EMI') comprising principal and interest. EMIs commence once the loan is disbursed. In case of pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.
- v. Income from Fee Income from Services is recognised on accrual basis.
- vi. Income from interest from fixed deposits is recognized on accrual basis.
- vii. Dividend income on units of mutual fund held by the Company are recognised on receipt basis as per the RBI directions, 2016

d) Fixed assets:

(i) Property, plant and equipment:

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repaid and maintenance costs are recognised in the Statement of Profit and Loss.

(ii) Intangible assets:

Intangible assets are stated at their cost of acquisition less accumulated amortisation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

e) Depreciation/ amortisation:

2014-15, 2015-16, 2016-17 and 2017-2018

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/ scrapping, as the case may be. Assets costing Rs. 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

f) Impairment of assets:

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, to the extent the amount was previously charged to the Statement of Profit and Loss.

Note - 3

Significant accounting policies (continued)

g) Investments:

Investments are classified as long-term and current investments. Long-term investments are carried at cost less provision if any for any diminution other than temporary in their value. Current investments are valued at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

h) Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

i) Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised during the time period that is necessary to complete and prepare an asset for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

j) Employee benefits:

i. Defined contribution plans:

The Company has a defined contribution plans namely provident fund, employees state insurance, labour welfare fund and employees national pension scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss. In respect of these contributions, the Company has no further obligations beyond making the contribution and hence, such employee benefit plans are classified as defined contribution plans.

ii. Defined benefits plan:

The Company has unfunded gratuity as defined benefit where the amount that employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. The liability recognised in the balance sheet for defined benefit plan is the present value of defined benefit obligation at the reporting date. The present value of defined benefit obligation is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

iii. Other long-term benefit:

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

k) Earnings per share

Basic earnings per share are computed using weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using weighted average number of equity and dilutive potential equity shares outstanding during the year except where results would be anti-dilutive.

Note - 3

Significant accounting policies (continued)

l) **Equity index/ stock futures:**

In accordance with the Guidance Note on 'Accounting for Equity Index and Equity Stock Futures and Options' issued by the Institute of Chartered Accountants of India, which is more fully explained below:

- i. Initial Margin - Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement / squaring-up of the underlying contract, are disclosed under Loans and Advances.
- ii. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin - Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.
- iii. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:

Credit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.

Debit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the Statement of Profit and Loss.

On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin - Equity Index/Stock Futures Account" after adjustment of the provision for anticipated losses is recognised in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up. The Company uses hedging instruments to hedge its exposure to variability of expected fair value of equity investment. Such hedging instruments are initially recognised at fair value on the date on which such contract is entered into and are subsequently re-measured at fair value.

m) **Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

n) **Provisions and contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed for:

- (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent Assets are not recognised in the financial statements

o) **Cash and cash equivalents:**

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 4

Share capital:

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised								
Equity shares of Rs. 10 each	58.50	585.00	5.22	52.19	2.32	23.17	2.32	23.17
Compulsorily convertible preference shares of Rs. 10 each	5.50	55.00	4.78	47.81	7.68	76.83	7.68	76.83
Issued, subscribed and paid up								
Equity shares of Rs. 10 each	24.55	245.52	5.22	52.19	2.32	23.17	2.32	23.17
Compulsorily convertible preference shares of Rs. 10 each	5.50	55.00	-	-	-	-	-	-
	30.05	300.52	5.22	52.19	2.32	23.17	2.32	23.17

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	5.22	52.20	2.32	23.20	2.32	23.17	2.32	23.17
Add: Issued during the year	19.33	193.32	2.90	29.00	-	-	-	-
Outstanding at the end of the year	24.55	245.52	5.22	52.20	2.32	23.17	2.32	23.17

Compulsorily convertible preference shares

	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	-	-	-	-	-	-	-	-
Add: Issued during the year	5.50	55.00	-	-	-	-	-	-
Less: Converted/redeemed during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	5.50	55.00	-	-	-	-	-	-

b. Terms/rights attached to equity shares / compulsory convertible preference shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

c. Shares held by Holding Company

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24.55	100%	-	-	-	-	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5.22	100%	2.32	100%	2.32	100%

Note:

Indiabulls Ventures Limited became our holding company w.e.f. 19 May 2017.

d. Shares held by shareholders holding more than 5% shares:

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24.55	100%	-	-	-	-	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5.22	100%	2.32	100%	2.32	100%

e. The Company has not issued any bonus shares during the current year and five years immediately preceeding current year.

f. Employee stock option schemes: (refer note 37)

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 5

Reserves and surplus

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Securities premium reserve				
Balance as at the beginning of the year	1,862.99	792.00	792.00	792.00
Add: Additions during the year	12,529.33	1,070.99	-	-
Less: Utilised during the year	-	-	-	-
Balance at the end of the year	<u>14,392.32</u>	<u>1,862.99</u>	<u>792.00</u>	<u>792.00</u>
Capital redemption reserve				
Balance as at the beginning of the year	10.00	10.00	10.00	10.00
Add: Amount transferred during the year	-	-	-	-
Balance at the end of the year	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Reserve fund (U/s 45-IC of the Reserve Bank of India Act, 1934)				
Balance at the beginning of the year	35.64	22.25	19.50	18.63
Add: Amount transferred during the year *	383.04	13.39	2.75	0.87
Balance at the end of the year	<u>418.68</u>	<u>35.64</u>	<u>22.25</u>	<u>19.50</u>
Surplus in the statement of profit and loss				
Balance at the beginning of the year	125.03	71.48	60.46	57.05
Add: Profit for the year	1,915.22	66.94	13.77	4.35
Less: Adjustments on account of opening depreciation due to change in useful lives of fixed assets	-	-	-	(0.07)
Amount available for appropriation (A)	<u>2,040.25</u>	<u>138.42</u>	<u>74.23</u>	<u>61.33</u>
Appropriations (B):				
Amount transferred during the year to Reserve Fund (U/s 45-IC of the RBI Act,1934)*	383.04	13.39	2.75	0.87
Transfer to capital redemption reserve	-	-	-	-
Surplus balance carried forward (A)-(B)	<u>1,657.21</u>	<u>125.03</u>	<u>71.48</u>	<u>60.46</u>
	<u>16,478.21</u>	<u>2,033.66</u>	<u>895.73</u>	<u>881.96</u>

* In terms of Section 45-IC of the R.B.I. Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year end, the Company has transferred an amount of Rs. 383.04 millions (31 March 2017: Rs. 13.39 millions, 31 March 2016: Rs. 2.75 millions; 31 March 2015: Rs. 0.87 millions) to the reserve fund.

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 6				
Long-term borrowings				
Secured				
Term loan from banks (refer note a)	25,403.85	-	-	-
Vehicle loans from banks (refer note b)	5.87	-	-	-
Less: Amount disclosed as current maturities of long-term debt (refer note 11)	(818.44)	-	-	-
	<u>24,591.28</u>	<u>-</u>	<u>-</u>	<u>-</u>

a) Balances of term loans from banks* includes:

i. Loan outstanding amounting to Rs. 423.08 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 13 quarterly instalments commencing from December 2017 with last installment falling due in year 2020-21.

ii. Loan outstanding amounting to Rs. 1,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 16 quarterly instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last installment falling due in year 2022-23.

iii. Loan outstanding amounting to Rs. 1,480.77 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 13 quarterly instalments commencing from December 2017 with last installment falling due in year 2020-21.

iv. Loan outstanding amounting to Rs. 1,500.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in payable in one installment in April 2019.

v. Loan outstanding amounting to Rs. 3,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23. .

vi. Loan outstanding amounting to Rs. 3,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.

vii. Loan outstanding amounting to Rs. 5,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.

viii. Loan outstanding amounting to Rs. 10,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil) taken during the financial year 2017-18 is repayable in Payable in one installment in September 2019.

*** Notes:**

1. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash & cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts. Such borrowings further secured by way of corporate guarantee furnished on our behalf by Holding Company i.e. Indiabulls Ventures Limited.

2. Interest rate on term loans varies from 8.00% to 9.50% per annum.

(b) The vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 7				
Other long-term liabilities				
Lease equalisation reserve	18.30	-	-	-
	<u>18.30</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note - 8
Long-term provisions
Provision for employee benefits

Provision for gratuity (refer note 33)	15.56	0.73	0.50	0.47
Provision for compensated absences (refer note 33)	6.11	0.18	0.13	0.12

Other provisions

Provision for loan assets	2.37	13.79	0.34	3.00
Contingent provisions against standard assets	124.91	2.63	1.07	0.64
	<u>148.95</u>	<u>17.33</u>	<u>2.04</u>	<u>4.23</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 9				
Short-term borrowings				
Secured				
Term loans from bank (refer note a below)	2,500.00	-	-	-
8.50% non- convertible debentures (refer note b below)	1,000.00	-	-	-
Unsecured				
Commercial papers	2,500.00	-	-	-
	<u>6,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

a) This loan is repayable in one installment in September 2018. The term loan is secured by way of first pari-passu charge on loan receivables & all current assets (including cash & cash equivalents) of the Company, both present and future; and on present and future loan assets of the Company. It carries interest rate of 8.35% per annum.

b) Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivables for the principal amount and interest thereon. These debentures are repayable in one installment in March 2019.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 10				
Trade payables				
Total outstanding dues of				
- micro and small enterprises (refer note 32)	0.72	-	-	-
- others	276.54	0.03	-	-
	<u>277.26</u>	<u>0.03</u>	<u>-</u>	<u>-</u>

Note - 11
Other current liabilities

Current maturities of long-term borrowings (refer note 6)	818.44	-	-	-
Interest accrued but not due	1.41	-	-	-
Statutory liabilities	119.18	54.96	0.03	0.18
Employee related payables	9.34	-	-	-
Temporary overdrawn balances as per books	6,308.39	-	-	-
Other payables	26.65	-	0.09	0.07
	<u>7,283.41</u>	<u>54.96</u>	<u>0.12</u>	<u>0.25</u>

Note - 12
Short-term provisions
Provision for employee benefits

Provision for gratuity (refer note 33)	0.33	0.02	0.02	0.02
Provision for compensated absences (refer note 33)	0.10	0.01	-	-

Other provisions

Provision for loan assets	-	5.50	0.29	5.40
Contingent provisions against standard assets	38.11	1.05	0.93	1.16
Provision for taxation (net of advance tax / tax deducted at source)	68.97	4.95	6.52	5.63
	<u>107.51</u>	<u>11.53</u>	<u>7.76</u>	<u>12.21</u>

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 14				
Non-current investments				
Long term- Trade- quoted				
Investment in quoted equity shares of Reliance Industries Limited [Number of shares 0.82 million (previous year : nil) face value of Rs. 10 each]	677.23	-	-	-
	<u>677.23</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate book value of quoted investments	677.23	-	-	-
Aggregate market value of quoted investments	723.81	-	-	-
Note - 15				
Deferred tax assets (net):				
Deferred tax assets				
Arising on account of temporary differences due to:				
- Contingent provisions against standard assets	20.13	6.62	0.81	3.47
- Disallowances under Income-tax Act, 1961	7.65	0.27	0.20	0.21
- On account of lease equalisation reserve	6.33	-	-	-
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	-	0.03	0.02	-
Deferred tax liabilities				
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	26.08	-	-	0.01
Deferred tax assets (net)	<u>8.03</u>	<u>6.92</u>	<u>1.03</u>	<u>3.67</u>
Note - 16				
Long term loans and advances:				
(i) Loans and other credit facilities				
(considered good)				
Secured loans	15,924.31	-	-	-
Unsecured loans	14,856.35	656.89	354.83	257.90
(ii) Other unsecured loans and advances				
(unsecured and considered good)				
Capital advances	21.51	-	-	-
Security deposits	66.38	-	-	-
Prepaid expenses	10.55	-	-	-
Minimum alternative tax (MAT) credit entitlement	-	4.71	1.33	-
	<u>30,879.10</u>	<u>661.60</u>	<u>356.16</u>	<u>257.90</u>
Note - 17				
Current investments				
Investment in mutual funds- Non trade- Unquoted				
- Indiabulls Liquid Fund - Direct Growth [Number of units 0.59 millions (Previous year : 0.71 millions) Net assets value Rs. 1,698.2479 (Previous year : Rs. 1588.5000) per unit]	1,001.13	1,125.00	-	-
- Indiabulls Short Term Fund - Direct Plan - Growth [Number of units 0.14 millions; Net asset value Rs. 1,512.3023 per unit]	214.14	-	-	-
- Invesco India Liquid Fund - Direct Plan Growth [Number of units 0.51 millions; Net asset value Rs. 2,445.9619 per unit]	1,250.70	-	-	-
- JM Equity Fund-Monthly Dividend Option [Number of units 35.79 millions; Net asset value Rs. 11.9538 per unit]	428.03	-	-	-
- JM Balanced Fund - Direct - Annual Dividend [Number of units 43.85 millions; Net asset value Rs. 19.8487 per unit]	870.45	-	-	-
	<u>3,764.45</u>	<u>1,125.00</u>	<u>-</u>	<u>-</u>
Aggregate book value of unquoted investments	3,764.45	1,125.00	-	-
Aggregate market value of unquoted investments	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Note - 18				
Cash and bank balances				
Cash and cash equivalents				
Cash on hand	0.04	-	0.03	0.03
Balance with banks				
- in current accounts	5,612.71	14.50	30.69	31.94
- in fixed deposits with original maturity of less than three months ⁽ⁱ⁾	3,201.22	-	-	-
	<u>8,813.97</u>	<u>14.50</u>	<u>30.72</u>	<u>31.97</u>
Other bank balances				
- in deposits with original maturity of more than three months but remaining maturity of less than twelve months from balance sheet date ⁽ⁱ⁾	672.64	-	-	-
	<u>9,486.61</u>	<u>14.50</u>	<u>30.72</u>	<u>31.97</u>
(i) Fixed deposits includes following deposits pledged with:				
Banks against bank guarantees issued by banks in favour of Unique Identification Authority of India.	2.50	-	-	-
National Securities Clearing Corporation Limited (NSCCL) as margin money for trading account maintained with Indiabulls Ventures Limited.	120.00	-	-	-
Banks for overdraft facilities	3751.36	-	-	-
Note - 19				
Short-term loans and advances				
(i) Loans and other credit facilities				
(considered good)				
Secured loans	2,868.34	-	-	-
Unsecured loans	6,369.32	262.21	310.72	465.00
(ii) Other unsecured loans and advances				
(unsecured and considered good)				
Advance to suppliers	81.96	-	-	-
Prepaid expenses	68.71	-	-	-
Goods and service tax credit and cenvat credit receivables	59.84	-	-	17.59
Advance income tax/ tax deducted at source (net of provision of tax)	79.97	81.95	47.45	47.45
Loan and advances to employees	4.42	-	-	-
Security deposit	-	-	0.07	0.07
Others	-	17.45	17.65	-
	<u>9,532.56</u>	<u>361.61</u>	<u>375.89</u>	<u>530.11</u>
Note - 20				
Other current assets				
Investment hedge accounting adjustments	46.59	-	-	-
Margin money deposits	41.80	-	-	-
Interest accrued but not due on:				
- Loans	289.10	-	164.86	97.94
- Deposits with banks	11.60	-	-	-
	<u>389.09</u>	<u>-</u>	<u>164.86</u>	<u>97.94</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 13

Fixed assets:

Gross block	Property, plant and equipment				Total	Intangible assets	
	Computers	Office equipments	Furniture	Vehicles		Softwares	Total
As at 31 March 2014	0.30	0.34	-	-	0.64	-	0.64
Additions for the year	-	-	-	-	-	-	-
As at 31 March 2015	0.30	0.34	-	-	0.64	-	0.64
Additions for the year	0.05	-	-	-	0.05	-	0.05
As at 31 March 2016	0.35	0.34	-	-	0.69	-	0.69
Additions for the year	-	-	-	-	-	-	-
As at 31 March 2017	0.35	0.34	-	-	0.69	-	0.69
Additions for the year	113.74	22.29	24.26	9.44	169.73	348.85	518.58
As at 31 March 2018	114.09	22.63	24.26	9.44	170.42	348.85	519.27

Accumulated depreciation and amortisation	Property, plant and equipment				Total	Intangible assets	
	Computers	Office equipments	Furniture	Vehicles		Softwares	Total
As at 31 March 2014	0.16	0.04	-	-	0.20	-	0.20
Depreciation for the year	0.04	0.10	-	-	0.14	-	0.14
Transition adjustment recorded against surplus balance in statement of profit and loss	0.07	-	-	-	0.07	-	0.07
As at 31 March 2015	0.27	0.14	-	-	0.41	-	0.41
Depreciation for the year	0.03	0.09	-	-	0.12	-	0.12
As at 31 March 2016	0.30	0.23	-	-	0.53	-	0.53
Depreciation for the year	0.02	0.07	-	-	0.09	-	0.09
As at 31 March 2017	0.32	0.30	-	-	0.62	-	0.62
Depreciation and amortisation for the year	12.06	1.41	0.67	0.56	14.70	41.38	56.08
As at 31 March 2018	12.38	1.71	0.67	0.56	15.32	41.38	56.70

Net block	Property, plant and equipment				Total	Intangible assets	
	Computers	Office equipments	Furniture	Vehicles		Softwares	Total
As at 31 March 2015	0.03	0.20	-	-	0.23	-	0.23
As at 31 March 2016	0.05	0.11	-	-	0.16	-	0.16
As at 31 March 2017	0.03	0.04	-	-	0.07	-	0.07
As at 31 March 2018	101.71	20.92	23.59	8.88	155.10	307.47	462.57

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION
(All amounts in Rupees millions, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended March 31, 2016	Year ended March 31, 2015
Note - 21				
Revenue from operations				
Interest from financing activities	3,362.17	78.70	111.06	58.54
Bad debts recovered	-	89.40	30.00	-
Consultancy income	-	-	-	-
Financial and other service fees	1,573.51	400.00	-	-
Foreclosure fees and other related income	39.22	-	-	-
Other operating income *	2,025.54	4.13	1.83	3.28
	<u>7,000.44</u>	<u>572.23</u>	<u>142.89</u>	<u>61.82</u>
* Other operating income includes:				
Dividend income on current investments	1,969.24	0.47	1.83	3.28
Profit on redemption of mutual funds	-	3.66	-	-
Interest on fixed deposits	26.34	-	-	-
Interest on bonds investments	23.70	-	-	-
Interest on commercial paper investments	6.26	-	-	-
Note - 22				
Other income				
Interest on income tax refund	0.26	0.18	-	-
Miscellaneous income	-	0.03	-	-
	<u>0.26</u>	<u>0.21</u>	<u>-</u>	<u>-</u>
Note - 23				
Employee benefits expense				
Salaries	412.61	4.44	3.95	4.09
Contribution to provident funds and other funds	5.55	-	-	-
Staff welfare expenses	3.84	-	-	-
	<u>422.00</u>	<u>4.44</u>	<u>3.95</u>	<u>4.09</u>
Note - 24				
Finance costs				
Interest on intercorporate deposits	23.36	-	-	-
Interest on term loans	1,262.89	-	-	-
Interest on commercial papers	20.22	-	-	-
Interest on bank overdrafts	0.79	-	-	-
Interest on vehicle loans	0.27	-	-	-
Interest on non convertible debentures	0.93	-	-	-
Interest on taxes	0.70	-	-	-
Other borrowing costs	58.78	0.05	-	-
	<u>1,367.94</u>	<u>0.05</u>	<u>-</u>	<u>-</u>
Note - 25				
Other expenses				
Lease rent (refer note 29)	85.56	0.05	0.36	0.41
Rates and taxes	6.54	0.03	0.01	0.01
Professional charges	267.93	76.28	55.30	1.66
Membership fees	0.19	-	-	-
Electricity expenses	6.22	-	-	0.01
Business promotion	138.36	-	-	-
Commission expense	249.79	-	-	-
Loss on sale of investments	1,518.96	-	-	-
Communication expenses	23.33	-	-	0.01
Office maintenance	34.41	-	-	0.02
Printing and stationery	3.94	0.02	-	-
Stamp paper expenses	28.63	-	-	-
Auditors' remuneration*	1.00	0.03	0.03	0.03
Travelling expenses	5.07	-	-	0.01
Provision for loan assets	262.55	414.43	66.69	49.30
Repair and maintenance	6.63	0.13	-	-
Software expenses	13.33	-	-	-
Corporate social responsibility expenses (refer note 38)	0.66	-	-	-
Donations	0.15	-	-	1.07
Web hosting charges	2.89	-	-	-
Miscellaneous	0.71	0.01	0.02	0.04
	<u>2,656.85</u>	<u>490.98</u>	<u>122.41</u>	<u>52.57</u>
* Auditor's remuneration				
As auditor				
Statutory audit	1.00	0.03	0.03	0.03

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 26

Segment reporting:

The Company operates in one reportable business segment namely – financing and investing related activities and one reportable geographical segment, i.e. “within India”. Hence, no separate information for segment wise disclosure is required primary segment information (by business segments) as per AS- 17 "Segment

Note - 27

Related party disclosures:

Disclosures in respect of AS - 18 ‘Related Party Disclosures’ as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

(a) Details of related parties:

Description of relationship

Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Ultimate holding company	Indiabulls Ventures Limited (upto 18 May 2017)	Indiabulls Ventures Limited	Indiabulls Ventures Limited	Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited)
Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Holding Company	Indiabulls Distribution Services Limited (upto 18 May 2017)	Indiabulls Distribution Services Limited	Indiabulls Distribution Services Limited	Indiabulls Distribution Services Limited
	Indiabulls Ventures Limited (w.e.f. 19 May 2017)	-	-	-
Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Fellow subsidiary companies (with whom transactions took place)	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited (formerly known as Pushpanjli Finsolutions Private Limited)
	Astilbe Builders Limited	Astilbe Builders Limited	Astilbe Builders Limited	Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited)
	Astraea Constructions Limited	Astraea Constructions Limited	Astraea Constructions Limited	Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited)
	Silenus Buildtech Limited	Silenus Buildtech Limited	Silenus Buildtech Limited	Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited)
	Arbutus Constructions Limited	Arbutus Constructions Limited	Arbutus Constructions Limited	Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited)
	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited)
	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited (formerly known as Pushpanjli Fincon Private Limited)
	-	India Land And Properties Limited (upto 16 March 2017)	-	-
	Indiabulls Distribution Services Limited (w.e.f. 19 May 2017)	-	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
	Mr. Sameer Gehlaut, Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence
	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited
	Mr. Pinank Jayant Shah, Whole Time Director (w.e.f. 14 September 2017) and Chief Executive Officer	-	-	-
	Mr. Gagan Banga, Director (w.e.f. 22 March 2018)	-	-	-
	Mr. Alok Kumar Mishra, Director (w.e.f. 22 March 2018)	-	-	-
	-	Mr. Vijay Babbar, Director (upto 19 September 2016)	Mr. Vijay Babbar, Director	Mr. Vijay Babbar, Director
Key management personnel	Mr. Aishwarya Katoch, Director (upto 14 September 2017)	Mr. Aishwarya Katoch, Director (w.e.f. 6 May 2016)	-	-
	-	-	-	Mr. Saurabh Mittal , Individual exercising significant influence (upto 9 July 2014)
	-	-	-	Mr. Rajiv Rattan , Individual exercising significant influence (upto 9 July 2014)
	Mr. Nafees Ahmed, Director (w.e.f. 14 September 2017)	-	-	-
	Mr. Ajit Kumar Mittal, Director (w.e.f. 14 September 2017)	-	-	-
	Mr. Ravinder, Whole Time Director (upto 14 September 2017)	Mr. Ravinder, Whole Time Director	Mr. Ravinder, Whole Time Director	Mr. Ravinder, Whole Time Director
	Mr. Jogender Singh, Whole Time Director (upto 14 September 2017)	Mr. Jogender Singh, Whole Time Director	Mr. Jogender Singh, Whole Time Director	Mr. Jogender Singh, Whole Time Director
	Mr. Sanjeev Kasyap, Director (upto 14 September 2017)	Mr. Sanjeev Kasyap, Director	Mr. Sanjeev Kasyap, Director	Mr. Sanjeev Kasyap, Director

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

(b) Statement of transactions with related parties during the year ended 31 March 2018:

Transactions with holding company

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Finance				
Loans given				
(Maximum balance outstanding during the year):				
- Indiabulls Distribution Services Limited	130.00	130.00	-	-
Loans taken				
(Maximum balance outstanding during the year):				
- Indiabulls Ventures Limited	2,449.50	-	-	-
- Indiabulls Distribution Services Limited	2,625.00	-	-	-
Share Capital				
Issue of equity shares				
- Indiabulls Ventures Limited	10,027.66	-	-	-
- Indiabulls Distribution Services Limited	-	1,100.01	-	-
Redemption of Preference Share Capital				
- Indiabulls Distribution Services Limited	-	-	-	-
Contingent liabilities				
Fixed deposits pledged				
- Indiabulls Ventures Limited	120.00	-	-	-
Corporate guarantees taken				
- Indiabulls Ventures Limited	31,000.00	-	-	-
Interest income				
- Indiabulls Distribution Services Limited	0.87	0.03	-	-
Expenses				
Brokerage paid				
- Indiabulls Ventures Limited	3.55	-	-	-
Interest expense				
- Indiabulls Ventures Limited	17.53	-	-	-
- Indiabulls Distribution Services Limited	5.83	-	-	-
Professional/ consultancy fees				
- Indiabulls Distribution Services Limited	-	-	47.00	-
Reimbursement of expenses paid				
- Indiabulls Ventures Limited	4.09	-	-	-

Transaction with fellow subsidiaries

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Loans given				
(Maximum balance outstanding during the year):				
- Pushpanjli Fincon Limited	-	87.82	87.02	81.94
- Gyansagar Buildtech Limited	80.33	194.19	128.50	129.50
- Pushpanjli Finsolutions Private Limited	-	-	-	-
- Arbutus Constructions Limited	-	-	-	21.50
Loans taken				
(Maximum balance outstanding during the year):				
- Pushpanjli Fincon Private Limited	-	-	-	-
- Pushpanjli Finsolutions Private Limited	-	-	-	-
Share capital				
Issue of preference shares				
- Pushpanjli Finsolutions Private Limited	-	-	-	-
- Indiabulls Distribution Services Limited	2,750.00	-	-	-
Redemption of preference share capital				
- Pushpanjli Fincon Private Limited	-	-	-	-
- Pushpanjli Finsolutions Private Limited	-	-	-	-
Interest income				
- Pushpanjli Fincon Limited	-	7.74	7.69	0.02
- Gyansagar Buildtech Limited	0.48	10.62	15.43	15.44
- Arbutus Constructions Limited	-	-	-	1.54
- Pushpanjli Finsolutions Private Limited	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

Expenses

Interest expense

- Pushpanjali Fincon Private Limited

Professional/ consultancy fees

- Pushpanjali Fincon Limited	-	7.50	-	-
- India Land and Properties Limited	-	62.50	-	-
- Astilbe Builders Limited	-	-	-	0.25
- Silenus Buildtech Limited	-	-	-	0.15
- Astraea Constructions Limited	-	-	-	0.85

Transaction with key management personnel

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Remuneration				
- Pinank Jayant Shah	20.02	-	-	-
- Joginder Singh	0.34	0.77	0.61	0.50
- Ravinder	0.34	0.77	0.61	0.50

(c) Outstanding balances with related parties

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Holding company				
Loans given	-	130.00	-	-
Deposits	26.66	-	-	-
Corporate guarantees taken	31,000.00	-	-	-
Fixed deposits pledged	120.00	-	-	-
Fellow subsidiaries				
Loans given	-	272.34	215.52	208.34

In accordance with AS 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships are given above are as identified by the Company and relied upon by the Auditors.

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 28

Earnings per share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of employee stock option plan as appropriate.

	<u>Year ended</u> <u>31 March 2018</u>	<u>Year ended</u> <u>31 March 2017</u>	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
Net profit available for equity shareholders (Rs.)	1,915.22	66.94	13.77	4.35
Weighted average number of equity shares used for computing basic earnings per equity share	15.25	2.41	2.32	2.32
Weighted average number of equity shares used for computing diluted earnings per equity share	19.74	2.41	2.32	2.32
Face value of equity shares - (Rs.)	10.00	10.00	10.00	10.00
Earnings per equity share - basic (Rs.)	125.57	27.75	5.94	1.88
Earnings per equity share - diluted (Rs.)	97.01	27.75	5.94	1.88

Note - 29

The Company has taken office premises on operating lease at various locations and lease rent amounting to Rs. 85.56 millions (31 March 2017: Rs. 0.05 millions; 31 March 2016: Rs 0.36 millions and 31 March 2015: Rs 0.41 millions) in respect of the same have been charged to Statement of Profit and Loss. The agreements have been executed for a period ranging from 5 years to 9 years with a renewable clause and also provide for termination at will by either party giving a prior notice period of 30 to 90 days. The minimum lease rental outstanding are as under:

	<u>As at</u> <u>31 March 2018</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>	<u>As at</u> <u>31 March 2015</u>
Within one year	138.98	-	-	0.39
One to five years	547.72	-	-	-
More than five years	303.03	-	-	-

Note - 30

Expenditure in foreign currency:

	<u>Year ended</u> <u>31 March 2018</u>	<u>Year ended</u> <u>31 March 2017</u>	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
Software charges	2.12	-	-	-

Note - 31

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) - Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

Capital commitments at the balance sheet date as follows:

	<u>Year ended</u> <u>31 March 2018</u>	<u>Year ended</u> <u>31 March 2017</u>	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
Capital commitments	12.60	-	-	-

Note - 32

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

	<u>As at</u> <u>31 March 2018</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>	<u>As at</u> <u>31 March 2015</u>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.72	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 33

Employee benefits

Defined contribution plans:

Contributions are made to Government Provident Fund, National pension scheme, ESIC and other statutory funds which cover all eligible employees under applicable acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 5.55 millions (31 March 2017: Rs. 0.00 millions; 31 March 2016: Rs. 0.00 millions and 31 March 2015: Rs. 0.00 millions) in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Defined benefits plan:

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 (Revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosures in respect of defined benefit plan i.e. unfunded gratuity:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Reconciliation of liability recognized in the balance sheet:				
Present value of commitments (as per actuarial valuation)	15.89	0.75	0.52	0.49
Fair value of plans	-	-	-	-
Net liability in the balance sheet (actuals)	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>
Movement in net liability recognized in the balance sheet:				
Net liability as at beginning of the year	0.75	0.52	0.49	0.16
Net expense recognized in the statement of profit and loss	10.17	0.23	0.11	0.33
Acquisition adjustments (on account of transfer of employees)	5.97	-	-	-
Benefits paid during the year	(1.00)	-	(0.08)	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>
Expense recognized in the statement of profit and loss:				
Current service cost	3.56	0.07	0.05	0.06
Interest cost	0.18	0.04	0.04	0.01
Past service cost	2.34	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial losses	4.09	0.12	0.02	0.26
Expense charged to the statement of profit and loss	<u>10.17</u>	<u>0.23</u>	<u>0.11</u>	<u>0.33</u>
Reconciliation of defined-benefit commitments				
As at beginning of the year	0.75	0.52	0.49	0.16
Current service cost	3.56	0.07	0.05	0.06
Interest cost	0.18	0.04	0.04	0.01
Past service cost	2.34	-	-	-
Actuarial losses	4.09	0.12	0.02	0.26
Acquisition adjustments (on account of transfer of employees)	5.97	-	-	-
Benefits paid during the year	(1.00)	-	(0.08)	-
Commitments as at end of the year	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 33

Employee benefits (continued)

Disclosures in respect of other long-term benefits i.e. compensated absences:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Reconciliation of liability recognized in the balance sheet				
Present value of commitments (as per actuarial valuation)	6.21	0.19	0.13	0.12
Fair value of plans	-	-	-	-
Net liability in the balance sheet (actuals)	6.21	0.19	0.13	0.12
Movement in net liability recognized in the balance sheet				
Net liability as at beginning of the year	0.19	0.13	0.12	0.11
Net expense recognized in the statement of profit and loss	4.86	0.06	0.01	0.01
Acquisition adjustments (on account of transfer of employees)	1.17	-	-	-
Benefits paid during the year	(0.01)	-	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	6.21	0.19	0.13	0.12
Expense recognized in the statement of profit and loss				
Current service cost	1.55	0.02	0.01	0.02
Interest cost	0.05	0.01	0.01	0.01
Past service cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial losses	3.26	0.03	(0.01)	(0.02)
Expense charged to the statement of profit and loss	4.86	0.06	0.01	0.01
Reconciliation of other long term benefits				
As at beginning of the year	0.19	0.13	0.12	0.11
Current service cost	1.55	0.02	0.01	0.02
Interest cost	0.05	0.01	0.01	0.01
Past service cost	-	-	-	-
Actuarial losses	3.26	0.03	(0.01)	(0.02)
Acquisition adjustments (on account of transfer of employees)	1.17	-	-	-
Benefits paid during the year	(0.01)	-	-	-
Commitments as at end of the year	6.21	0.19	0.13	0.12
Discount rate – gratuity and compensated				
Discount rate – gratuity and compensated	7.80%	7.35%	8.00%	8.25%
Expected rate of salary increase	5.00%	5.00%	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Experience adjustment:				
	31 March 2018	Gratuity (unfunded)		31 March 2015
		31 March 2017	31 March 2016	
On plan liabilities (gain)	(8.37)	(0.05)	0.00	(0.24)
On plan assets (gain/ (loss))	-	-	-	-
Present value of benefit obligation	15.89	0.75	0.52	0.49
Fair value of plan assets	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	15.89	0.75	0.52	0.49
Experience adjustment:				
	31 March 2018	Compensated absences		31 March 2015
		31 March 2017	31 March 2016	
On plan liabilities (gain)	(3.90)	(0.00)	0.02	0.02
On plan assets (gain/ (loss))	-	-	-	-
Present value of benefit obligation	6.21	0.19	0.13	0.12
Fair value of plan assets	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	6.21	0.19	0.13	0.12

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 34

In terms of RBI/2014-15/299 DNBR (PD) CC.No. 002/03.10.001/2014-15 dated 10 November 2014 as amended, every Non Banking Financial Company ("NBFC") is required to make a general provision on standard assets at 0.40 percent (31 March 2017: 0.30 percent) of the outstanding standard assets as at the year end. Accordingly, the Company has recognized contingent provisions against standard assets of Rs. 163.31 millions as at 31 March 2018 (31 March 2017: Rs. 3.68 millions; 31 March 2016:Rs 2.00 millions and 31 March 2015: Rs.1.81 millions) in the Statement of Profit and Loss.

Note - 35

Schedule in terms of Annexure I of Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015;

Liabilities side:	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:								
(a) Debentures : Secured	1,000.93	-	-	-	-	-	-	-
(other than falling within the meaning of public deposits) : Unsecured	-	-	-	-	-	-	-	-
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) Term loans	27,904.33	-	-	-	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-	-	-
(e) Commercial paper	2,500.00	-	-	-	-	-	-	-
(f) Other loans - vehicle loan	5.87	-	-	-	-	-	-	-
Assets side:								
					Amount outstanding			
					As at	As at	As at	As at
					31 March 2018	31 March 2017	31 March 2016	31 March 2015
(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:								
(a) Secured					18,792.65	-	-	-
(b) Unsecured					21,225.67	919.10	665.55	722.90
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities								
(i) Lease assets including lease rentals under sundry debtors								
(a) Financial lease					-	-	-	-
(b) Operating lease					-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors								
(a) Assets on hire					-	-	-	-
(b) Repossessed Assets					-	-	-	-
(iii) Other loans counting towards AFC activities								
(a) Loans where assets have been repossessed					-	-	-	-
(b) Loans other than (a) above					-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

(4) Break-up of Investments :

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Current investments:				
1. Quoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
2. Unquoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	3,764.45	1,125.00	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
Long-term investments:				
1. Quoted:				
(i) Shares:				
(a) Equity	677.23	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-
2. Unquoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (please specify)	-	-	-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

	Amount net of provisions as at 31 March 2018		Amount net of provisions as at 31 March 2017		Amount net of provisions as at 31 March 2016		Amount net of provisions as at 31 March 2015	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1. Related parties								
(a) Holding company	-	-	-	130	-	-	-	-
(b) Companies in the same group	-	-	-	272.34	-	215.52	-	208.34
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	18,792.65	21,225.67	-	516.76	-	450.03	-	514.56
Total	18,792.65	21,225.67	-	919.10	-	665.55	-	722.90

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)
1. Related parties								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	4,488.26	4,441.68	1,125	1,125	-	-	-	-
Total	4,488.26	4,441.68	1,125	1,125	-	-	-	-

(7) Other information:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(I) Gross non-performing assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	20.80	-	-	-
(II) Net non-performing assets				
(a) Related parties	-	-	-	-
(b) Other than related parties	18.72	-	-	-

(III) Assets acquired in satisfaction of debt

Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated 10 November 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

(i) Disclosure for capital to risk assets ratio (CRAR):-

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(i) CRAR (%)	36.67%	90.04%	108.51%	108.70%
(ii) CRAR - Tier I Capital (%)	36.31%	88.92%	108.20%	107.48%
(iii) CRAR - Tier II Capital (%)	0.36%	1.11%	0.31%	1.22%

(ii) Exposure to real estate sector:-

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Direct exposure				
(i) Residential mortgages:				
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-	-	-
(ii) Commercial real estate:				
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	18,620.60	-	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:				
a. Residential	-	-	-	-
b. Commercial real estate	-	-	-	-

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the management for its regulatory submission which have been relied upon by the auditors.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

(iii) Maturity pattern of assets and liabilities as at 31 March 2018:	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	0.09	0.09	173.17	2,673.36	471.73	13,214.09	11,377.19	-
Market borrowings	-	-	2,500.00	-	1,000.00	-	-	-
Assets								
Advances	773.50	1,137.40	643.70	2,104.00	4,774.20	16,713.40	8,420.70	5,451.42
Investments	-	-	2,500.00	1,264.45	-	677.23	-	-
Maturity pattern of assets and liabilities as at 31 March 2017:	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-
Assets								
Advances	-	-	-	-	262.21	656.89	-	-
Investments	1,125.00	-	-	-	-	-	-	-
Maturity pattern of assets and liabilities as at 31 March 2016:	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-
Assets								
Advances	-	-	-	-	397.70	267.85	-	-
Investments	-	-	-	-	-	-	-	-
Maturity pattern of assets and liabilities as at 31 March 2015:	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-
Assets								
Advances	0.60	0.60	0.70	1.50	511.20	208.30	-	-
Investments	-	-	-	-	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

The Company has complied with the Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated 1 September 2016.

(iv) Capital to Risk Assets Ratio (CRAR)(Proforma)

CRAR (Proforma) (considering NIL risk weightage on Mutual fund investments):

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(i) Adjusted CRAR (%) - Proforma	40.00%	198.18%	108.51%	108.70%
(ii) Adjusted CRAR - Tier I Capital (%) - Proforma	39.61%	195.73%	108.20%	107.48%
(iii) Adjusted CRAR - Tier II Capital (%) - Proforma	0.39%	2.45%	0.31%	1.22%

Note - 36

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014 :

i. Investments

Particulars

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Value of investments				
A. Gross value of investments				
a) In India	4,441.68	1,125.0	-	-
b) Outside India	-	-	-	-
Provision for depreciation				
a) In India	-	-	-	-
b) Outside India	-	-	-	-
Net value of investments				
a) In India	4,441.68	1,125.00	-	-
b) Outside India	-	-	-	-
B. Movement of provisions held towards depreciation on investments.	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 36 (continued)

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil and 31 March 2015: Rs. Nil)

iii. Disclosures relating to Securitisation:

The Company has no securitisation during the year. (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil and 31 March 2015: Rs. Nil)

iv. Exposure to capital markets

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,975.71	-	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	172.15	-	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-	-	-
Total exposure to capital market	2,147.86	-	-	-

v. Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

vi. Penalties imposed by RBI and other Regulators

No penalties have been imposed by RBI during the financial year 2017-18 (FY 2016-17 - NIL; FY 2015-16 - Nil; FY 2014-15: Nil).

vii. Details of financing of parent company products

There is no financing during the preceeding five years.

viii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

ix. Advance against intangible securities

The Company has not given any loans against intangible securities.

x. Draw down from reserves

The Company has made no drawdown from reserves.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION****Note - 36 (continued)****xi. Concentration of advances, exposures & NPA's *****a. Concentration of advances**

	As at 31 March 2018
Total advances to twenty largest borrowers	4,017.95
Percentage of advances to twenty largest borrowers to total advances of the NBFC	10.04%

b. Concentration of exposures

	As at 31 March 2018
Total exposures to twenty largest borrowers	4,017.95
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	10.04%

c. Concentration of NPA's

	As at 31 March 2018
Total exposure to top four NPA accounts	16.13

d. Sector-wise distribution of NPA's**Particulars**

	Percentage of NPA's to total advances in that sector As at 31 March 2018
Agriculture and allied activities	0.00%
MSME	0.00%
Corporate borrowers	0.02%
Services	0.03%
Unsecured personal loans	0.00%
Auto loans	0.00%
Other personal loans	0.00%

* The Company is not required to state disclosures pertaining to earlier years since the Company become systematically important as per RBI Prudential Norms in financial year 2017-18.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 36 (continued)

xii. Movement of NPAs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
a. Net NPAs to Net Advances (%)	0.05%	-	-	-
b. Opening gross NPA	-	-	-	-
Add : Addition during the year	20.80	-	-	-
Less: Upgraded during the year	-	-	-	-
Less: Recoveries during the year	-	-	-	-
Less: Write off	-	-	-	-
Closing Gross NPA	20.80	-	-	-
c. Opening Net NPAs	-	-	-	-
Add: Addition during the year	18.72	-	-	-
Less: Upgraded during the year	-	-	-	-
Less: Recoveries during the year	-	-	-	-
Less: Write off	-	-	-	-
Closing Net NPAs	18.72	-	-	-
d. Movement of provisions for NPA (excluding provisions on standard assets)				
Opening balance	-	-	-	-
Provision made during the year	122.33	-	-	-
Write off/write back of excess provisions	-	-	-	-
Less: Write off	119.96	-	-	-
Closing balance	2.37	-	-	-

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

xv. The Company has been assigned the following credit ratings:

Instruments

Instruments	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Non- convertible debentures of Rs. 1,500 crores	CARE AA; Stable	-	-	-
Commercial paper facility of Rs. 750 crores	[Double A; Outlook: Stable] CARE A1+ (A One plus)	-	-	-
Bank loan facilities (Short-term and long-term) of Rs. 5,250 crores	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus]	-	-	-
Commercial paper facility of Rs. 350 crores	BWR A1+	-	-	-

xvi. Customer complaints

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
No. of complaints pending at the beginning of the year	-	-	-	-
No. of complaints received during the year	59.00	-	-	-
No. of complaints redressed during the year	58.00	-	-	-
No. of complaints pending at the end of the year	1.00	-	-	-

Note - 37

Employee stock options

31 March 2018

Employee Stock Option Scheme of Indiabulls Ventures Limited (IVL) "the holding Company":

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, IVL had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, IVL was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of IVL. Employees covered by the plan were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IVL ESOP - 2008			
	20,000,000	9,700,000	500,000	880,600
	Options	Options	Options	Options
		Regranted	Regranted	Regranted
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Expected volatility *	79.00%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
Option Life (Weighted Average) (in years)	11	6	6	6
Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended March 31, 2010, IVL had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IVL ESOP - 2009"). Under the Scheme, IVL was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of IVL and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Limited, as on 9 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2016, the Compensation Committee had regranted under the IVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in IVL, at an exercise price of Rs. 27.45, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 16.00 and Rs. 24.15 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 2 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL has received request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION
Note - 37 (continued)

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The other disclosures in respect of the above stock option schemes are as under:

Options granted (Nos.)	IVL ESOP - 2008			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1st yr. - 15% 2nd yr. to 9th yr. - 10% each yr. 10th yr. -	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Jan 25 th each year, commencing 25 January 2010	Jul 2 nd each yr., commencing 2 July 2017	Sept 2 nd each yr., commencing 2 September 2018	Mar 25 th each yr., commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding at the end of the year (Nos.)	1,277,866	9,700,000	500,000	880,600
Vested and exercisable at the end of the year (Nos.)	922,314	1,940,000	-	-
Remaining contractual life (weighted months)	56	75	89	96

Options granted (Nos.)	IVL ESOP - 2009						
	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Uniformly over a period of ten yrs.	Uniformly over a period of ten yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Dec 2 nd each yr, commencing 2 Dec 2010	Apr 13 th each yr, commencing 13 Apr 2011	Aug 26 th each yr, commencing 26 Aug 2016	May 13 th each yr, commencing 13 May 2017	Jul 2 nd each yr, commencing 2 July 2017	Sept 2 nd each yr, commencing 2 Sept 2018	Mar 25 th each yr, commencing 25 Mar 2018
Exercise price (Rs.)	35.35	31.25	27.45	16.00	24.15	219.65	254.85
Outstanding at the beginning of the year	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding at the end of the year	-	150,000	-	7,152,500	-	9,970,000	669,400
Exercisable at the end of the year (Nos.)	-	-	-	72,500	-	-	-
Remaining contractual life (Weighted)	-	72	-	79	-	89	96

* Net of options surrendered before vesting.

Note - 37 (continued)

31 March 2017

Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the ultimate holding Company":

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" ("Scheme") in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies (including step down subsidiaries) including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries (including step down subsidiaries) covered by the Scheme were granted an option to purchase shares of IVL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IVL administered the plan.

The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries), at an exercise price of Rs 17.40, which was the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009, following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidance Note"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2008 9,700,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2008	
	20,000,000 Options	9,700,000 Options Regranted
(1) Exercise price	Rs. 17.40	Rs. 24.15
(2) Expected volatility *	79%	42.97%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil
(4) Option Life (Weighted Average)	11 Years	6 Years
(5) Expected Dividends yield	22.99%	10.82%
(6) Risk Free Interest rate	6.50%	7.45%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters	Re. 0.84	Rs. 4.31

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 had authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009"). The options covered thereunder would be granted, at market price on the day of prior to the date of grant and on such terms and conditions as may be decided by the Board of Directors of IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries). The Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on December 1, 2009, granted, under the "IBVL ESOP - 2009" 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on May 12, 2016, has regranted under the IBVL ESOP - 2009 9,500,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 16.00, being the latest available closing market price on the National Stock Exchange of India Ltd., as on May 11, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from May 13, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2009 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

No. of Shares	IBVL ESOP - 2009				
	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45	Rs. 16.00	Rs. 24.15
(2) Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%
(3) Expected forfeiture percentage on	Nil	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years	6 Years	6 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%	7.45%	7.45%
The fair value of the options under the	Rs. 6.48	Rs. 9.39	Rs. 4.77	Rs. 1.38	Rs. 4.31

* The expected volatility was determined based on historical volatility data.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 37 (continued)

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes are as under:-

	IBVL ESOP - 2008		IBVL ESOP - 2009				
	20,000,000	9,700,000 (Regrant)	10,000,000	2,050,000	1,00,00,000 (Regrant & Surrendered)	9,500,000 (Regrant)	1,00,00,000 (Regrant & Surrendered)
Options granted (Nos.)							
Vesting Period and Percentage	Ten years, 1st Year - 15% , 2nd year to 9th year - 10% each year, 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13th , 2011	August 26th each year, commencing August 26, 2016	May 13 th each year, commencing May 13, 2017	July 2 nd each year, commencing July 2, 2017
Exercise Price (Rs.)	17.40	24.15	35.25	31.35	27.45	16.00	24.15
Outstanding at the beginning of the year	4,884,894	-	-	500,000	10,000,000	-	-
Regrant Addition	-	9,700,000	NA	NA	NA	9,500,000	10,000,000
Options vested during the year #	708,808	-	-	50,000	-	-	-
Exercised during the year	2,687,378	-	-	-	-	-	-
Expired during the year	57,050	-	-	50,000	-	-	-
Surrendered and eligible for re-grant during the year	614,150	-	-	-	10,000,000	347,000	10,000,000
Outstanding at the end of the year	1,526,316	9,700,000	-	450,000	-	9,153,000	-
Exercisable at the end of the year	463,107	-	-	250,000	-	-	-
Remaining contractual Life (Weighted Months)	64	88	-	48	-	86	-

#Net of options surrendered before vesting

(This space has left intentionally blank)

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" ("Scheme") in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies (including step down subsidiaries) including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries (including step down subsidiaries) covered by the Scheme were granted an option to purchase shares of IVL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IVL administered the plan.

The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries), at an exercise price of Rs 17.40, which was the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009, following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidance Note"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

	IBVL ESOP - 2008
(1) Exercise price	Rs. 17.40
(2) Expected volatility *	79%
(3) Expected forfeiture percentage on each vesting date	Nil
(4) Option Life (Weighted Average)	11 Years
(5) Expected Dividends yield	22.99%
(6) Risk Free Interest rate	6.50%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Re. 0.84

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 had authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009"). The options covered thereunder would be granted, at market price on the day of prior to the date of grant and on such terms and conditions as may be decided by the Board of Directors of IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries). The Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on December 1, 2009, granted, under the "IBVL ESOP - 2009" 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on April 12, 2010, granted, under the "IBVL ESOP - 2009" 2,050,000 Stock Options representing an equal number of equity shares of face value Rs.2/- each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., as on April 9, 2010. The Stock Options so granted, vest uniformly within 10 years beginning from April 13, 2011 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date. Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on August 25, 2015, regranted surrendered and lapsed options eligible for regrant under the IBVL ESOP - 2009 1,00,00,000 (one Crore) Stock Options representing an equal number of equity shares of face value of Rs. 2/-each in the Company, at an exercise price of Rs.27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

No. of Shares	IBVL ESOP - 2009		
	10,000,000	2,050,000	10,000,000 (Regrant)
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45
(2) Expected volatility *	77%	48.96%	38.59%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Rs.6.48	Rs.9.39	Rs.4.77

* The expected volatility was determined based on historical volatility data.

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes are as under:-

	IBVL ESOP - 2008	IBVL ESOP - 2009	
	20,000,000	20,000,000	
	20,000,000	10,000,000	2,050,000 1,00,00,000 (Regrant)
Total Options under the Scheme			
Options granted (Nos.)	Ten yrs,	Uniformly over a	Uniformly over a
Vesting Period and Percentage	1st Yr - 15% , 2nd yr to 9th yr - 10% each yr, 10th yr - 5%	period of Ten yrs	period of Ten yrs
Vesting Date	Jan 25th each yr, commencing Jan 25, 2010	Dec 2nd each yr, commencing Dec 2, 2010	Apr 13th each yr, commencing Apr 13th , 2011
Exercise Price (Rs.)	17.40	35.25	31.35
Outstanding at the beginning of the year (Nos.)	6,213,404	--	500,000
Options vested during the year (Nos.)#	915,808	--	50,000
Exercised during the year (Nos.)	706,460	--	--
Expired during the year (Nos.)	281,900	--	--
Surrendered and eligible for re-grant during the year(Nos.)	340,150	--	--
Outstanding at the end of the year (Nos.)	4,884,894	--	500,000
Exercisable at the end of the year (Nos.)	2,599,127	--	100,000
Remaining contractual Life (Weighted Months)	58	Nil	78
#Net of options surrendered before vesting			89

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL has cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and establish a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries covered by the scheme were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee at its meeting held on January 24, 2009, has granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme - 2008" ("IBSL ESOP - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in the Company, to the Eligible Employees, at an exercise price of Rs 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Particulars	IBSL ESOP - 2008
(1) Exercise price	Rs. 17.40
(2) Expected volatility *	79%
(3) Expected forfeiture percentage on	Nil
(4) Option Life (Weighted Average)	11 Years
(5) Expected Dividends yield	22.99%
(6) Risk Free Interest rate	6.50%
The fair value of the options under the	Re. 0.84

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 have authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Securities Limited Employees Stock Option Scheme - 2009' ("IBSL ESOP - 2009"). The options covered under the Scheme would be granted, at market price on the day of grant and on such terms and conditions as may be decided by the Board of IVL, to the eligible employees of IVL and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of IVL has, at its meeting held on December 1, 2009, granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme- 2009" ("IBSL ESOP - 2009)" 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, The Compensation Committee constituted by the Board of Directors of IVL has, at its meeting held on April 12, 2010, granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme- 2009" ("IBSL ESOP - 2009)" 2,050,000 Stock Options representing an equal number of equity shares of face value Rs.2/- each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., as on April 9, 2010. The Stock Options so granted, shall vest uniformly within 10 years beginning from April 13, 2011 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars No. of Shares	IBSL ESOP -2009	
	10,000,000	2,050,000
(1) Exercise price	Rs. 35.25	Rs. 31.35
(2) Expected volatility *	77%	48.96%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years
(5) Expected Dividends yield	13.48%	6.86%
(6) Risk Free Interest rate	7.50%	8.05%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Rs.6.48	Rs.9.39

* The expected volatility was determined based on historical volatility data.

There is no impact on the Company's net loss after taxes and earnings per share in respect of IBSL ESOS 2008 and IBSL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes

	IBSL ESOP - 2008		IBSL ESOP - 2009	
	20,000,000	20,000,000	10,000,000	2,050,000
Total Options under the Scheme				
Options granted (Nos.)	20,000,000	20,000,000	10,000,000	2,050,000
Vesting Period and Percentage	Ten years, 1st Year - 15% , January 25th each year, commencing January 25, 2010		`	Uniformly over a period of Ten April 13 th each year, commencing April 13 th , 2011
Vesting Date			December 2 nd each year, commencing December 2, 2010	
Exercise Price (Rs.)	17.40	35.25	35.25	31.35
Outstanding at the beginning of the year (Nos.)	9,935,525	--	--	500,000
Options vested during the year (Nos.)#	1,003,708	--	--	50,000
Exercised during the year (Nos.)	2,840,571	--	--	--
Expired during the year (Nos.)	406,800	--	--	--
Surrendered and eligible for re-grant (Nos.)	474,750	--	--	--
Outstanding at the end of the year (Nos.)	6,213,404	--	--	500,000
Exercisable at the end of the year (Nos.)	2,700,429	--	--	150,000
Remaining contractual Life (Weighted Months)	49	--	--	78
#Net of options surrendered before vesting				

Note - 38

Corporate social responsibility

In terms of section 135 of the Companies Act, 2013, the Company was to spend a sum of Rs. 0.66 million (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil and 31 March 2015: Rs. Nil) towards CSR activities during the year ended 31 March 2018. The details of amount actually spent by the Company are:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
a) Gross amount required to be spent by the Company	0.66	-	-	-
(b) Amount spent on				
- Construction/acquisition of any asset	-	-	-	-
- Any other purpose other than above*	0.66	-	-	-
- Yet to be paid	-	-	-	-
	<u>0.66</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 39

31 March 2018

Financial risk management

Market risk- Price risk

a) Exposure

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the balance sheet.

The Company's risk management policy is to hedge 100% of its market price fluctuation in respect of equity securities. The Company hedges its exposure to variability of expected fair value of the investments by entering into equity futures contract on a recognised stock exchange as part of its risk management policies with a maturity of less than one year from the reporting date. Such contracts are generally designated as fair value hedges.

The Company's equity investment are publicly traded and are included in the NSE Nifty 50 index.

Valuation techniques used to measure fair values

Specific valuation technique used to arrive at fair value of derivative contracts include the use of quoted market prices or dealer quotes or similar instruments.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risk

	Changes in fair value of hedging	Maturity date	Hedge ratio	Change in the value of hedged item used as the
Fair value hedge				
Market price risk				
Equity futures (loss)/gain	(44.03)	24 April 2018	1:1	46.59

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in fair value of hedging instrument	Change in fair value of hedged item	Hedge ineffectiveness recognised in Statement of Profit and Loss
Fair value hedge			
Equity futures (loss)/gain	(44.03)	46.59	2.56

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed.

(This space has left intentionally blank)

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 40

In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018 (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil and 31 March 2015: Rs. Nil).

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar

Partner

Membership No. 095256

Place: Noida

Date: 23 May 2019

Pinank Jayant Shah

Whole Time Director &
Chief Executive Officer

DIN: 07859798

Place: Mumbai

Date: 23 May 2019

Nafees Ahmed

Director

DIN: 03496241

Place: Gurugram

Date: 23 May 2019

Rajeev Lochan Agrawal

Chief Financial Officer

Manish Rustagi

Company Secretary

ANNEXURE F

For the annexure, please see the page below.

Indiabulls Consumer Finance Limited
(Formerly known as IVL Finance Limited)

Statement of dividend to equity share holders*
(All amounts in Rs. unless otherwise stated)

Particulars	For the year ended 31 March 2019
Equity shares (No. of shares)	24,551,565
Face value per equity share (Rs.)	10.00
Equity share capital (Rs. In million)	245.52
Rate of dividend (%)	188.50%
Dividend per equity share (Rs.)	18.85
Amount of dividend paid (Rs. In million)	462.80
Dividend distribution tax (Rs. In million)	95.13

*This Statement of dividend has been prepared based on Reformatted Consolidated and Standalone Financial Information under Ind AS.

For and on behalf of Indiabulls Consumer Finance Limited
(Formerly known as IVL Finance Limited)

Sd/-

Authorised Signatory
Date: 24 May 2019

Indiabulls Consumer Finance Limited
(Formerly known as IVL Finance Limited)

Statement of dividend to equity share holders*
(All amounts in Rs. unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Equity shares (No. of shares)	24,551,565	5,219,000	2,316,600	2,316,600
Face value per equity share (Rs.)	10.00	10.00	10.00	10.00
Equity share capital (Rs. In million)	245.52	52.19	23.17	23.17
Rate of dividend (%)	-	-	-	-
Dividend per equity share (Rs.)	-	-	-	-
Amount of dividend paid (Rs. In million)	-	-	-	-
Dividend distribution tax (Rs. In million)	-	-	-	-

*This Statement of dividend has been prepared based on Reformatted Financial Information under Indian GAAP.

ANNEXURE G

For the annexure, please see the page below.

Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)

Statement of Accounting ratios (Consolidated basis)

Particulars		<u>As at</u> <u>March 31, 2019</u>
Profit for the year, attributable to equity shareholders (Rs. In Millions)	A	4,001.66
Weighted average number of equity shares outstanding during the year used for computing Basic EPS (Nos.)	B	50,346,686
Add: Potential number of Equity Shares that could arise on issuance of compulsory convertible preference shares (Nos.)	C	5,500,000
Weighted average number of diluted equity shares outstanding during the year used for computing Diluted EPS (Nos.)	E= (B+C)	55,846,686
Total equity as at the end of the year (Rs. In Millions)	F	43,681.00
No. of equity shares outstanding at the end of the year	G	61,188,000
Earnings per Equity Share:		
(1) Basic (Rs.)	A/B	79.49
(2) Diluted (Rs.)	A/E	71.66
Return on total equity:	A/F	9.16%
Net Asset Value Rs. per share:	F/G	713.88

Notes:

- The figures disclosed above are based on the reformatted consolidated financial statements of the Company.
- The above statement should be read along with the Reformatted Consolidated Statement of Assets and Liabilities, Reformatted Consolidated Statement of Profit and Loss, Reformatted Summary of Significant Accounting Policies and other explanatory notes to Reformatted Consolidated Financial information for the year ended 31 March 2019.
- The Ratios have been computed as below:

(i) Basic earnings per share (Rs.)	=	<u>Net Profit after tax, attributable to equity shareholders</u> Weighted average number of equity shares outstanding during the year
(ii) Diluted earnings per share (Rs.)	=	<u>Profit for the year, attributable to equity shareholders</u> Weighted average number of diluted equity shares outstanding during the year
(iii) Return of Total equity (%)	=	<u>Profit for the year, attributable to equity shareholders</u> Total equity at the end of the year
(iv) Net asset value per equity share (Rs.)	=	<u>Total equity at the end of the year</u> Total number of equity shares outstanding at the end of year
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- Total equity includes Equity share capital and Other equity.
- The above computation should be read with Note No. 38 to reformatted consolidated financial information- Earnings per Equity Share (EPS).

**For and on behalf of Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)**

Sd/-
Authorised Signatory
Date: 24 May 2019

Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)

Statement of Accounting ratios (Standalone basis)

Particulars		As at March 31, 2019
Profit for the year, attributable to equity shareholders (Rs. In Millions)	A	4,001.94
Weighted average number of equity shares outstanding during the year used for computing Basic EPS (Nos.)	B	50,346,686
Add: Potential number of Equity Shares that could arise on issuance of compulsory convertible preference shares (Nos.)	C	5,500,000
Weighted average number of diluted equity shares outstanding during the year used for computing Diluted EPS (Nos.)	E= (B+C)	55,846,686
Total equity as at the end of the year (Rs. In Millions)	F	43,681.28
No. of equity shares outstanding at the end of the year	G	61,188,000
Earnings per Equity Share:		
(1) Basic (Rs.)	A/B	79.49
(2) Diluted (Rs.)	A/E	71.66
Return on total equity:	A/F	9.16%
Net Asset Value Rs. per share:	F/G	713.89

Notes:

- The figures disclosed above are based on the reformatted standalone financial statements of the Company.
- The above statement should be read along with the Reformatted Standalone Statement of Assets and Liabilities, Reformatted Standalone Statement of Profit and Loss, Reformatted Summary of Significant Accounting Policies and other explanatory notes to Reformatted Standalone Financial information for the year ended 31 March 2019.
- The Ratios have been computed as below:

(i) Basic earnings per share (Rs.)	=	$\frac{\text{Net Profit after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
(ii) Diluted earnings per share (Rs.)	=	$\frac{\text{Profit for the year, attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
(iii) Return of Total equity (%)	=	$\frac{\text{Profit for the year, attributable to equity shareholders}}{\text{Total equity at the end of the year}}$
(iv) Net asset value per equity share (Rs.)	=	$\frac{\text{Total equity at the end of the year}}{\text{Total number of equity shares outstanding at the end of year}}$
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- Total equity includes Equity share capital and Other equity.
- The above computation should be read with Note No. 38 to reformatted standalone financial information- Earnings per Equity Share (EPS).

**For and on behalf of Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)**

Sd/-
Authorised Signatory
Date: 24 May 2019