



Indiabulls Consumer Finance Limited

(formerly IVL Finance Limited)

CIN:U74899DL1994PLC062407

Regd. Off: M - 62 & 63, First Floor, Connaught Place, New Delhi-110001
Email: helpdesk@indiabulls.com, Tel: 011-30252900, Fax: 011-30156901
Website: www.indiabullsconsumerfinance.com

Annual Report 2018-19

CORPORATE INFORMATION

Board of Directors

Mr. Gagan Banga
Mr. Pinank Jayant Shah
Mr. Ajit Kumar Mittal
Mr. Nafees Ahmed
Ms. Preetinder Virk
Mr. Labh Singh Sitara
Mr. Alok Kumar Misra

CFO

Mr. Rajeev Lochan Agrawal

Company Secretary

Mr. Manish Rustagi

Statutory Auditors

Walker Chandio & Co LLP
(A member of Grant Thornton International)
Chartered Accountants
L 41, Connaught Circus,
New Delhi 110 001

Internal Auditors

SARH and Associates
Chartered Accountants
RA-505, Sadar Bazar, Nearly Liberty Back
Side, Karnal 132001, Haryana

Secretarial Auditors

A.K. Kuchhal & Co.
Company Secretaries,
C-154, Sector-51,
Noida- 201301

Registered Office

M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001
Email: helpdesk@indiabulls.com
Tel: 011-30252900, Fax: 011-30156901
Website: www.indiabullsconsumerfinance.com

Corporate Offices

Indiabulls House, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road,
Mumbai – 400 013, Maharashtra

Indiabulls House,
448-451, Udyog Vihar, Phase-V,
Gurugram – 122 016, Haryana

Registrar & Transfer Agent

Karvy Fintech Private Limited
Unit: Indiabulls Commercial Credit Limited,
Karvy Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032, Telangana

Bankers

- Axis Bank Limited
- Central Bank of India Limited
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IndusInd Bank Limited
- Indian Overseas Bank Limited
- Kotak Mahindra Bank Limited
- Lakshmi Vilas Bank Limited
- National Bank for Agriculture and Rural Development
- Punjab and Sind Bank Limited
- RBL Bank Limited
- South Indian Bank Limited
- State Bank of India Limited
- Syndicate Bank Limited
- United Bank of India Limited
- Vijaya Bank Limited
- Yes Bank Limited



INDIABULLS CONSUMER FINANCE LIMITED

(formerly IVL Finance Limited)

(CIN: U74899DL1994PLC062407)

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001

Email: helpdesk@indiabulls.com, Tel: 0124-6681199, Fax: 0124-6681240

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present to you, the 25th Annual Report together with the Audited Accounts for the year ended March 31, 2019.

FINANCIAL RESULTS

Summary of the Financial Results for the the year ended March 31, 2019 are as under:

| Particulars | (Amount in Rs. Lakhs) | |
|---|---|---|
| | For the Year ended March 31, 2019 Ind AS | For the Year ended March 31, 2018 GAAP |
| Profit before Tax and Depreciation | 55,230.40 | 25,539.04 |
| <i>Less:</i> Depreciation and amortization expense | 1,890.83 | 560.82 |
| Profit before Tax | 53,339.57 | 24,978.21 |
| <i>Less:</i> Provision for Tax | 13,320.17 | 5,826.11 |
| Profit after Tax | 40,019.40 | 19,152.10 |
| Profit/ (Loss) brought forward | 14,342.57 | 1,250.29 |
| Add: Other comprehensive income | (28.99) | - |
| Add: Transfer from share options outstanding account | 12.76 | - |
| Amount available for appropriation | 54,345.74 | 20,402.39 |
| Appropriation | | |
| Transfer to Reserve Fund (u/s 45 IC of the RBI Act 1934) | 7,998.08 | 3,830.42 |
| Transfer to Debenture redumption reserve | 416.54 | - |
| Dividends (including dividend distribution tax) during the year | 5,579.27 | - |
| Balance carried forward to Balance Sheet | 40,351.85 | 16,571.97 |

BUSINESS REVIEW

During the FY ended March 31, 2019, the Company earned a Profit after Tax of Rs. 40,019.40 lakh. In view of growing business activities, the profitability of the Company is expected to grow in the coming years.

STATE OF COMPANY'S AFFAIRS

Your Company is an emerging player in retail finance business. Your company provides Personal and SME loans products based on various financial needs of customers. Personal loan is one of the fastest growing segments of the retail lending market. The MSME sector contributes one third of the country's GDP. Given the large opportunity for growth in Personal loan & SME sector, company continues to creating differentiation and expand its operations. During the year under review, there were no changes in the nature of business of the Company.

DIVIDEND

The Board of Directors of the Company had declared an Interim Dividend of Rs. 18.85/- per Equity Share, for the financial year 2018-19.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2018-19, Mrs. Manjari Ashok Kacker was appointed as Non-Executive Director of the Company w.e.f. April 3, 2018 and ceased to be director w.e.f. December 4, 2018. Ms. Preetinder Virk was appointed as Additional Director of the Company, by the Board of Directors of the Company, in its meeting held on December 04, 2018. Being Additional Director, Ms. Preetinder Virk hold office as such, upto the date of ensuing Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Nafees ahmed (DIN: 03496241) Director, retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

All the present Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act 2013.

RATING UPGRADES

Indiabulls Consumer Finance Limited [ICFL] has Long term credit rating of AA+ from Brickwork Ratings & AA rating from CARE. Company also has secured Short term Credit rating of A1+ from CRISIL, a Standard & Poor's company & ICRA, a Moody's Investors service company, CARE Ratings and Brickwork Ratings

REGULATORY GUIDELINES

Reserve Bank of India (RBI) is the regulator for Non-Banking Financial Companies. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

CHANGE IN NAME OF THE COMPANY

During the year under review, the name of the Company has been changed from 'IVL Finance Limited' to 'Indiabulls Consumer Finance Limited' with effect from September 18, 2018.

SHARE CAPITAL

During the Financial Year 2018-19, the Company has increased authorized share capital from Rs. 64,00,00,000/- divided into 5,85,00,000 Equity Shares of Rs. 10/- each and 55,00,000 Preference Shares of Rs. 10/- each, to Rs. 85,50,00,000/- divided into 8,00,00,000 Equity Shares of Rs. 10/- each and 55,00,000 Preference Shares of Rs. 10/- each, w.e.f. November 28, 2018.

The paid up equity share capital of the Company as on March 31, 2019, was Rs. 61,18,80,000/- comprising of 6,11,88,000 equity shares of face value of Rs. 10/- each. During the year under review an aggregate of 3,66,36,435 equity shares of face value of Rs. 10/- each were issued and allotted under the Rights Issue & Preferential Issue of the Company to Indiabulls Ventures Limited, holding company and 55,00,000 preference shares of face value of Rs. 10/- were redeemed by the Company.

BORROWINGS

The Company primarily sources funds through Term Loans, Non-Convertible Debentures (NCDs) and Commercial Paper (CP). The outstanding debt (as per Ind AS) as on March 31, 2019 was Rs. 715,483.01 lakh as compared to Rs. 313,015.68 lakh as on March 31, 2018.

NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has successfully raised Rs. 6,26,20,53,000 by issue of Secured, Redeemable, Non-Convertible Debentures of face value of INR 1000/- each (“NCDs”) through Public Issue. These NCDs are listed on National Stock Exchange of India Limited and BSE Limited. These NCDs have been assigned a rating of “CARE AA; Stable (pronounced as Double A; Outlook: Stable)” by “CARE Ratings” and BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable) by Brickwork Ratings India Private Limited.

During the year under review, the Company has also raised Rs. 175,00,00,000 by issue of Secured, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- each (“NCDs”) through Private Placement. These NCDs are listed on National Stock Exchange of India Limited and BSE Limited. These NCDs have been assigned a rating of “CARE AA; Stable (pronounced as Double A; Outlook: Stable)” by “CARE Ratings”. The Company has also redeemed NCDs amounting to Rs. 100 Crores during the year under review.

ADDRESS FOR CORRESPONDENCE

(i) Registered Office:

M-62 & 63, First Floor,
Connaught Place,
New Delhi - 110 001
Email: helpdesk@indiabulls.com
Tel: 011 3025 2900, Fax: 011 3015 6901
Website: www.indiabullsconsumerfinance.com

(ii) Corporate Office:

(a) “Indiabulls House”
448-451, Udyog Vihar, Phase V,
Gurugram – 122 016, Haryana
Tel: 0124 668 1199, Fax: 0124 668 1240

(b) Indiabulls House, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road,
Mumbai – 400 013, Maharashtra
Tel: 022 6189 1000, Fax: 022 6189 1421

DEBENTURE TRUSTEES

(I) Beacon Trusteeship Limited
4C & D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Club,
Bandra (East), Mumbai- 400051
Tel: 022-26558759
Fax: 022-26558761
Email: contact@beacontrustee.co.in
Website: www.beacontrustee.co.in

(II) IDBI Trusteeship Services Limited
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel: 022 40807000
Fax: 022 66311776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

REGISTRAR & TRANSFER AGENT

Karvy Fintech Private Limited
(Formerly known as KCPL Advisory Services Private Limited)
Karvy Selenium, Tower B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032
Tel : 040-6716 2222,
Fax: 040-23001153
Email: support@karvy.com
Website: www.karvyfintech.com

PUBLIC DEPOSITS

Being a Non Deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

AUDITORS

(a) Statutory Auditors

M/s Walker Chandiook & Co LLP (Firm Regn. No. 001076N/N500013) (a member of Grant Thornton International), the statutory auditors of the Company were appointed by the members in

their 23rd Annual General Meeting, held on September 29, 2017, for a period of five years i.e. until the conclusion of the 28th Annual General Meeting of the Company.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2018-19. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2018-19, is annexed as **Annexure 1**, forming part of this Report. The Report is self-explanatory and therefore do not call for any further explanation.

(c) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2019 and the profit and loss of the company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis; and
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013, read with the relevant rules (to the extent applicable), not elsewhere mentioned in this Report, are as under:

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2019, pursuant to Section 92(3) of the Companies Act, 2013, in form MGT-9, are given in **Annexure 2** forming part of this Report as well as available on the website of the Company at <http://indiabullsconsumerfinance.com/>

BOARD MEETINGS

During the FY 2018-19, 9 (Nine) Board Meetings were convened by the Board of Directors of the Company.

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2018-19, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. Further, the Company, being a non-banking finance company and registered with the Reserve Bank of India, loans given, guarantees provided and investments made by it, were not covered under the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis.

Further, Your Directors wish to draw attention of the members to Notes to the financial statement which sets out related party disclosures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively.

MATERIAL CHANGES AND COMMITMENTS

The Company being a Non-Banking Finance Company is not required to use much of energy and technology absorption, however in compliance of Section 134(3) read with Rule – 8 of Companies (Accounts) Rules, 2014, the necessary reporting with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, is an under:

A. Conservation of Energy

The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

- a) Implementation of viable energy saving proposals.
- b) Installation of automatic power controllers to save maximum charges and energy.
- c) Awareness and training sessions, at regular intervals, to concerned operational personnel on opportunities of energy conservation and their benefits.

B. Technology Absorption

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience and efficient Human resource management, by implementing world class HRMS application and empowering them by providing mobile platform to manage their work while on the go.

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities.

C. Foreign Exchange Earnings and Outgo

The Company has incurred software expenses of Rs. 892.99 lakh and marketing expense Rs. 134.74 lakh in foreign currency amounting to during the year under review.

BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

PARTICULARS OF EMPLOYEES

The information of employees of the Company, employed by the Company through the year or part thereof, as required to be made in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure 3.

SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

During the financial year 2018-19, there is no subsidiary and joint ventutes of the Company. However, Transerv Private Limited having CIN: U93090MH2010PTC211328, became associate of the Company w.e.f. 29th March 2019.

COMPLIANCES

During the year, the Company has complied with all applicable regulations of the Reserve Bank of India. As per Non -Banking Finance Companies RBI Directions, 1998, the directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

The Company is an unlisted company as its shares are not listed on any stock exchange. However, as per the provisions of the Companies Act, 2013, the Company is considered as a Listed Company as its Secured, Redeemable, Non-Convertible Debentures (NCDs) issued on private placement basis and public issue basis are listed on National Stock Exchange of India Limited and BSE Limited. The Company has thus complied with all the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. The details of these committees are as under.

(A) Audit Committee

Composition

In compliance with the provisions of the Companies Act, 2013, the Board has duly constituted the Audit Committee which currently comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman and Mr. Alok Kumar Misra (Independent Director) and Mr. Ajit Kumar Mittal (Non-Executive Director) as members.

Terms of reference of Audit Committee

- 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.
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications , experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to assess the operational risks faced by the Company and also ensures that the information system audit of internal systems and processes is conducted periodically.

Meetings during the year

During the financial year ended March 31, 2019, the Committee met 4 (Four) times.

(B) Nomination & Remuneration Committee

Composition

In compliance with the provisions of the Companies Act, 2013, the Board has duly constituted the Nomination & Remuneration Committee (N&R Committee) which currently comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman, Mr. Alok Kumar Misra (Independent Director) and Mr. Nafees Ahmed (Non-Executive Director), as members.

Terms of reference of Nomination & Remuneration Committee

- To ensure 'fit and proper' status of all the directors on a continuing basis.
- To identify & advice Board in the matter of appointment and remuneration of Directors/KMPs.

Meetings during the year

During the financial year ended March 31, 2019, the Committee met 3 (Three) times.

Policy for selection and appointment of Directors

The (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Directors/KMP and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.

- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

(C) Corporate Social Responsibility Committee

Composition

In compliance with the provisions of the Companies Act, 2013, the Board has re-constituted Corporate Social Responsibility Committee in its meeting held on December 04, 2018, which currently comprises of four members, namely, Brig. Labh Singh Sitara (Retd.), (Independent Director), as Chairman, Mr. Pinank Jayant Shah, Mr. Ajit Kumar Mittal and Ms. Preetinder Virk, as members.

Terms of reference of Nomination & Remuneration Committee

- 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.
- To ensure compliance of all related applicable regulatory requirements.

Meetings and Attendance during the year

During the financial year ended March 31, 2019, the Committee met 2 (Two) times.

Projects undertaken

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the area of sanitation and nutrition, as per its CSR Policy and the details given in "Annexure 4", forming part of this Report. The project is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

(D) Stakeholder Relationship Committee

Composition

In compliance with the provisions of the Section 178(5) of Companies Act, 2013, the Company has duly constituted Stakeholder Relationship Committee w.e.f March 12, 2019. The current composition of Stakeholder Relationship Committee comprises of three members namely Brig. Labh Singh Sitara (Retd.), (Independent Director), as Chairman, Mr. Nafees Ahmed and Ms. Preetinder Virk, as members.

Terms of reference of Stakeholder relationship Committee

- (i) to consider and resolve the grievances of security holders of the Company.
- (ii) to approve requests for NCDs transfers and transmissions.
- (iii) to approve the requests pertaining to remat of NCDs/sub division/consolidation/issue of renewed and duplicate NCDs certificates etc.

Meetings during the year

No meeting was held during the Financial Year ended March 31, 2019.

BOARD EVALUATION

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Directors was carried out by the Independent Directors in their meeting held on January 14, 2019. The Directors expressed their satisfaction with the evaluation process.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company's Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- i. number of complaints filed during the financial year - Nil
- ii. number of complaints disposed of during the financial year - Nil
- iii. number of complaints pending as on end of the financial year- Nil

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

SECRETARIAL STANDARDS

The Board of Directors state that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) respectively relating to Meetings of the Board, its Committees and the General Meetings as issued by the Institute of Company Secretaries of India.

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Vigil Mechanism Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made all those who were connected with the Company, for their support during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 31, 2019

Sd/-
Pinank Jayant Shah
Whole-time Director
DIN : 07859798

Sd/-
Nafees Ahmed
Director
DIN : 03496241

ANNEXURE-1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Indiabulls Consumer Finance Limited

Formerly Known as IVL Finance Limited)

CIN U74899DL1994PLC062407

M-62 & 63, First Floor

Connaught Place, New Delhi-01

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indiabulls Consumer Finance Limited (*Formerly Known as IVL Finance Limited*) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

- (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not Applicable as there was no reportable event during the period under review]; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable [Not Applicable as there was no reportable event during the period under review];
- (vi) Other laws specifically applicable to the Company, namely:
- (a) All the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934
 - (b) Credit Information Companies (Regulation) Act, 2005 and Rules

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

- i. Appointed Ms. Manjari Ashok Kacker as Non- Executive Director on the Board of the Company w.e.f. April 3, 2018 , who ceased to be director of the Company w.e.f. December 4, 2018.
- ii. Appointed Ms. Preetinder Virk as Non- Executive Director of the Company w.e.f. December 4, 2018.
- iii. During the period under review the Authorised Share Capital of the Company has been increased from Rs. 6,40,000,000/- divided into 5,85,00,000 Equity Shares of Rs. 10/- each and 55,00,000 Preference Shares of Rs. 10/- each to 8,55,000,000/- divided into 80,000,000 Equity Shares of Rs. 10/- each and 5,500,000 Preference Shares of Rs. 10/- each.
- iv. During the period under review the Company has redeemed 5,500,000 redeemable preference shares of Rs. 10/- each out of Proceeds of fresh issue of equity shares issued and allotted to Indiabulls Ventures Limited, holding company.
- v. During the period under review the Company has allotted 62,62,053 Secured Redeemable Non-Convertible Debentures of Rs. 1,000/- each, through Public Issue and 1750 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each, on preferential issue basis.
- vi. During the period under review an aggregate of 3,66,36,435 equity shares of face value of Rs. 10/- each were issued and allotted under the Rights Issue & Preferential issue of the Company to Indiabulls Ventures Limited, holding company.

For A. K. Kuchhal & Co.
Company Secretaries
Sd/-
(Robin Sen Giri)
Partner
C. P. 19074

Date: July 30, 2019

Place: Noida

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,

The Members,

Indiabulls Consumer Finance Limited

Formerly Known as IVL Finance Limited

CIN U74899DL1994PLC062407

M-62 & 63, First Floor

Connaught Place, New Delhi-01

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For A. K. Kuchhal & Co.
Company Secretaries
Sd/-
(Robin Sen Giri)
Partner
C. P. 19074

Date: July 30, 2019

Place: Noida

| |
|--|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2019 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|---|
| i | CIN | U74899DL1994PLC062407 |
| ii | Registration Date | 27-Oct-94 |
| iii | Name of the Company | INDIABULLS CONSUMER FINANCE LIMITED (formerly IVL FINANCE LIMITED) |
| iv | Category/Sub-category of the Company | Company Limited by Shares |
| v | Address of the Registered office & contact details | M - 62 & 63, First Floor, Connaught Place, New Delhi-110001 |
| vi | Whether listed company | Yes (Debt Listed) |
| vii | Name , Address & contact details of Registrar & Transfer Agent, if any. | Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel : 040-6716 2222 - Fax: 040-23001153 E-mail: einward.ris@karvy.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| Sl No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | FINANCIAL INTERMEDIATION | 6492 | 87.74% |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| Sl No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|-------------------------------|-----------------------|--------------------------------------|------------------------|---|
| 1 | Indiabulls Ventures Limited | L74999DL1995PLC069631 | Holding Company | 100% | Section 2(46) of Companies Act, 2013 |
| 2 | Transerv Private Limited | U93090MH2010PTC211328 | Associate Company | 33% | Section 2(6) of Companies Act, 2013 |

SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change |
|---|---|----------|------------|-------------------|---|----------|------------|-------------------|----------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) Individual/HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corporates* | 24,551,559 | 6 | 24,551,565 | 100% | 61,187,994 | 6 | 61,188,000 | 100% | 0% |
| e) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL:(A) (1) | 24,551,559 | 6 | 24,551,565 | 100% | 61,187,994 | 6 | 61,188,000 | 100% | 0% |
| (2) Foreign | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) NRI- Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 24,551,559 | 6 | 24,551,565 | 100% | 61,187,994 | 6 | 61,188,000 | 100% | 0% |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (B)(2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 24,551,559 | 6 | 24,551,565 | 100% | 61,187,994 | 6 | 61,188,000 | 100% | 0% |

*Includes 6 shares held by 6 individual nominees holding 1 equity share each on behalf of Indiabulls Ventures Limited (body corporate)

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year (C=B-A) |
|--------|------------------------------|---|--------------------------------------|--|-------------------------------------|--------------------------------------|--|---|
| | | No of shares | % of total shares of the company (A) | % of shares pledged/encumbered to total shares | No of shares | % of total shares of the company (B) | % of shares pledged/encumbered to total shares | |
| | Indiabulls Ventures Limited* | 24551565 | 100% | | 61188000 | 100% | 0 | 0% |
| | Total | 24551565 | 100% | 0 | 61188000 | 100% | 0 | 0% |

* along with its 6 individual nominees holding 1 equity share each

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year (01-April-18) | 24,551,565 | 100% | 24,551,565 | 100% |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment)* | | | | |
| | At the end of the year (31-March-19) | 61,188,000 | 100% | 61,188,000 | 100% |

* Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)

| S.No. | Name | Date | No. of Shares | % of total shares of the Company | Date wise Increase/Decrease in shareholding | Reason | No. of Shares (cumulative) | % of total shares of the Company (cumulative) |
|-------|-----------------------------|---|---------------|----------------------------------|---|-----------|----------------------------|---|
| | | [beginning of the year (01-Apr-2018)/end of the year (31-Mar-2019)] | | | | | | |
| 2 | Indiabulls Ventures Limited | | | | 12/06/2018 28,901,735 (Increase) | Allotment | 53,453,300 | 100% |
| | | | | | 30/08/2018 4,139,700 (Increase) | Allotment | 57,593,000 | 100% |
| | | | | | 15/03/2019 3,595,000 (Increase) | Allotment | 61,188,000 | 100% |
| | | 31-Mar-19 | 61,188,000 | 100% | | | | |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|--------|-------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | NIL | NIL | | NIL | NIL |

The entire shareholding of the Company is held by its promoter i.e Indiabulls Ventures Limited.

(v) **Shareholding of Directors & KMP**
A) **Shareholding of Directors**

| Sl. No. | Name* | Shareholding | | | Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease | Cumulative Shareholding during the year (01-Apr-2018 to 31-Mar-2019) | |
|---------|-------|---|---------------|----------------------------------|--|--|----------------------------------|
| | | Date [beginning of the year (01-Apr-2018) /end of the year (31-Mar-2019)] | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| | NIL | | | | | | |

*The entire shareholding of the Company is held by its promoter, Indiabulls Ventures Limited.

B) **Shareholding of KMP**

| Sl. No. | Name* | Shareholding | | | Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease | Cumulative Shareholding during the year (01-Apr-2018 to 31-Mar-2019) | |
|---------|-------|---|---------------|----------------------------------|--|--|----------------------------------|
| | | Date [beginning of the year (01-Apr-2018) /end of the year (31-Mar-2019)] | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| | NIL | | | | | | |

*None of the Directors or Key Managerial Personnel holds any shares in the Company. The entire shareholding of the Company is held by its promoter i.e. Indiabulls Ventures Limited.

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtness at the beginning of the financial year | | | | | |
| i) Principal Amount | | 28,909,711,154 | 2,500,000,000 | - | 31,409,711,154 |
| ii) Interest due but not paid | | - | - | - | - |
| iii) Interest accrued but not due | | - | - | - | - |
| Total (i+ii+iii) | | 28,909,711,154 | 2,500,000,000 | - | 31,409,711,154 |
| Change in Indebtedness during the financial year | | | | | |
| Additions | | 34,902,053,000 | 87,317,000,250 | | 122,219,053,250 |
| Reduction | | 5,632,543,257 | 77,565,000,250 | | 83,197,543,507 |
| Net Change | | 29,269,509,743 | 9,752,000,000 | | 39,021,509,743 |
| the end of the financial year | | | | | |
| i) Principal Amount | | 58,179,220,897 | 12,252,000,000 | | 70,431,220,897 |
| ii) Interest due but not paid | | - | - | - | - |
| iii) Interest accrued but not due | | - | - | - | - |
| Total (i+ii+iii) | | 58,179,220,897 | 12,252,000,000 | - | 70,431,220,897 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount | |
|-------|--|--|---------------------------------------|--|--------------|------------|
| 1 | Gross salary | | Mr. Pinank Jayant Sheh (CEO & WTD) | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | - | 29,700,000 | | - | 29,700,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | 44,850 | | - | 44,850 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | | - | - |
| 2 | Stock option | - | - | | - | - |
| 3 | Sweat Equity | - | - | | - | - |
| 4 | Commission | - | - | | - | - |
| | as % of profit | - | - | | - | - |
| | others (specify) | - | - | | - | - |
| 5 | Others, please specify- Director Seating Fee | - | - | | - | - |
| | Total (A) | - | 29,744,850 | | - | 29,744,850 |
| | Ceiling as per the Act | Rs. 2651.43 lakh (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount |
|-------|---|---|----------------------|------------------|---------------------|---------------------|----------|----------|----------------|
| | | Brig. Labh Singh Sitara (Retd.) | Mr. Alok Kumar Misra | | | | | | |
| 1 | Independent Directors | | | | | | | | |
| | (a) Fee for attending board/ committee meetings | 763000 | 872000 | - | - | - | - | - | 1635000 |
| | (b) Commission | - | - | - | - | - | - | - | - |
| | (c) Others, please specify | - | - | - | - | - | - | - | - |
| | Total (1) | 763000 | 872000 | 0 | 0 | 0 | 0 | 0 | 1635000 |
| 2 | Other Non-Executive Directors | Mr. Ajit Kumar Mittal | Mr. Gagan Banga | Mr. Nafees Ahmed | Mrs. Manjari Kacker | Ms. Preetinder Virk | | | - |
| | (a) Fee for attending board/ committee meetings | - | - | - | 436000 | 109000 | - | - | 545000 |
| | (b) Commission | - | - | - | - | - | - | - | - |
| | (c) Others, please specify | - | - | - | - | - | - | - | - |
| | Total (2) | 0 | 0 | 0 | 436000 | 109000 | 0 | 0 | 545000 |
| | Total (B)=(1+2) | 763000 | 872000 | 0 | 436000 | 109000 | 0 | 0 | 2180000 |
| | Total Managerial Remuneration (A) + (B) | - | - | - | - | - | - | - | - |
| | Ceiling as per the Act | Rs. 530.29 lakh (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|--|---------------------------------------|-----------|-----------|------------------|
| | | Mr. Manish Rustagi, Company Secretary | | | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 3,154,359 | NA | NA | 3,154,359 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (other than ESOP) | 37,564 | NA | NA | 37,564 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | NA | NA | |
| 2 | Stock Option | - | NA | NA | - |
| 3 | Sweat Equity | | NA | NA | |
| 4 | Commission | | NA | NA | |
| | as % of profit | | NA | NA | |
| | others, specify | | NA | NA | |
| 5 | Others, please specify | | NA | NA | |
| | Total | 3,191,923 | NA | NA | 3,191,923 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

Annexure - 3

Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)

DETAILS REGARDING REMUNERATION TO THE EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh rupees

| SL. No. | Name | Designation of the employee | Remuneration received (Rs.) | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|------------------|-----------------------------|-----------------------------|--|---|------------------------------------|--------------------------|--|--|---|
| 1 | Pinank Shah | Chief Executive Officer | 29744850 | Permanent | M M S | 19.06.2017 | 40 | HDFC | NA | NA |
| 2 | Amit Ajit Gandhi | Business Head- BIL & PL | 22207477 | Permanent | PGDMA | 17.04.2017 | 43 | Standard Chartered Bank | NA | NA |
| 3 | Sandeep Arora | Chief Risk Officer | 17355961 | Permanent | CA | 20.07.2017 | 43 | Bajaj Finance Limited | NA | NA |

(B) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

| SL. No. | Name | Designation of the employee | Remuneration received | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|----------------------|-----------------------------|-----------------------|--|---|------------------------------------|--------------------------|--|--|---|
| 1 | Anish Raghavan | Head Operations | 11958333.37 | Permanent | B.Com | 14.06.2018 | 48 | Bajaj Finance Ltd | NA | NA |
| 2 | Prasenjeet Mukherjee | Executive Director | 2677813.82 | Permanent | MBA | 01.01.2019 | 43 | India Infoline Limited | NA | NA |
| 3 | Amiteshwar Choudhary | Executive Director | 3142370.00 | Permanent | MBA | 01.01.2019 | 43 | Orbis Securities Pvt. Ltd | NA | NA |

(C) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

| SL. No. | Name | Designation of the employee | Remuneration received | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|------|-----------------------------|-----------------------|--|---|------------------------------------|--------------------------|--|--|---|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |

(D) The names of the top ten employees in terms of remuneration drawn during the Financial Year 2018-19:

| SL. No. | Name | Designation of the employee | Remuneration received | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---------|-------------------------------|-----------------------------|-----------------------|--|---|------------------------------------|--------------------------|--|--|---|
| 1 | Pinank Shah | Chief Executive Officer | 29744850 | Permanent | M M S | 19.06.2017 | 40 | HDFC | NA | NA |
| 2 | Amit Ajit Gandhi | Business Head- BIL & PL | 22207477 | Permanent | PGDMA | 17.04.2017 | 43 | Standard Chartered Bank | NA | NA |
| 3 | Sandeep Arora | Chief Risk Officer | 17355961 | Permanent | CA | 20.07.2017 | 43 | Bajaj Finance Limited | NA | NA |
| 4 | Anish Raghavan | Head Operations | 11958333.37 | Permanent | 12th Class | 14.06.2018 | 48 | Bajaj Finance Ltd | NA | NA |
| 5 | Gaurav Kagdiyal | Collection Head- BIL | 8523822 | Permanent | MMNS | 08.09.2017 | 43 | Standard Chartered Bank | NA | NA |
| 6 | Vijaykumar Kondiba Narayankar | Head - Credit | 8348739 | Permanent | MMS | 18.08.2017 | 48 | HDFC | NA | NA |
| 7 | Vivek Chandrash ekhar Attavar | Head - IT | 8085900 | Permanent | B Com | 09.10.2017 | 47 | Birla Sunlife Insurance Co Ltd | NA | NA |

| | | | | | | | | | | |
|----|----------------------|-----------------------------|------------|-----------|------------|------------|----|-----------|----|----|
| 8 | Pravin V Mundra | Head- Product | 7620968 | Permanent | 12th Class | 26.03.2018 | 40 | HDFC Bank | NA | NA |
| 9 | Vipin Chaudhary | National Collection Manager | 7049652 | Permanent | MBA | 08.09.2017 | 45 | ABN Amro | NA | NA |
| 10 | Ramkumar Gunasekaran | National Sales Manager | 6973751.64 | Permanent | MBA/PGDBA | 05.04.2018 | 44 | Fresher | NA | NA |

Notes: -

1. Remuneration includes salary, bonus, incentive, house rent allowance, supplementary allowance, Transport allowance, Medical allowance, leave travel allowance, and other allowance paid in cash.

2. Other Terms and Conditions: All appointments are/were in accordance with the terms and conditions as per applicable Rules and Policy of the Company

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards nutrition, sanitation, education, health, animal welfare and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

CSR Policy can be accessed as under:

2. **Web-link:** https://www.indiabullsconsumerfinance.com/policies/CSR_Policy.pdf
3. **Composition of the CSR Committee**
Brig. Labh Singh Sitara (Retd.), Chairman (Independent Director)
Mr. Pinank Jayant Shah, Member (Executive Director)
Mr. Ajit Kumar Mittal, Member (Non-Executive Director)
Ms. Preetinder Virk, Member (Non-Executive Director)
4. **Average Net Profit of the Company for last three financial years:** Rs. 136,20,20,661/-
5. **Prescribed CSR Expenditure (two percent of the amount as in item 4 above):** Rs. 2,72,50,000/-
6. **Details of CSR spend for the financial year:**
 - a. **Total amount spent for the financial year:** Rs. 2,72,50,000/-
 - b. **Amount unspent, if any:** Nil
 - c. **Manner in which the amount spent during the financial year is detailed below:**

(Figs. in Rupees)

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 | 8 |
|--------|--|--|--|-------------|---|--|--|--|
| Sr. No | CSR project or activity identified | Sector in which the project is covered | Projects or Programs | | Amount Outlay (Budget) Project or Programs-wise | Amount Spent on Project or Programs Sub Heads: | Cumulative Expenditure up to 31st March 2019 | Amount Spent Direct or through implementing agency * |
| | | | District | State | | | | |
| 1 | Distribution of Sanitary Napkins (KUMUD) | Sanitation | Mumbai, Thane, Palghar, Nashik Raigad, | Maharashtra | 72,50,000 | 72,50,000 | 72,50,000 | Implementing Agency (Indiabulls Foundation) |
| 2 | Poshtik Ahar | Nutrition | Mumbai, Thane, Palghar, Nashik Raigad, | Maharashtra | 2,00,00,000 | 2,00,00,000 | 2,00,00,000 | Implementing Agency (Indiabulls Foundation) |
| Total | | | | | 2,72,50,000 | 2,72,50,000 | 2,72,50,000 | |

* *Indiabulls Foundation is a registered Trust established by the Company along with other companies.*

- 7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.**

During the financial year 2018-19, the Company has contributed its entire CSR expenditure aggregating to Rs. 2,72,50,000 to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf. Contribution made covers the mandatory CSR expenditure which was required to be made by the Company.

- 8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.**

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2018-19, the implementation and monitoring of CSR Policy of the Company were environment friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For **Indiabulls Consumer Finance Limited**
(formerly IVL Finance Limited)

Date: April 25, 2019
Place: Mumbai

Sd/-
Pinank Jayant Shah
Whole-time Director & CEO
DIN: 07859798

Sd/-
Brig. Labh Singh Sitara (Retd.)
Chairman – CSR Committee
DIN: 01724648

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
6th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

Independent Auditor's Report

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To the Members of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

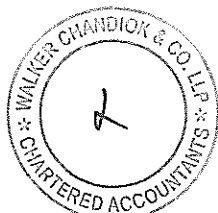
1. We have audited the accompanying standalone financial statements of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

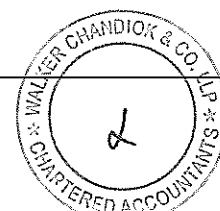
Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How our audit addressed the key audit matter |
|--|--|
| 1. Adoption of Indian Accounting Standards Framework | |
| <p>Refer Note 3 for significant accounting policies and Note 52 for reconciliation.</p> <p>The standalone financial statements for the year ended 31 March 2019 are the first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Act.</p> <p>The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. Note 52 in the financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition.</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts.</p> <p>Considering the significance of the matter in the current year to the financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.</p> | <p>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:</p> <ul style="list-style-type: none"> (a) obtaining an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS; (b) reviewing the implementation of exemptions availed and options chosen by the Company in accordance with the Ind AS 101; (c) assessing the appropriateness of the adjustments made to the opening balance sheet as at 1 April 2017; (d) assessing the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2018 which were prepared in the previous GAAP; (e) evaluating the appropriateness of accounting policies selected by the Company on transition to Ind AS on the basis of our understanding of the Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework; (f) evaluating the adequacy and appropriateness of the financial statements disclosures arising on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS; and (g) obtaining written representations from management and those charged with governance on whether the financial statements comply with the Ind AS in all respects. |
| 2. Use of information processing system for accounting and financial reporting | |
| <p>The Company relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Company. The Company has put in</p> | <p>Our key audit procedures on this matter included, but were not limited, to the following:</p> |



| Key Audit Matter | How our audit addressed the key audit matter |
|--|---|
| <p>place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements.</p> <p>Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p> | <p>(a) obtaining an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</p> <p>(b) involving IT specialists (auditor's expert) for performance of the following procedures:</p> <ul style="list-style-type: none"> (i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and (ii) testing the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. <p>(c) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</p> |

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the



Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



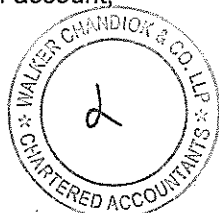
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. 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 standalone 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 standalone 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.
16. Further, 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. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
 - (a) we have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the standalone financial statements dealt with by this report are in agreement with the books of account;



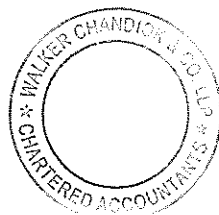
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- (d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- (f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed unmodified opinion;
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2019;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
 - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for transactions done during the period from 8 November 2016 to 30 December 2016. Therefore, these disclosures are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Lalit Kumar
Partner
Membership No. 095256



Place: Mumbai
Date: 25 April 2019

Walker Chandiook & Co LLP

Annexure I to Independent Auditor's Report of even date to the members of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited), on the standalone financial statements for the year ended 31 March 2019

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
 - (b) The Company has a regular program of physical verification of its Property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any dues payable to government during the year.

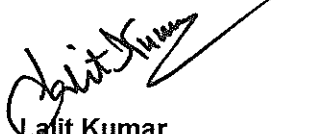


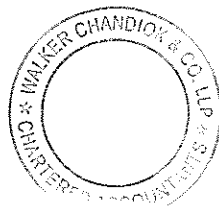
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Annexure I to Independent Auditor's Report of even date to the members of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited), on the standalone financial statements for the year ended 31 March 2019

- (ix) In our opinion, the Company has applied moneys raised by way of initial public offer of debt instruments and the term loans for the purposes for which these were raised, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of redeemable non-convertible debentures. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Lalit Kumar
Partner
Membership No. 095256



Place: Mumbai
Date: 25 April 2019

Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) on the Standalone financial statements for the year ended 31 March 2019

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) on the Standalone financial statements for the year ended 31 March 2019

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

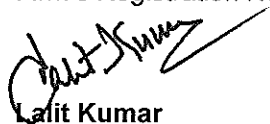
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

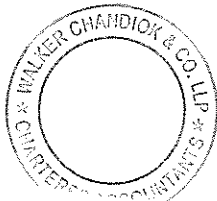
Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Lalit Kumar
Partner
Membership No.: 095256



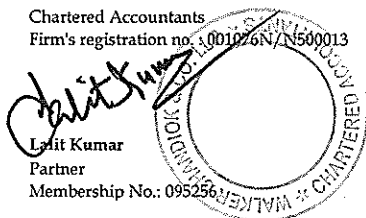
Place: Mumbai
Date: 25 April 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Balance Sheet as at 31 March 2019
(All amounts in Rs. lakh 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 | 93,078.55 | 88,235.57 | 145.05 |
| Bank balance other than cash and cash equivalents | 5 | 14,538.84 | 6,746.49 | - |
| Loans | 6 | 10,50,813.31 | 4,00,251.20 | 8,976.16 |
| Investments | 7 | 57,663.38 | 44,882.61 | 11,254.68 |
| Other financial assets | 8 | 4,789.32 | 1,538.51 | - |
| Total financial assets | | 12,20,883.40 | 5,41,654.38 | 20,375.89 |
| Non-financial assets | | | | |
| Current tax assets (net) | 9 | 2,421.41 | 799.70 | 819.48 |
| Deferred tax assets (net) | 10 | 1,685.38 | 1,167.86 | 133.38 |
| Investment accounted for using equity method | 11 | 3,570.43 | - | - |
| Property, plant and equipment | 12(a) | 3,093.33 | 1,551.04 | 0.70 |
| Intangible assets under development | 12(b) | 246.07 | 58.04 | - |
| Other intangible assets | 12(c) | 5,184.96 | 3,074.68 | - |
| Other non-financial assets | 13 | 8,688.92 | 2,687.06 | 174.44 |
| Total non-financial assets | | 24,890.50 | 9,338.38 | 1,128.00 |
| TOTAL ASSETS | | 12,45,773.90 | 5,50,992.76 | 21,503.89 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Financial liabilities | | | | |
| Derivative financial instruments | 14 | 209.42 | 679.80 | - |
| Payables | | | | |
| Trade payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 15 | - | 7.20 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,804.12 | 2,765.38 | - |
| Other payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 16 | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,819.40 | 359.99 | 0.37 |
| Debt securities | 17 | 1,73,486.15 | 35,000.00 | - |
| Borrowings (other than debt securities) | 18 | 5,41,996.86 | 2,78,015.68 | - |
| Others financial liabilities | 19 | 82,055.75 | 63,097.96 | - |
| Total financial liabilities | | 8,05,371.70 | 3,79,926.01 | 0.37 |
| Non-financial liabilities | | | | |
| Current tax liabilities (net) | 20 | - | 689.74 | 49.57 |
| Provisions | 21 | 1,067.53 | 221.05 | 9.38 |
| Other non-financial liabilities | 22 | 2,521.81 | 1,307.27 | 549.56 |
| Total non-financial liabilities | | 3,589.34 | 2,218.06 | 608.51 |
| EQUITY | | | | |
| Equity share capital | 23 | 6,118.80 | 2,455.16 | 521.90 |
| Instruments entirely equity in nature | 24 | - | 550.00 | - |
| Other equity | 25 | 4,30,694.06 | 1,65,843.53 | 20,373.11 |
| Total equity | | 4,36,812.86 | 1,68,848.69 | 20,895.01 |
| TOTAL LIABILITIES AND EQUITY | | 12,45,773.90 | 5,50,992.76 | 21,503.89 |

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 Chandik & Co LLP
Chartered Accountants
Firm's registration no. 001026N/1500013



Place: Mumbai
Date: 25 April 2019

For and on behalf of the board of directors

Pinank Jayant Shah
Whole Time Director
& Chief
Executive Officer
DIN: 07859798

Place: Mumbai
Date: 25 April 2019

Naveed Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Place: Gurugram
Date: 25 April 2019

Mamsh Rustagi
Company Secretary

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2019
(All amounts in Rs. lakh unless stated otherwise)

| | Notes | For the year ended - 31 March 2019 | For the year ended 31 March 2018 |
|--|-------|---------------------------------------|-------------------------------------|
| Revenue from operations | | | |
| Interest income | 26 | 1,46,704.91 | 34,469.69 |
| Dividend income | 27 | 2,534.78 | 19,692.44 |
| Fees and commission income | 28 | 11,833.11 | 11,246.38 |
| Net gain on fair value changes | 29 | 753.47 | - |
| Net gain on derecognition of financial instruments under amortised cost category | 30 | 2,979.61 | - |
| Total revenue from operations | | 1,64,805.88 | 65,408.51 |
| Other income | 31 | 196.13 | 25.59 |
| Total income | | 1,65,002.01 | 65,434.10 |
| Expenses | | | |
| Finance costs | 32 | 55,947.78 | 13,449.23 |
| Net loss on fair value changes | 29 | - | 15,219.85 |
| Impairment on financial instruments | 33 | 10,301.34 | 2,487.96 |
| Employee benefits expenses | 34 | 22,992.60 | 6,425.55 |
| Depreciation and amortisation | 35 | 1,890.83 | 560.82 |
| Other expenses | 36 | 20,529.89 | 5,506.09 |
| Total expenses | | 1,11,662.44 | 43,649.50 |
| Profit before tax | | 53,339.57 | 21,784.60 |
| Tax expense: | 37 | | |
| Current tax | | 13,822.11 | 5,790.09 |
| Deferred tax credit | | (501.94) | (1,008.85) |
| Total tax expenses | | 13,320.17 | 4,781.24 |
| Profit for the year | | 40,019.40 | 17,003.36 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the defined benefit plans | | (44.57) | (74.05) |
| Income tax expense relating to above items | | 15.58 | 25.63 |
| Other comprehensive income | | (28.99) | (48.42) |
| Total comprehensive income for the year | | 39,990.41 | 16,954.94 |
| 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 Chandio & Co LLP
Chartered Accountants
Firm's registration no.: 001076N/N500013

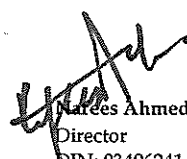

Lalit Kumar
Partner
Membership No.: 095256


Place: Mumbai
Date: 25 April 2019

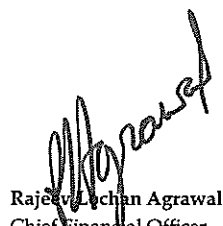
For and on behalf of the board of directors


Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Place: Mumbai
Date: 25 April 2019


Arees Ahmed
Director
DIN: 03496241

Place: Gurugram
Date: 25 April 2019


Rajesh Anjan Agrawal
Chief Financial Officer


Manish Rustagi
Company Secretary

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Cash flow statement for the year ended 31 March 2019
(All amounts in Rs. lakh 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 | 53,339.57 | 21,784.60 |
| Adjustments for: | | |
| Depreciation and amortisation | 1,890.83 | 560.82 |
| Impairment on financial instruments | 10,301.34 | 2,487.96 |
| Provision for gratuity and compensated absences | 358.66 | (3.99) |
| (Loss)/profit on fair value changes | (753.47) | 15,219.85 |
| Gain on sale of loan portfolio through assignment | (3,157.96) | - |
| Effective interest rate adjustment for financial instruments | (2,102.89) | (230.26) |
| Share based payments to employees | 3,453.69 | 2,370.97 |
| | <u>9,990.20</u> | <u>20,405.35</u> |
| Operating profit before working capital changes | 63,329.77 | 42,189.95 |
| Adjustments for: | | |
| Loans | (660,863.45) | (393,763.00) |
| Other financial assets | (92.83) | (1,538.51) |
| Other non financial assets | (4,409.32) | (2,297.55) |
| Derivative liabilities | (470.38) | 679.80 |
| Trade payables | 3,031.54 | 2,772.58 |
| Other payables | 1,459.41 | 359.62 |
| Other financial liabilities | 18,957.79 | 63,097.96 |
| Provisions | 443.25 | 141.61 |
| Other non financial liabilities | 1,214.54 | 757.71 |
| | <u>(640,729.45)</u> | <u>(329,789.78)</u> |
| Cash used in operating activities | (577,399.68) | (287,599.83) |
| Income taxes paid (including tax deducted at source) | (16,133.56) | (5,130.14) |
| Net cash used in operating activities | <u>(593,533.24)</u> | <u>(292,729.97)</u> |
| B Cash flow from investing activities: | | |
| Purchase of property, plant and equipment, intangible assets under development and intangible assets | (7,323.97) | (5,458.95) |
| Investment made in associate | (3,570.43) | - |
| Purchase of other investments (net) | (19,819.65) | (55,594.27) |
| Net cash used in investing activities | <u>(30,714.05)</u> | <u>(61,053.22)</u> |
| C Cash flow from financing activities: | | |
| Proceeds from issue of equity shares (including premium) | 257,224.80 | 100,276.59 |
| Repayment of preference shares (including premium) | (27,500.00) | 27,500.00 |
| Proceeds from debt securities | 786,539.71 | 35,000.00 |
| Repayment of debt securities | (646,419.18) | - |
| Proceeds from borrowings other than debt securities | 894,099.64 | 307,564.00 |
| Repayment of borrowings other than debt securities | (629,275.43) | (28,466.88) |
| Dividends paid (including dividend distribution tax) | (5,579.27) | - |
| Net cash flows from financing activities | <u>629,090.27</u> | <u>441,873.71</u> |
| D Net increase in cash and cash equivalents (A+B+C) | 4,842.98 | 88,090.52 |
| E Cash and cash equivalents at the beginning of the year | 88,235.57 | 145.05 |
| F Cash and cash equivalents at the end of the year (D + E) | 93,078.55 | 88,235.57 |



INDIABULLS CONSUMER FINANCE LIMITED
 (Formerly known as IVL Finance Limited)
Standalone Cash flow statement for the year ended 31 March 2019
 (All amounts in Rs. lakh 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 | 0.92 | 0.42 |
| Balances with banks: | | |
| - in current accounts | 85,029.94 | 56,127.08 |
| - in term deposits with original maturity of less than three months* | 8,047.69 | 32,108.07 |
| Cash and cash equivalents at the end of the year | 93,078.55 | 88,235.57 |


* (Rs. 556.67 lakh (31 March 2018: Rs. 32,108.07 lakh) pledged for overdraft facilities availed by the Company

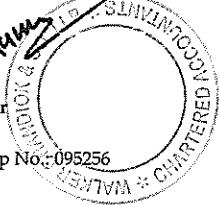
3 For disclosures relating to changes in liabilities arising from financing activities, refer note 50.

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


 Lalit Kumar
 Partner
 Membership No.: 095256




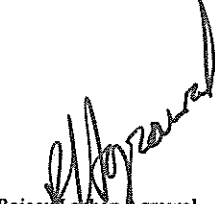
For and on behalf of the board of directors


 Pinank Jayant Shah
 Whole Time Director &
 Chief Executive Officer

DIN: 07859798

Place: Mumbai
 Date: 25 April 2019


 Rajeev Ahmed
 Director
 DIN: 03496241


 Rajeev Lohan Agrawal
 Chief Financial Officer

Place: Gurugram
 Date: 25 April 2019


 Manish Rustagi
 Company Secretary

INDIA BULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Statement of Changes in Equity for the year ended 31 March 2019
(All amounts in Rs. lakh 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 | 521.90 | 1,933.26 | 2,455.16 | 3,663.64 | 6,118.80 |

(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 | - | 550.00 | 550.00 | (550.00) | - |

(C) Other equity

| Particulars | Statutory reserves | Securities premium | Capital redemption reserve | Debtenture redemption reserve | Share options outstanding account | Retained earnings | Other component of equity | Total |
|---|--------------------|--------------------|----------------------------|-------------------------------|-----------------------------------|-------------------|---------------------------|-------------|
| Balance as at 1 April 2017 | 356.41 | 18,629.86 | 100.00 | - | 68.79 | 1,218.05 | - | 20,373.11 |
| Profit for the year | - | - | - | - | - | 17,003.36 | - | 17,003.36 |
| Other comprehensive income (net of tax) | - | - | - | - | - | (48.42) | - | (48.42) |
| Transfer from retained earnings | 3,830.42 | - | - | - | - | (3,830.42) | - | - |
| Issue of equity shares | - | 98,343.33 | - | - | - | - | - | 98,343.33 |
| Issue of compulsory convertible preference shares (refer note 24) | - | 26,950.00 | - | - | - | - | - | 26,950.00 |
| Share based payment to employees | - | - | - | - | 2,370.98 | - | - | 2,370.98 |
| Equity component for financial guarantee | - | - | - | - | - | - | 851.17 | 851.17 |
| Balance as at 31 March 2018 | 4,186.83 | 1,43,923.19 | 100.00 | - | 2,439.77 | 14,342.57 | 851.17 | 1,45,843.53 |
| Profit for the year | - | - | - | - | - | 40,019.40 | - | 40,019.40 |
| Other comprehensive income (net of tax) | - | - | - | - | - | (28.99) | - | (28.99) |
| Transfer from retained earnings | 7,998.08 | - | - | 416.54 | - | (8,414.62) | - | - |
| Issue of equity shares | - | 2,53,561.16 | - | - | - | - | - | 2,53,561.16 |
| Adjustment of compulsory convertible preference shares (refer note 24) | - | (26,950.00) | - | - | - | - | - | (26,950.00) |
| Share based payment to employees | - | - | - | - | 3,453.69 | - | - | 3,453.69 |
| Transfer to retained earnings | - | - | - | - | (12.76) | 12.76 | - | - |
| Equity component for financial guarantee | - | - | - | - | - | - | 374.54 | 374.54 |
| Dividends (including dividend distribution tax) during the year (Rs. 18.85 per share) | - | - | - | - | - | (5,579.27) | - | (5,579.27) |
| Balance as at 31 March 2019 | 12,184.91 | 3,70,534.35 | 100.00 | 416.54 | 5,880.70 | 40,351.85 | 1,225.71 | 4,30,694.06 |

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 Chandiook & Co LLP

Chartered Accountants

Firm's registration no. : 001076/N/500019

Partner

Member No. : 095256

Place: Mumbai

Date: 25 April 2019

For and on behalf of the board of directors

(Signature)
Finank Jayant Shah
Whole Time Director & Chief Executive Officer
DIN: 07859798
Place: Mumbai
Date: 25 April 2019

(Signature)
Rajeev Anand Agrawal
Chief Financial Officer
Place: Gurugram
Date: 25 April 2019

(Signature)
Manish Rustagi
Company Secretary



Indiabulls Consumer Finance Limited
(formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory 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-LA 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 25 April 2019.

(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)

Summary of significant accounting policies and other explanatory 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.



Indiabulls Consumer Finance Limited
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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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).



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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.

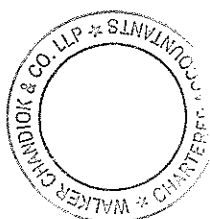
j) Impairment of financial assets

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:



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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

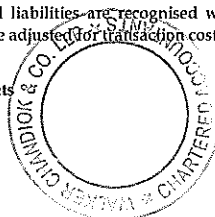
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Subsequent measurement



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- 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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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.

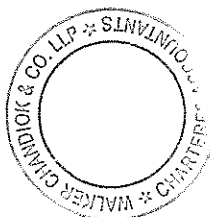
Significant management judgements

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.



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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

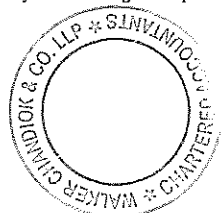
On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. 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.



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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.

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INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 0.92 | 0.42 | 0.04 |
| Balances with banks | | | |
| - Current accounts | 85,029.94 | 56,127.08 | 145.01 |
| - Bank deposits with original maturity of three months or less (refer note below) | 8,047.69 | 32,108.07 | - |
| | <u>93,078.55</u> | <u>88,235.57</u> | <u>145.05</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) | 14,538.84 | 6,746.49 | - |
| | <u>14,538.84</u> | <u>6,746.49</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 | 7,744.43 | 37,625.90 | - |
| Securitisations | 6,212.44 | - | - |
| Bank guarantee | 25.30 | 25.07 | - |
| Margin money | 1,113.34 | 1,203.59 | - |
| | <u>15,095.51</u> | <u>38,854.56</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 | 496,083.42 | 188,663.59 | - |
| Unsecured | 567,217.22 | 213,089.16 | 9,191.00 |
| Total - gross | 1,063,300.64 | 401,752.75 | 9,191.00 |
| Less: Impairment loss allowance | (12,487.33) | (1,501.55) | (214.84) |
| Total - net | <u>1,050,813.31</u> | <u>400,251.20</u> | <u>8,976.16</u> |

| | | | |
|---------------------------------|---------------------|-------------------|-----------------|
| Secured by tangible assets | 494,306.69 | 186,935.30 | - |
| Secured by other assets | 1,776.73 | 1,728.29 | - |
| Unsecured | 567,217.22 | 213,089.16 | 9,191.00 |
| Total - gross | 1,063,300.64 | 401,752.75 | 9,191.00 |
| Less: Impairment loss allowance | (12,487.33) | (1,501.55) | (214.84) |
| Total - net | <u>1,050,813.31</u> | <u>400,251.20</u> | <u>8,976.16</u> |

| | | | |
|---------------------------------|---------------------|-------------------|-----------------|
| Loans in India | | | |
| (i) Public Sector | - | - | - |
| (ii) Others | 1,063,300.64 | 401,752.75 | 9,191.00 |
| Total - gross | 1,063,300.64 | 401,752.75 | 9,191.00 |
| Less: Impairment loss allowance | (12,487.33) | (1,501.55) | (214.84) |
| Total - net | <u>1,050,813.31</u> | <u>400,251.20</u> | <u>8,976.16</u> |

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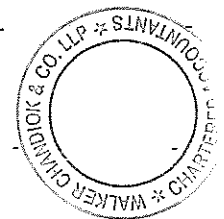
INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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. 1,588.50) per unit] | - | 10,011.31 | 11,254.68 |
| - 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] | - | 2,141.42 | - |
| - 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] | - | 12,507.02 | - |
| - 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] | - | 4,280.31 | - |
| - 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] | - | 8,704.41 | - |
| - 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] | 1,021.49 | - | - |
| - 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] | 5,087.83 | - | - |
| - 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] | 10,168.86 | - | - |
| - 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] | 5,005.60 | - | - |
| - 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] | 2,503.02 | - | - |
| - 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] | 31,247.94 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| - 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] | 1.59 | - | - |
| Investment in debt securities | | | |
| 25 (31 March 2018: nil, 1 April 2017: nil) non convertible debentures of Housing Development Finance Corporation Limited | 2,617.51 | | |
| 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 | - | 7,238.14 | - |
| | 57,663.38 | 44,882.61 | 11,254.68 |



INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

| | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---------------------------|------------------------|------------------------|------------------------|
| Investments outside India | - | - | - |
| Investments in India | 57,663.38 | 44,882.61 | 11,254.68 |
| Total | 57,663.38 | 44,882.61 | 11,254.68 |

| | 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 | 2,980.68 | - | - |
| Security deposits | 886.43 | 396.58 | - |
| Deposit for mark to market margin account | 581.76 | 1,097.78 | - |
| Loan to employees | 160.49 | 44.15 | - |
| Others recoverable | 179.96 | - | - |
| | 4,789.32 | 1,538.51 | - |



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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

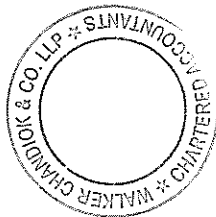
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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) | 2,421.41 | 799.70 | 819.48 |
| [Net of provision for taxation] | <u>2,421.41</u> | <u>799.70</u> | <u>819.48</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 | 2,915.90 | 148.55 | 61.11 |
| - Disallowance under Section 40A(7) of the Income-tax Act, 1961 | 271.48 | 55.00 | 2.16 |
| - Disallowance under Section 43B of the Income-tax Act, 1961 | 101.56 | 21.50 | 0.55 |
| - Lease equalisation reserve | 109.90 | 39.97 | - |
| - Depreciation and amortisation | - | - | 0.28 |
| - Minimum alternative tax credit entitlement * | - | - | 47.09 |
| - Financial assets measured at amortised cost | - | 459.38 | - |
| - Share based payments | 2,059.42 | 844.35 | 23.81 |
| Deferred tax liabilities | | | |
| - Financial assets measured at fair value through profit and loss | - | - | 1.62 |
| - Derecognition of financial instruments measured under amortised cost category | 1,041.57 | - | - |
| - Financial assets measured at amortised cost | 1,152.55 | - | - |
| - Financial liabilities measured at amortised cost | 1,029.04 | 140.07 | - |
| - Depreciation and amortisation | 549.72 | 260.82 | - |
| Deferred tax assets (net) | <u>1,685.38</u> | <u>1,167.86</u> | <u>133.38</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 | 148.55 | 2,767.35 | - | 2,915.90 |
| - Disallowance under Section 40A(7) of the Income-tax Act, 1961 | 55.00 | 200.90 | 15.58 | 271.48 |
| - Disallowance under Section 43B of the Income-tax Act, 1961 | 21.50 | 80.06 | - | 101.56 |
| - Lease equalisation reserve | 39.97 | 69.93 | - | 109.90 |
| - Financial assets measured at amortised cost | 459.38 | (1,611.93) | - | (1,152.55) |
| - Share based payments | 844.35 | 1,215.07 | - | 2,059.42 |
| Deferred tax liabilities | | | | |
| - Derecognition of financial instruments measured under amortised cost | - | (1,041.57) | - | (1,041.57) |
| - Depreciation and amortisation | (260.82) | (288.90) | - | (549.72) |
| - Financial liabilities at amortised cost | (140.07) | (888.97) | - | (1,029.04) |
| | <u>1,167.86</u> | <u>501.94</u> | <u>15.58</u> | <u>1,685.38</u> |



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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 61.11 | 87.44 | - | 148.55 |
| - Disallowance under Section 40A(7) of the Income-tax Act, 1961 | 2.16 | 27.21 | 25.63 | 55.00 |
| - Disallowance under Section 43B of the Income-tax Act, 1961 | 0.55 | 20.95 | - | 21.50 |
| - Lease equalisation reserve | - | 39.97 | - | 39.97 |
| - Depreciation and amortisation | 0.28 | (261.10) | - | (260.82) |
| - Minimum alternative tax credit entitlement * | 47.09 | (47.09) | - | - |
| - Financial assets measured at amortised cost | - | 459.38 | - | 459.38 |
| - Share based payments | 23.81 | 820.54 | - | 844.35 |
| Deferred tax liabilities | | | | |
| - Financial assets measured at fair value through profit and loss | (1.62) | 1.62 | - | - |
| - Financial liabilities measured at amortised cost | - | (140.07) | - | (140.07) |
| | <u>133.38</u> | <u>1,008.85</u> | <u>25.63</u> | <u>1,167.86</u> |

* 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 | - | 13.32 | 13.32 |
| 1 April 2026 - 31 March 2027 | - | 33.77 | 33.77 |
| Less: MAT credit utilised during the year | - | (47.09) | - |
| | <u>-</u> | <u>-</u> | <u>47.09</u> |

| Note - 11 | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|------------------------|------------------------|------------------------|
| 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 | 3,570.43 | - | - |
| | <u>3,570.43</u> | <u>-</u> | <u>-</u> |

Proportion of ownership interest in associate as at 31 March 2019

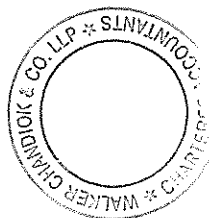
| Particulars | Country of incorporation | Proportion of ownership |
|--------------------------|-----------------------------|----------------------------|
| Transerv Private Limited | India | 33.00% |

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".

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 1,807.61 | 215.07 | - |
| Advances to suppliers | 1,717.76 | 819.59 | 174.44 |
| Prepaid expenses | 3,132.58 | 1,054.03 | - |
| Balance with government authorities | 2,030.97 | 598.37 | - |
| | <u>8,688.92</u> | <u>2,687.06</u> | <u>174.44</u> |

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INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. lakh 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 | - | 12.98 | - | 12.98 | - | - | - | 12.98 | - |
| Computers | 1,137.71 | 1,458.13 | - | 2,595.84 | 120.56 | 473.65 | 594.21 | 2,001.63 | 1,017.15 |
| Office equipment | 223.23 | 338.41 | - | 561.64 | 14.12 | 73.16 | 87.28 | 474.36 | 209.11 |
| Furniture | 242.65 | 300.49 | - | 543.14 | 6.68 | 39.15 | 45.83 | 497.31 | 235.97 |
| Vehicles ⁽ⁱⁱ⁾ | 94.44 | 34.02 | - | 128.46 | 5.63 | 15.78 | 21.41 | 107.05 | 88.81 |
| Total | 1,698.03 | 2,144.03 | - | 3,842.06 | 146.99 | 601.74 | 748.73 | 3,093.33 | 1,551.04 |
| b) Intangible asset under development | 58.04 | 1,249.96 | 1,061.93 | 246.07 | - | - | - | 246.07 | 58.04 |
| c) Intangible assets | | | | | | | | | |
| Software | 3,488.51 | 3,399.38 | - | 6,887.89 | 413.83 | 1,289.09 | 1,702.93 | 5,184.96 | 3,074.68 |
| Total | 3,488.51 | 3,399.38 | - | 6,887.89 | 413.83 | 1,289.09 | 1,702.93 | 5,184.96 | 3,074.68 |
| Particulars | Deemed cost as at 01 April 2017 | Additions | Disposals/ adjustment | As at 31 March 2018 | As at 01 April 2017 | Accumulated depreciation 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⁾ | 0.33 | 1,137.38 | - | 1,137.71 | - | 120.56 | 120.56 | 1,017.15 | 0.33 |
| Office equipment ⁽ⁱ⁾ | 0.37 | 222.86 | - | 223.23 | - | 14.12 | 14.12 | 209.11 | 0.37 |
| Furniture | - | 242.65 | - | 242.65 | - | 6.68 | 6.68 | 235.97 | - |
| Vehicles ⁽ⁱⁱ⁾ | - | 94.44 | - | 94.44 | - | 5.63 | 5.63 | 88.81 | - |
| Total | 0.70 | 1,697.33 | - | 1,698.03 | - | 146.99 | 146.99 | 1,551.04 | 0.70 |
| b) Intangible asset under development | - | 3,602.96 | 3,544.94 | 58.04 | - | - | - | 58.04 | - |
| c) Intangible assets | | | | | | | | | |
| Software | - | 3,488.51 | - | 3,488.51 | - | 413.83 | 413.83 | 3,074.68 | - |
| Total | - | 3,488.51 | - | 3,488.51 | - | 413.83 | 413.83 | 3,074.68 | - |

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 | 3.54 | 3.43 | 6.97 |
| Accumulated depreciation as at 1 April 2017 | (3.21) | (3.06) | (6.27) |
| Carrying amount as at 1 April 2017 | 0.33 | 0.37 | 0.70 |

(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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | - | - | 7,356.54 | 444.61 | - | - |
| Index linked derivatives | 12,282.23 | 209.42 | 4,804.65 | 235.19 | - | - |
| Total derivative financial instruments | 12,282.23 | 209.42 | 12,161.19 | 679.80 | - | - |
| Part II | | | | | | |
| Included are derivatives held for hedging and risk management purpose as follows: | | | | | | |
| i. Fair value hedging | | | | | | |
| - Equity linked derivatives | - | - | 7,356.54 | 444.61 | - | - |
| ii. Undesignated derivatives | | | | | | |
| - Index linked derivatives | 12,282.23 | 209.42 | 4,804.65 | 235.19 | - | - |
| Total derivative financial instruments | 12,282.23 | 209.42 | 12,161.19 | 679.80 | - | - |

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) | - | 7.20 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,804.12 | 2,765.38 | - |
| | 5,804.12 | 2,772.58 | - |

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 | 1,819.40 | 359.99 | 0.37 |
| | 1,819.40 | 359.99 | 0.37 |

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

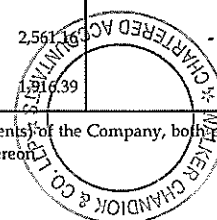
| | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|------------------------|------------------------|------------------------|
| Non-convertible debentures (refer note a below) | 78,486.15 | 10,000.00 | - |
| Commercial papers (refer note b below) | 95,000.00 | 25,000.00 | - |
| Total | 173,486.15 | 35,000.00 | - |
| Debt securities in India | 173,486.15 | 35,000.00 | - |
| Debt securities outside India | - | - | - |
| Total | 173,486.15 | 35,000.00 | - |

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. 10 lakh each redeemable on 29 March 2019 in one instalment. | - | 10,000.00 | - |
| 10.6% redeemable non-convertible debentures of face value Rs. 10 lakh each redeemable on 29 March 2021 and is repayable in four equated instalments falling due in year 2020-21. | 16,911.86 | - | - |
| 10.75% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment. | 37,092.77 | - | - |
| 10.75% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment. | 2,438.96 | - | - |
| 10.40% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment. | 3,192.94 | - | - |
| 10.90% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment. | 7,421.52 | - | - |
| 10.90% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment. | 2,332.58 | - | - |
| 10.50% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment. | 4,617.97 | - | - |
| 11.00% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment. | 2,561.39 | - | - |
| 11.00% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment. | 1,916.39 | - | - |

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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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. | 5,000.00 | - | - |
| This amount is repayable in one instalment in May 2019. | 45,000.00 | - | - |
| This amount is repayable in one instalment in May 2019. | 12,500.00 | - | - |
| This amount is repayable in one instalment in June 2019. | 20,000.00 | - | - |
| This amount is repayable in one instalment in May 2019. | 12,500.00 | - | - |
| This amount is repayable in one instalment in May 2018. | - | 25,000.00 | - |

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⁾ | 499,699.88 | 277,957.03 | - |
| Loans from related parties | | | |
| - Holding Company - unsecured ⁽ⁱⁱ⁾ | 27,520.00 | - | - |
| Loans repayable on demand from banks - secured | 14,729.66 | - | - |
| Vehicle loans from bank - secured ⁽ⁱⁱⁱ⁾ | 47.32 | 58.65 | - |
| Total | 541,996.86 | 278,015.68 | - |
| Borrowings in India | 541,996.86 | 278,015.68 | - |
| Borrowings outside India | - | - | - |
| Total | 541,996.86 | 278,015.68 | - |

i) Term loans from banks includes:

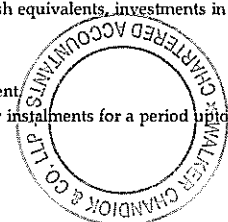
| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21. | 2,683.14 | 4,209.13 |
| This loan is repayable 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. | 8,743.67 | 9,989.82 |
| This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21. | 9,404.88 | 14,764.35 |
| This loan is repayable in one instalment in April 2019. | 14,999.58 | 14,985.47 |
| 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. | 29,844.49 | 29,801.66 |
| 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. | 29,837.22 | 29,783.03 |
| 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. | 49,982.12 | 49,976.07 |
| This loan is repayable in one instalment in September 2019. | 99,918.47 | 99,487.32 |
| This loan is repayable in one instalment in September 2018. | - | 24,960.18 |
| 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. | 14,954.67 | - |
| 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. | 7,671.26 | - |
| 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. | 16,378.12 | - |
| This loan is repayable in one instalment in September 2019. | 30,000.00 | - |
| 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. | 99,184.41 | - |
| This loan is repayable in five years with instalments of Rs. 7,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24. | 42,379.84 | - |
| This loan is repayable in five years with instalments of Rs. 5,460.00 lakh each to be paid for the first six instalments and instalments of Rs. 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25. | 36,282.44 | - |
| This loan is repayable in 3 equated instalments of Rs. 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years. | 7,435.57 | - |
| Total | 499,699.88 | 277,957.03 |

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

Note - 19

Others financial liabilities

Interest accrued on debt securities

Interest accrued on borrowings other than debt securities

Liability against securitised assets

Temporarily overdrawn bank balances as per books

Payable towards assignment transactions



| As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|------------------------|------------------------|------------------------|
| 410.00 | 9.32 | - |
| 795.65 | 4.78 | - |
| 40,828.55 | - | - |
| 38,932.52 | 63,083.86 | - |
| 1,089.03 | - | - |
| <u>82,055.75</u> | <u>63,097.96</u> | <u>-</u> |

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | - | 689.74 | 49.57 |
| [Net of tax deducted at source/advance tax] | - | 689.74 | 49.57 |
| | 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 | 776.90 | 158.92 | 7.49 |
| Provision for compensated absences | 290.63 | 62.13 | 1.89 |
| | <u>1,067.53</u> | <u>221.05</u> | <u>9.38</u> |
| | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
| Note - 22 | | | |
| Other non-financial liabilities | | | |
| Statutory liabilities | 1,129.11 | 1,191.79 | 549.56 |
| Advance from customers | 1,078.18 | - | - |
| Lease equalisation reserve | 314.52 | 115.48 | - |
| | <u>2,521.81</u> | <u>1,307.27</u> | <u>549.56</u> |

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 8,000.00 | 58,500,000 | 5,850.00 | 5,219,000 | 521.90 |
| | 80,000,000 | 8,000.00 | 58,500,000 | 5,850.00 | 5,219,000 | 521.90 |
| B. Issued, subscribed and fully paid up | | | | | | |
| Equity shares of face value of Rs. 10 each | 61,188,000 | 6,118.80 | 24,551,565 | 2,455.16 | 5,219,000 | 521.90 |
| | 61,188,000 | 6,118.80 | 24,551,565 | 2,455.16 | 5,219,000 | 521.90 |

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 | 2,455.16 | 5,219,000 | 521.90 |
| Add: Issued during the year | 36,636,435 | 3,663.64 | 19,332,565 | 1,933.26 |
| Outstanding at the end of the year | 61,188,000 | 6,118.80 | 24,551,565 | 2,455.16 |

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.

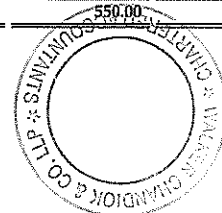
F. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

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 | 550.00 | 5,500,000 | 550.00 | 4,781,000 | 478.10 |
| | 5,500,000 | 550.00 | 5,500,000 | 550.00 | 4,781,000 | 478.10 |
| B. Issued, subscribed and fully paid up | | | | | | |
| Convertible preference shares of face value of Rs. 10 each | - | - | 5,500,000 | 550.00 | - | - |
| | - | - | 5,500,000 | 550.00 | - | - |



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 550.00 | - | - |
| Add: Issued during the year | - | - | 5,500,000 | 550.00 |
| Less: Adjusted during the year * | (5,500,000) | (550.00) | - | - |
| Outstanding at the end of the year | - | - | 5,500,000 | 550.00 |

* 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 | 12,184.91 | 4,186.83 | 356.41 |
| Securities premium | 370,534.35 | 143,923.19 | 18,629.86 |
| Capital redemption reserve | 100.00 | 100.00 | 100.00 |
| Debenture redemption reserve | 416.54 | - | - |
| Share options outstanding account | 5,880.70 | 2,439.77 | 68.79 |
| Retained earnings | 40,351.85 | 14,342.57 | 1,218.05 |
| Other component of equity | 1,225.71 | 851.17 | - |
| | 430,694.06 | 165,843.53 | 20,373.11 |

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

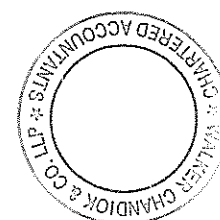
The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The 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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 144,772.20 | 33,886.15 |
| Interest on deposits with banks | 720.78 | 263.44 |
| Other interest income | 80.82 | 20.50 |
| On financial assets classified at fair value through profit or loss | | |
| Interest from investments: | | |
| - Bonds | 856.07 | 236.95 |
| - Commercial deposits | 100.80 | - |
| - Commercial paper | 174.24 | 62.65 |
| | <u>146,704.91</u> | <u>34,469.69</u> |
| Note - 27 | | |
| Dividend income | | |
| Dividend on investments | 2,534.78 | 19,692.44 |
| | <u>2,534.78</u> | <u>19,692.44</u> |
| Note - 28 | | |
| Fees and commission income | | |
| Fees and commission | 11,833.11 | 11,246.38 |
| | <u>11,833.11</u> | <u>11,246.38</u> |
| Note - 29 | | |
| Net gain/(loss) on fair value changes | | |
| Net gain/(loss) on financial instruments at fair value through profit or loss | | |
| - Investments | 1,407.53 | (14,954.38) |
| - Derivatives | (654.06) | (265.47) |
| Total net gain/(loss) on fair value changes | <u>753.47</u> | <u>(15,219.85)</u> |
| Fair value changes | | |
| - Realised | 703.61 | (6,269.44) |
| - Unrealised | 49.86 | (8,950.41) |
| Total net gain/(loss) on fair value changes | <u>753.47</u> | <u>(15,219.85)</u> |
| Note - 30 | | |
| Net gain on derecognition of financial instruments under amortised cost category | | |
| Gain on sale of loan portfolio through assignment | 3,157.96 | - |
| Loss on derecognition of financial guarantee liability | (178.35) | - |
| | <u>2,979.61</u> | <u>-</u> |
| Note - 31 | | |
| Other income | | |
| Net gain on ineffective portion of hedges | 196.13 | 25.59 |
| | <u>196.13</u> | <u>25.59</u> |
| Note - 32 | | |
| Finance costs | | |
| On financial liabilities measured at amortised cost | | |
| Interest on borrowings | 42,465.93 | 12,983.66 |
| Interest on debt securities | 10,938.78 | 211.51 |
| Other interest expense | 1,003.19 | 240.57 |
| Other borrowing costs | 1,539.88 | 13.49 |
| | <u>55,947.78</u> | <u>13,449.23</u> |



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 10,301.34 | 1,286.71 |
| Loans written off | - | 1,201.25 |
| | <u>10,301.34</u> | <u>2,487.96</u> |
| Note - 34 | | |
| Employee benefits expenses | | |
| Salaries and wages | 18,981.50 | 3,960.71 |
| Contribution to provident and other funds* | 282.50 | 55.51 |
| Share based payments to employees | 3,453.69 | 2,370.97 |
| Staff welfare expenses | 274.91 | 38.36 |
| | <u>22,992.60</u> | <u>6,425.55</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 | 601.74 | 146.99 |
| Amortisation on intangible assets | 1,289.09 | 413.83 |
| | <u>1,890.83</u> | <u>560.82</u> |

| | | |
|--|------------------|-----------------|
| Note - 36 | | |
| Other expenses | | |
| Repair and maintenance | 139.80 | 66.33 |
| Communication expenses | 1,483.80 | 233.30 |
| Printing and stationery | 163.38 | 39.38 |
| Lease rent (refer note 40) | 2,798.63 | 811.89 |
| Legal and professional charges (inclusive of Auditors remuneration (Refer note below)) | 11,572.38 | 2,269.87 |
| Rates and taxes | 66.33 | 65.44 |
| Electricity expenses | 228.08 | 62.15 |
| Business promotion | 915.48 | 1,383.65 |
| Office maintenance | 884.37 | 344.10 |
| Travelling expenses | 424.23 | 50.68 |
| Software expenses | 1,165.60 | 133.34 |
| Corporate social responsibility expenses [#] | 272.54 | 6.56 |
| Donations | - | 1.50 |
| Bank charges | 363.15 | 7.07 |
| Web hosting charges | 37.11 | 28.91 |
| Miscellaneous | 15.01 | 1.92 |
| | <u>20,529.89</u> | <u>5,506.09</u> |

Note:

Auditor's remuneration

| | | |
|-------------------------------|-------|-------|
| As auditor | 67.99 | 10.00 |
| For taxation matters | - | - |
| For company law matters | - | - |
| For other services | - | - |
| For reimbursement of expenses | 1.89 | - |

#Corporate social responsibility expenses

The Company spent Rs. 272.54 Lakh (31 March 2018 Rs. 6.56 Lakh), 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* | 272.54 | 6.56 |
| (b) Amount unpaid | - | - |
| Total | <u>272.54</u> | <u>6.56</u> |

*Contribution towards donation/corpus fund paid to Indiabulls Foundation



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|-------------------------------------|-------------------------------------|
| Note - 37 | | |
| Tax expense | | |
| Current tax | 13,822.11 | 5,790.09 |
| Deferred tax credit | (501.94) | (1,008.85) |
| Income tax expense reported in the statement of profit and loss | 13,320.17 | 4,781.24 |

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 | 53,339.57 | 21,784.60 |
| Income tax rate | 29.12% | 28.84% |
| Expected tax expense | 15,532.48 | 6,282.68 |
| Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense | | |
| Tax impact of expenses which will never be allowed | 357.51 | 92.81 |
| Tax impact on items exempt under income tax | (1,465.61) | (5,679.52) |
| Income chargeable under capital gain (difference of tax rates) | (1,459.94) | 4,311.49 |
| Impact of change in tax rate | 409.95 | (182.42) |
| Others | (54.22) | (43.80) |
| Tax expense | 13,320.17 | 4,781.24 |

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 | 40,019.40 | 17,003.36 |
| 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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. 282.50 lakh (31 March 2018 Rs. 55.51 lakh) 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 | 776.90 | 158.92 | 7.49 |
| Fair value of plan assets | - | - | - |
| Net obligation recognised in balance sheet as provision | 776.90 | 158.92 | 7.49 |

(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 | 227.44 | 35.62 |
| Past service cost including curtailment gains/losses | - | 23.36 |
| Interest cost on defined benefit obligation | 19.88 | 1.77 |
| Interest income on plan assets | - | - |
| Net impact on profit (before tax) | 247.32 | 60.75 |

(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 | (44.57) | (74.05) |



INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 158.92 | 7.49 |
| Acquisition adjustment | 327.23 | 26.61 |
| Current service cost | 227.44 | 35.62 |
| Interest cost | 19.88 | 1.77 |
| Past service cost including curtailment gains/losses | - | 23.36 |
| Benefits paid | (1.15) | (10.00) |
| 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 | 38.01 | (7.21) |
| Actuarial (gain)/loss on arising from experience adjustment | 6.56 | 81.26 |
| Present value of defined benefit obligation as at the end of the year | 776.90 | 158.92 |

(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

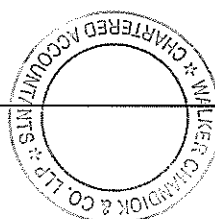
| Particulars | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March 2019 | 31 March 2018 |
| Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 776.90 | 158.92 |
| - Impact due to increase of 0.50 % | (59.16) | (11.54) |
| - Impact due to decrease of 0.50 % | 65.72 | 12.75 |
| Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 776.90 | 158.92 |
| - Impact due to increase of 0.50 % | 67.13 | 13.04 |
| - Impact due to decrease of 0.50 % | (60.85) | (11.89) |

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 31 March 2019 | As at 31 March 2018 |
|----------------|------------------------|------------------------|
| 0 to 1 year | 14.63 | 3.34 |
| 1 to 2 year | 8.71 | 2.11 |
| 2 to 3 year | 8.49 | 2.05 |
| 3 to 4 year | 8.99 | 1.79 |
| 4 to 5 year | 10.43 | 2.59 |
| 5 to 6 year | 14.43 | 2.68 |
| 6 year onwards | 711.22 | 144.27 |



INDIABULLS CONSUMER FINANCE LIMITED**(Formerly known as IVL Finance Limited)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019***(All amounts in Rs. lakh 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. 157.15 lakhs (31 March 2018: Rs. 48.57 lakhs) 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 | 2,798.63 | 811.89 | - |
| Minimum lease obligations: | | | |
| - Less than one year | 3,347.71 | 1,389.75 | - |
| - Between one and five years | 12,666.62 | 5,477.23 | - |
| - More than five years | 8,322.68 | 3,030.26 | - |
| | <u>24,337.01</u> | <u>9,897.24</u> | - |

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 | 1,154.64 | 126.04 | - |

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 57,663.38 | 44,882.61 | 11,254.68 |
| Financial assets measured at amortised cost | | | | |
| Cash and cash equivalents | Note - 4 | 93,078.55 | 88,235.57 | 145.05 |
| Bank balances other than cash and cash equivalents | Note - 5 | 14,538.84 | 6,746.49 | - |
| Loans | Note - 6 | 1,050,813.31 | 400,251.20 | 8,976.16 |
| Security deposits | Note - 8 | 886.43 | 396.58 | - |
| Other financial assets | Note - 8 | 3,902.89 | 1,141.93 | - |
| Total | | 1,220,883.40 | 541,654.38 | 20,375.89 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | Note - 14 | 209.42 | 679.80 | - |
| Financial liabilities measured at amortised cost | | | | |
| Trade payables | Note - 15 | 5,804.12 | 2,772.58 | - |
| Other payables | Note - 16 | 1,819.40 | 359.99 | 0.37 |
| Debt securities (including interest accrued) | Note - 17 | 173,896.15 | 35,009.32 | - |
| Borrowings (including interest accrued) | Note - 18 | 542,792.51 | 278,020.46 | - |
| Other financial liabilities | Note - 19 | 80,850.10 | 63,083.86 | - |
| Total | | 805,371.70 | 379,926.01 | 0.37 |

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 | 2,617.51 | - | - | 2,617.51 |
| Mutual fund | 55,045.87 | - | - | 55,045.87 |
| Financial liabilities at fair value through profit and loss | | | | |
| Derivative liability | 209.42 | - | - | 209.42 |

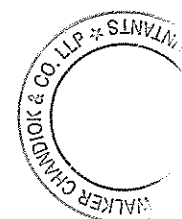
| As at 31 March 2018 | Level 1 | Level 2 | Level 3 | Total |
|--|-----------|---------|---------|-----------|
| Financial assets | | | | |
| Investments at fair value through profit and loss | | | | |
| Quoted equity instruments | 7,238.14 | - | - | 7,238.14 |
| Mutual funds | 37,644.47 | - | - | 37,644.47 |
| Financial liabilities at fair value through profit and loss | | | | |
| Derivative liability | 679.80 | - | - | 679.80 |

| As at 1 April 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|-----------|---------|---------|-----------|
| Financial assets | | | | |
| Investments at fair value through profit and loss | | | | |
| Mutual funds | 11,254.68 | - | - | 11,254.68 |

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.



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(All amounts in Rs. lakh unless stated otherwise)

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 value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | | |
| Cash and cash equivalents | 93,078.55 | 93,078.55 | 88,235.57 | 88,235.57 | 145.05 | 145.05 |
| Bank balances other than cash and cash equivalents | 14,538.84 | 14,538.84 | 6,746.49 | 6,746.49 | - | - |
| Loans | 1,050,813.31 | 1,076,891.84 | 400,251.20 | 402,274.75 | 8,976.16 | 9,011.34 |
| Security deposits | 886.43 | 833.36 | 396.58 | 383.63 | - | - |
| Other financial assets | 3,902.89 | 3,932.19 | 1,141.93 | 1,141.93 | - | - |
| Total | 1,163,220.02 | 1,189,274.78 | 496,771.77 | 498,782.37 | 9,121.21 | 9,156.39 |
| Financial liabilities | | | | | | |
| Trade payables | 5,804.12 | 5,804.12 | 2,772.58 | 2,772.58 | - | - |
| Other payables | 1,819.40 | 1,819.40 | 359.99 | 359.99 | 0.37 | 0.37 |
| Debt securities | 173,896.15 | 173,896.15 | 35,009.32 | 35,009.32 | - | - |
| Borrowings (other than debt securities) | 542,792.51 | 542,792.51 | 278,020.46 | 278,020.46 | - | - |
| Other financial liabilities | 80,850.10 | 82,002.39 | 63,083.86 | 63,083.86 | - | - |
| Total | 805,162.28 | 806,314.57 | 379,246.21 | 379,246.21 | 0.37 | 0.37 |

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) 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.

(ii) 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.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) 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 |



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(All amounts in Rs. lakh 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 | 93,078.55 | 88,235.57 | 145.05 |
| Bank balances other than above | 14,538.84 | 6,746.49 | - |
| Loans | 1,047,549.20 | 400,297.21 | 0.00 |
| Security deposits | 886.43 | 396.58 | - |
| Other financial assets | 3,902.89 | 1,141.93 | - |
| (ii) Moderate credit risk | | | |
| Loans | 7,338.51 | 1,247.57 | 9,191.00 |
| (iii) High credit risk | | | |
| Loans | 8,412.93 | 207.97 | - |

* 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 2. Management judgement is applied to determine the economic scenarios and the application of probability weights |
| Retail borrowers | 3. Discount rate is based on internal rate of return on the loan | |

* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

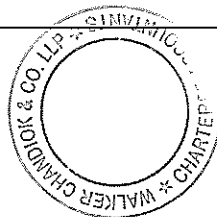
Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

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 | 93,078.55 | - | 93,078.55 |
| Bank balances other than cash and cash equivalents | 14,538.84 | - | 14,538.84 |
| Security deposits | 886.43 | - | 886.43 |
| Other financial assets | 3,902.89 | - | 3,902.89 |

| As at 31 March 2018 | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|--------------------------------|--|------------------------|---|
| Cash and cash equivalents | 88,235.57 | - | 88,235.57 |
| Bank balances other than above | 6,746.49 | - | 6,746.49 |
| Security deposits | 396.58 | - | 396.58 |
| Other financial assets | 1,141.93 | - | 1,141.93 |



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 145.05 | - | 145.05 |

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 | - | 9,191.00 | - |
| Assets originated | 638,582.64 | - | - |
| Net transfer between stages | (1,499.20) | 1,275.78 | 223.41 |
| Assets derecognised (excluding write offs) | (236,786.22) | (8,021.31) | (15.44) |
| Write - offs | - | (1,197.91) | - |
| Gross carrying amount as at 31 March 2018 | 400,297.22 | 1,247.56 | 207.97 |
| Assets originated and acquired | 984,562.09 | - | - |
| Net transfer between stages | (18,592.38) | 8,883.39 | 9,708.98 |
| Assets derecognised (excluding write offs) | (318,717.71) | (2,792.46) | (1,504.02) |
| Gross carrying amount as at 31 March 2019 | 1,047,549.22 | 7,338.49 | 8,412.93 |

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 | - | 214.84 | - |
| Increase of provision due to assets originated during the year | 2,682.05 | - | - |
| Net transfer between stages | (481.66) | 314.10 | 167.56 |
| Loss allowance written back | (991.22) | (403.64) | (0.48) |
| Write - offs | - | - | - |
| Loss allowance on 31 March 2018 | 1,209.17 | 125.30 | 167.08 |
| Increase of provision due to assets originated and purchased during the year | 4,135.16 | - | - |
| Net transfer between stages | (8,133.84) | 2,187.09 | 5,946.75 |
| Loss allowance written back | 7,197.24 | (14.33) | (332.29) |
| Write - offs | - | - | - |
| Loss allowance on 31 March 2019 | 4,407.73 | 2,298.06 | 5,781.54 |

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 | 324,382.83 | 195,922.23 | 8,490.18 |
| Retail borrowers | 738,917.81 | 205,830.52 | 700.82 |
| Total | 1,063,300.64 | 401,752.75 | 9,191.00 |

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 | 494,306.69 | 186,935.30 | - |
| Secured by other assets | 1,776.73 | 1,728.29 | - |

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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 20,859.00 | 6,129.34 |
| Total | 20,859.00 | 6,129.34 |

| As at 31 March 2018 | Total facility | Undrawn |
|----------------------------|------------------|------------------|
| - Expiring within one year | 45,000.00 | 45,000.00 |
| Total | 45,000.00 | 45,000.00 |

(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 | 101,765.21 | 6,801.76 | - | 108,566.97 |
| Loans | 462,508.54 | 645,308.54 | 279,328.07 | 1,387,145.15 |
| Investments | 57,663.38 | - | - | 57,663.38 |
| Other financial assets | 1,489.81 | 2,064.51 | 1,813.15 | 5,367.47 |
| Total undiscounted financial assets | 623,426.94 | 654,174.81 | 281,141.22 | 1,558,742.97 |
| Financial liabilities | | | | |
| Non-derivatives | | | | |
| Debt Securities | 102,640.69 | 69,346.54 | 24,160.97 | 196,148.20 |
| Borrowings other than debt securities | 289,273.11 | 197,885.68 | 88,897.04 | 576,055.83 |
| Trade payables | 5,804.12 | - | - | 5,804.12 |
| Other payable | 1,819.40 | - | - | 1,819.40 |
| Other financial liabilities | 62,006.72 | 19,011.22 | 68.87 | 81,086.81 |
| Derivatives (net settled) | | | | |
| Index linked derivatives | 209.42 | - | - | 209.42 |
| Total undiscounted financial liabilities | 461,753.46 | 286,243.44 | 113,126.88 | 861,123.78 |
| Net undiscounted financial assets/(liabilities) | 161,673.48 | 367,931.37 | 168,014.34 | 697,619.19 |

| 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 | 95,182.16 | - | - | 95,182.16 |
| Loans | 167,370.35 | 227,696.57 | 117,398.91 | 512,465.83 |
| Investments | 44,882.61 | - | - | 44,882.61 |
| Other financial assets | 1,150.24 | 60.11 | 595.38 | 1,805.73 |
| Total undiscounted financial assets | 308,585.36 | 227,756.68 | 117,994.29 | 654,336.33 |
| Financial liabilities | | | | |
| Non-derivatives | | | | |
| Debt securities | 36,295.58 | - | - | 36,295.58 |
| Borrowings other than debt securities | 57,031.19 | 160,173.00 | 123,908.00 | 341,112.19 |
| Trade payables | 2,772.58 | - | - | 2,772.58 |
| Other payable | 359.99 | - | - | 359.99 |
| Other financial liabilities | 63,083.86 | - | - | 63,083.86 |
| Derivatives (net settled) | | | | |
| Index linked derivatives | 679.80 | - | - | 679.80 |
| Total undiscounted financial liabilities | 160,223.00 | 160,173.00 | 123,908.00 | 444,304.00 |
| Net undiscounted financial assets/(liabilities) | 148,362.36 | 67,583.68 | (5,913.71) | 210,032.33 |



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(All amounts in Rs. lakh 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 | 145.05 | - | - | 145.05 |
| Loans | 3,124.07 | 306.12 | 7,294.67 | 10,724.86 |
| Investments | 11,254.68 | - | - | 11,254.68 |
| Total undiscounted financial assets | 14,523.80 | 306.12 | 7,294.67 | 22,124.59 |
| Financial liabilities | | | | |
| Non-derivatives | | | | |
| Other payable | 0.37 | - | - | 0.37 |
| Total undiscounted financial liabilities | 0.37 | - | - | 0.37 |
| Net undiscounted financial assets/(liabilities) | 14,523.43 | 306.12 | 7,294.67 | 22,124.22 |

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 | 173,486.15 | 35,000.00 | - |
| Variable rate liabilities | | | |
| Borrowings other than debt securities | 541,996.86 | 278,015.68 | - |
| Total | 715,483.01 | 313,015.68 | - |

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% | (2,709.98) | (1,390.08) |
| Interest rates - decrease by 0.50% | 2,709.98 | 1,390.08 |

* 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% | 2,752.29 | 1,882.22 |
| Net assets value - decrease by 5% | (2,752.29) | (1,882.22) |
| Quoted equity instruments | | |
| Value per share - increase by 5% | - | 361.91 |
| Value per share - decrease by 5% | - | (361.91) |
| Quoted debt securities | | |
| Market price - increase by 5% | 130.88 | - |
| Market price - decrease by 5% | (130.88) | - |



INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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* | 623,610.11 | 224,794.21 | (145.05) |
| Total equity | 436,812.86 | 168,848.69 | 20,895.01 |
| 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.

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. Lakh 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 | (2,633.93) | 27 September 2018 | 2,830.05 | 1:1 |

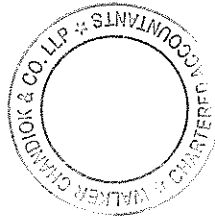
| Particulars | Carrying amount of derivative liabilities | Carrying amount of investments | Amount charged to statement of profit and loss |
|-------------|---|--------------------------------|--|
| Investments | - | - | 196.13 |

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 | (440.30) | 24 April 2018 | 465.89 | 1:1 |

| Particulars | Carrying amount of derivative liabilities | Carrying amount of investments | Amount charged to statement of profit and loss |
|-------------|---|--------------------------------|--|
| Investments | (440.30) | 7,238.14 | 25.59 |

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

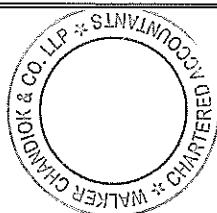
(All amounts in Rs. lakh unless stated otherwise)

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 March 31, 2019 | | As at March 31, 2018 | | As at April 1, 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 | 93,078.55 | - | 88,235.57 | - | 145.05 | - |
| Bank balances other than cash and cash equivalents | 8,326.40 | 6,212.44 | 6,746.49 | - | - | - |
| Loans | 453,013.62 | 597,799.69 | 94,344.03 | 305,907.17 | 8,976.16 | - |
| Investments | 57,663.38 | - | 44,882.61 | - | 11,254.68 | - |
| Other financial assets | 1,961.01 | 2,828.31 | 1,141.93 | 396.58 | - | - |
| | <u>614,042.96</u> | <u>606,840.44</u> | <u>235,350.63</u> | <u>306,303.75</u> | <u>20,375.89</u> | <u>-</u> |
| Non-financial assets | | | | | | |
| Current tax assets (net) | 2,421.41 | - | 799.70 | - | 819.48 | - |
| Deferred tax assets (net) | - | 1,685.38 | - | 1,167.86 | - | 133.38 |
| Investment accounted for using equity method | - | 3,570.43 | - | - | - | - |
| Property, plant and equipment | - | 3,093.33 | - | 1,551.04 | - | 0.70 |
| Intangible assets under development | - | 246.07 | - | 58.04 | - | - |
| Other intangible assets | - | 5,184.96 | - | 3,074.68 | - | - |
| Other non-financial assets | 7,673.39 | 1,015.53 | 2,360.24 | 326.82 | 174.44 | - |
| | <u>10,094.80</u> | <u>14,795.70</u> | <u>3,159.94</u> | <u>6,178.44</u> | <u>993.92</u> | <u>134.08</u> |
| TOTAL ASSETS | <u>624,137.76</u> | <u>621,636.14</u> | <u>238,510.57</u> | <u>312,482.19</u> | <u>21,369.81</u> | <u>134.08</u> |
| LIABILITIES AND EQUITY | | | | | | |
| LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| Derivative financial instruments | 209.42 | - | 679.80 | - | - | - |
| Payables | | | | | | |
| Trade payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - | 7.20 | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 5,804.12 | - | 2,765.38 | - | - | - |
| 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 | 1,819.40 | - | 359.99 | - | 0.37 | - |
| Debt securities | 67,480.00 | 106,006.15 | 35,000.00 | - | - | - |
| Borrowings (other than debt securities) | 255,657.35 | 286,339.51 | 33,055.83 | 244,959.85 | - | - |
| Other financial liabilities | 63,212.37 | 18,843.38 | 63,097.96 | - | - | - |
| | <u>394,182.66</u> | <u>411,189.04</u> | <u>134,966.16</u> | <u>244,959.85</u> | <u>0.37</u> | <u>-</u> |
| Non-financial liabilities | | | | | | |
| Current tax liabilities (net) | - | - | 689.74 | - | 49.57 | - |
| Provisions | 23.39 | 1,044.13 | 4.33 | 216.72 | 0.25 | 9.13 |
| Other non-financial liabilities | 2,266.54 | 255.27 | 1,273.20 | 34.07 | 549.56 | - |
| | <u>2,289.93</u> | <u>1,299.40</u> | <u>1,967.27</u> | <u>250.79</u> | <u>599.38</u> | <u>9.13</u> |
| TOTAL LIABILITIES | <u>396,472.59</u> | <u>412,488.45</u> | <u>136,933.43</u> | <u>245,210.64</u> | <u>599.75</u> | <u>9.13</u> |
| Net | <u>227,665.17</u> | <u>209,147.69</u> | <u>101,577.14</u> | <u>67,271.55</u> | <u>20,770.06</u> | <u>124.95</u> |



INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 40,722.80 | 26,605.62 |
| Retail borrowers | 104,049.40 | 7,280.53 |
| Total | 144,772.20 | 33,886.15 |

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 | - | - | - | 803.34 | - | - |
| - Indiabulls Distribution Services Limited | - | 1,300.00 | 30,000.00 | - | - | - |
| Loans taken | | | | | | |
| (Maximum balance outstanding during the year): | | | | | | |
| - Indiabulls Ventures Limited | 98,920.00 | 24,495.00 | - | - | - | - |
| - Indiabulls Distribution Services Limited | - | 26,250.00 | - | - | - | - |
| Share capital | | | | | | |
| Issue of equity shares | | | | | | |
| - Indiabulls Ventures Limited | 257,224.80 | 100,276.59 | - | - | - | - |
| Issue of compulsory convertible preference shares | | | | | | |
| - Indiabulls Distribution Services Limited | - | - | - | 27,500.00 | - | - |
| Redemption of compulsory convertible preference shares | | | | | | |
| - Indiabulls Distribution Services Limited | - | - | 27,500.00 | - | - | - |
| Employee benefits transfer received/paid(net) | | | | | | |
| - Indiabulls Distribution Services Limited | - | - | 139.12 | - | - | - |
| - Indiabulls Investment Advisors Limited | - | - | 66.91 | - | - | - |
| - Indiabulls Ventures Limited | 13.83 | - | - | - | - | - |
| Deposit for mark to margin account | | | | | | |
| - Indiabulls Ventures Limited | 42.54 | 266.55 | - | - | - | - |
| Contingent liabilities | | | | | | |
| Fixed deposits pledged | | | | | | |
| - Indiabulls Ventures Limited | 1,100.00 | 1,200.00 | - | - | - | - |
| Corporate guarantees taken | | | | | | |
| - Indiabulls Ventures Limited | 143,900.00 | 310,000.00 | - | - | - | - |
| Corporate guarantees released | | | | | | |
| - Indiabulls Ventures Limited | 225,000.00 | - | - | - | - | - |
| Interest income | | | | | | |
| - Gyansagar Buildtech Limited | - | - | - | 4.84 | - | - |
| - Indiabulls Distribution Services Limited | - | 8.65 | 27.12 | - | - | - |

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

| | | | | | | |
|--|----------|--------|-------|---|--------|--------|
| Expenses | | | | | | |
| Brokerage paid | | | | | | |
| - Indiabulls Ventures Limited | 25.59 | 35.46 | - | - | - | - |
| Interest expense | | | | | | |
| - Indiabulls Ventures Limited | 4,032.51 | 175.27 | - | - | - | - |
| - Indiabulls Distribution Services Limited | - | 58.30 | - | - | - | - |
| Reimbursement of expenses paid | | | | | | |
| - Indiabulls Ventures Limited | - | 40.92 | - | - | - | - |
| - Indiabulls Distribution Services Limited | - | - | 51.08 | - | - | - |
| Non convertible debentures issued | | | | | | |
| - Mr. Gagan banga | - | - | - | - | 10.00 | - |
| Compensation to key management personnel | | | | | | |
| - Short term employee benefits | | | | | | |
| Mr. Pinank Shah | - | - | - | - | 282.15 | 200.20 |
| Mr. Ravinder | - | - | - | - | - | 3.38 |
| Mr. Joginder Singh | - | - | - | - | - | 3.38 |
| Mr. Alok Mishra | - | - | - | - | 8.72 | - |
| Mr. Labh Singh Sitara | - | - | - | - | 7.63 | - |
| Mr. Manjari Kacher | - | - | - | - | 4.36 | - |
| Mr. Preetinder Virk | - | - | - | - | 1.09 | - |
| - Post employee benefits- gratuity | | | | | | |
| Mr. Pinank Shah | - | - | - | - | 13.21 | 12.74 |
| - Other long-term benefits- compensated absences | | | | | | |
| Mr. Pinank Shah | - | - | - | - | 12.76 | 8.28 |
| - Share based payment expenses | | | | | | |
| Mr. Pinank Shah | - | - | - | - | 727.48 | 570.13 |
| Mr. Nafees Ahmed | - | - | - | - | 110.91 | 88.52 |
| Mr. Ajit Kumar Mittal | - | - | - | - | 5.87 | 9.87 |

(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 | - | - | 1,300.00 | - | - | 2,723.38 |
| Loans taken | 27,520.00 | - | - | - | - | - |
| Equity shares | 6,118.80 | 2,455.16 | 521.90 | - | - | - |
| Compulsory convertible preference shares | - | - | - | - | 550.00 | - |
| Securities premium | 370,534.35 | 116,973.19 | 18,629.86 | - | 26,950.00 | - |
| Deposit for mark to market margin account | 309.09 | 266.55 | - | - | - | - |
| Corporate guarantees taken | 228,900.00 | 310,000.00 | - | - | - | - |
| Fixed deposits pledged (excluding interest accrued) | 1,100.00 | 1,200.00 | - | - | - | - |

Note - 49

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

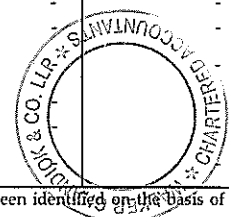
Trade payables

| Particulars | As at 31 March 2019 | As at 31 March 2018 | As at 1 April 2017 |
|--|------------------------|------------------------|-----------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | 7.20 | - |
| (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 31 March 2019 | As at 31 March 2018 | As at 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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | - | (28,466.88) | (28,466.88) |
| - Proceeds | 35,000.00 | 307,564.00 | 342,564.00 |
| Non cash: | | | |
| - Amortisation of upfront fees and others | - | (1,081.44) | (1,081.44) |
| 31 March 2018 | 35,000.00 | 278,015.68 | 313,015.68 |
| Cash flows: | | | |
| - Repayment | (646,419.18) | (629,275.43) | (1,275,694.61) |
| - Proceeds | 786,539.71 | 894,099.66 | 1,680,639.37 |
| Non cash: | | | |
| - Amortisation of upfront fees and others | (1,634.38) | (843.05) | (2,477.43) |
| 31 March 2019 | 173,486.15 | 541,996.86 | 715,483.01 |

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INDIABULLS CONSUMER FINANCE LIMITED**(Formerly known as IVL Finance Limited)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019***(All amounts in Rs. lakh unless stated otherwise)***51 Transferred financial assets**

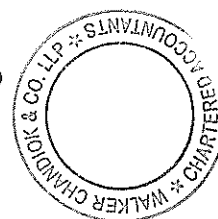
In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

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 | 42,197.00 | - | - |
| Gross carrying amount of associated liabilities | 40,828.55 | - | - |
| Carrying value and fair value of securitised assets | 43,111.96 | - | - |
| Carrying value and fair value of associated liabilities | 40,828.55 | - | - |
| Net position | 2,283.41 | - | - |

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

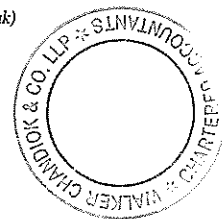
(All amounts in Rs. lakh unless stated otherwise)

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 | | 145.05 | - | 145.05 |
| Loans | 5 | 8,961.36 | 14.80 | 8,976.16 |
| Investments | 3 | 11,250.00 | 4.68 | 11,254.68 |
| Total financial assets | | 20,356.41 | 19.48 | 20,375.89 |
| Non-financial assets | | | | |
| Current tax assets (net) | | 819.48 | - | 819.48 |
| Deferred tax assets (net) | 8 | 116.31 | 17.07 | 133.38 |
| Property, plant and equipment | | 0.70 | - | 0.70 |
| Other non-financial assets | | 174.44 | - | 174.44 |
| Total non-financial assets | | 1,110.93 | 17.07 | 1,128.00 |
| TOTAL ASSETS | | 21,467.34 | 36.55 | 21,503.89 |
| 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 | | 0.37 | - | 0.37 |
| Total financial liabilities | | 0.37 | - | 0.37 |
| Non-financial liabilities | | | | |
| Current tax liabilities (net) | | 49.57 | - | 49.57 |
| Provisions | | 9.38 | - | 9.38 |
| Other non-financial liabilities | | 549.56 | - | 549.56 |
| Total non-financial liabilities | | 608.51 | - | 608.51 |
| EQUITY | | | | |
| Equity share capital | | 521.90 | - | 521.90 |
| Other equity | | 20,336.56 | 36.55 | 20,373.11 |
| Total equity | | 20,858.46 | 36.55 | 20,895.01 |
| TOTAL LIABILITIES AND EQUITY | | 21,467.34 | 36.55 | 21,503.89 |

*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.

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 34,187.30 | 282.39 | 34,469.69 |
| Dividend income | | 19,692.44 | - | 19,692.44 |
| Fees and commission income | 2 | 16,127.32 | (4,880.94) | 11,246.38 |
| Total revenue from operations | | 70,007.06 | (4,598.55) | 65,408.51 |
| Other income | | 25.59 | - | 25.59 |
| Total income | | 70,032.65 | (4,598.55) | 65,434.10 |
| Expenses | | | | |
| Finance costs | 1 and 7 | 13,679.51 | (230.28) | 13,449.23 |
| Fees and commission expense | 2 | 2,497.89 | (2,497.89) | - |
| Net loss on fair value changes | 3 | 15,215.17 | 4.68 | 15,219.85 |
| Impairment on financial instruments | 5 | 2,625.50 | (137.54) | 2,487.96 |
| Employee benefits expenses | 2, 6 and 9 | 4,219.98 | 2,205.57 | 6,425.55 |
| Depreciation and amortisation | | 560.82 | - | 560.82 |
| Other expenses | 2 and 4 | 6,255.57 | (749.48) | 5,506.09 |
| Total expenses | | 45,054.44 | (1,404.94) | 43,649.50 |
| Profit before tax | | 24,978.21 | (3,193.61) | 21,784.60 |
| Tax expense: | | | | |
| Current tax | | 5,790.09 | - | 5,790.09 |
| Deferred tax credit | 8 | 36.02 | (1,044.87) | (1,008.85) |
| | | 5,826.11 | (1,044.87) | 4,781.24 |
| Profit for the year | | 19,152.10 | (2,148.74) | 17,003.36 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of the defined benefit plans | 9 | - | (74.05) | (74.05) |
| Income tax expense relating to above items | 8 | - | 25.63 | 25.63 |
| Total comprehensive income for the year | | 19,152.10 | (2,197.16) | 16,954.94 |

*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.

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INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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

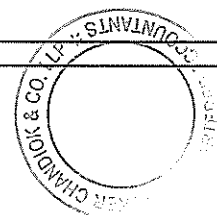
Ind AS 101 requires an entity to reconcile total equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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 | 167,787.15 | 20,858.46 |
| Adjustments: | | |
| Straightlining of rental expense | Note 4 67.56 | - |
| Financial assets measured at amortised cost | Note 2 (1,327.39) | - |
| Financial liabilities measured at amortised cost | Note 1 404.72 | - |
| Impact of financial guarantee | Note 7 676.71 | - |
| Allowance for expected credit loss | Note 5 152.35 | 14.80 |
| Fair valuation of investments | Note 3 - | 4.68 |
| Tax impact on above | Note 8 1,087.58 | 17.07 |
| Total adjustments | 1,061.53 | 36.55 |
| Total equity as per Ind AS | 168,848.68 | 20,895.01 |

2 Reconciliation of total comprehensive income for the year

| Note | For the year ended 31 March 2018 |
|--|-------------------------------------|
| Profit after tax as per previous GAAP | 19,152.10 |
| Adjustments: | |
| Remeasurement of defined benefit obligations | Note 9 74.05 |
| Measurement of employee share based payments at fair value | Note 6 (2,370.97) |
| Straightlining of rental expense | Note 4 67.56 |
| Financial assets measured at amortised cost | Note 2 (1,327.39) |
| Financial liabilities measured at amortised cost | Note 1 404.72 |
| Impact of financial guarantee | Note 7 (174.44) |
| Allowance for expected credit loss | Note 5 137.54 |
| Fair valuation of investments | Note 3 (4.68) |
| Tax impact on above | Note 8 1,044.87 |
| Total adjustments | (2,148.74) |
| Profit after tax as per Ind AS | 17,003.36 |
| Remeasurement of defined benefit obligations | Note 9 (74.05) |
| Tax impact on above | Note 8 25.63 |
| Total comprehensive income as per Ind AS | 16,954.94 |



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(All amounts in Rs. lakh 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 | (312,422.40) | 19,692.43 | (292,729.97) |
| Net cash flow from investing activity | (41,360.79) | (19,692.43) | (61,053.22) |
| Net cash flow from financing activity | 441,873.71 | - | 441,873.71 |
| Net increase/(decrease) in cash and cash equivalent | 88,090.52 | - | 88,090.52 |
| Cash and cash equivalent as at 1 April 2017 | 145.05 | - | 145.05 |
| Cash and cash equivalent as at 31 March 2018 | 88,235.57 | - | 88,235.57 |

*The previous GAAP figures have been reclassified to conform 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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.

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INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

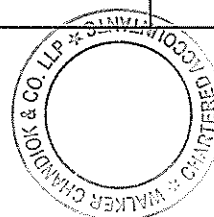
(All amounts in Rs. lakh unless stated otherwise)

Note - 53

Schedule in terms of Annex II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and 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 | 79,281.80 | - | 10,009.32 | - |
| : Unsecured | - | - | - | - |
| (other than falling within the meaning of public deposits) | | | | |
| (b) Deferred credits | - | - | - | - |
| (c) Term loans | 500,495.53 | - | 277,961.81 | - |
| (d) Loan from related parties | 27,520.00 | - | - | - |
| (e) Commercial paper | 95,000.00 | - | 25,000.00 | - |
| (f) Other loans | | | | |
| - Loan repayable on demand | 14,729.66 | - | - | - |
| - Vehicle loan | 47.32 | - | 58.65 | - |
| 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 | | | 496,083.42 | 188,663.59 |
| (b) Unsecured | | | 567,217.22 | 213,089.16 |
| Less: Impairment loss allowance | | | (12,487.33) | (1,501.55) |
| Total | | | 1,050,813.31 | 400,251.20 |
| (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 | | | - | 7,238.14 |
| (b) Preference | | | - | - |
| (ii) Debentures and bonds | | | 2,617.51 | - |
| (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 | | | 55,045.87 | 37,644.47 |
| (iv) Government securities | | | - | - |
| (v) Investment in associate | | | 3,570.43 | - |

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INDIABULLS CONSUMER FINANCE LIMITED

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

(All amounts in Rs. 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 | 490,257.45 | 560,555.86 | 187,958.46 | 212,292.74 |
| Total | 490,257.45 | 560,555.86 | 187,958.46 | 212,292.74 |

(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 | 3,570.43 | 3,570.43 | - | - |
| 2. Other than related parties | 57,663.38 | 57,663.38 | 44,882.61 | 44,882.61 |
| Total | 61,233.81 | 61,233.81 | 44,882.61 | 44,882.61 |

(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 | 8,412.93 | 207.97 |
| (II) Net non-performing assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 2,631.39 | 40.89 |

(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:

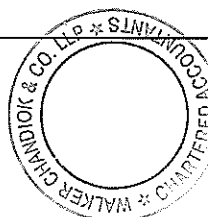
(i) Disclosure for capital to risk assets ratio (CRAR):-

| 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; | 485,294.53 | 186,206.00 |
| (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.



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(All amounts in Rs. lakh 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. 40,828.55 lakh 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. 60,648.15 lakh 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 prorate 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 | 40,828.55 | - |
| 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) | 6,212.44 | - |
| - 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

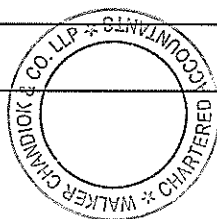
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| i). No. of accounts (nos) | 345.00 | - |
| ii) Aggregate value (net of provisions) of accounts assigned | 60,648.15 | - |
| iii) Aggregate consideration | 60,648.15 | - |
| 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 | - | - |



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(All amounts in Rs. lakhs 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 1,776.73 lakhs (31 March 2018: Rs 1,728.29 lakhs)

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 | 5,781.54 | 167.08 |
| Provision made towards income tax [net of advance tax] | - | 689.74 |
| Other provision and contingencies (with details) | | |
| i) Provision for compensated absences | 157.15 | 48.57 |
| ii) Provision for gratuity | 247.32 | 60.75 |
| Provision for Standard assets | 6,705.79 | 1,334.47 |

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* | 70,685.41 | 40,179.51 |
| 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* | 56,318.74 | 40,179.51 |
| 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

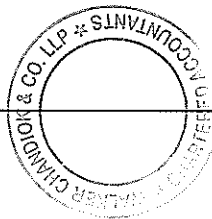
| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Total exposure to top four NPA accounts* | 1,117.47 | 161.29 |

* 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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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 | 207.97 | - |
| Add : Addition during the year | 8,204.96 | 207.97 |
| Less: Upgraded during the year | - | - |
| Less: Recoveries during the year | - | - |
| Less: Write off | - | - |
| Closing Gross NPA | 8,412.93 | 207.97 |
| c. Opening Net NPAs | 40.89 | - |
| Add: Addition during the year | 2,590.50 | 40.89 |
| Less: Upgraded during the year | - | - |
| Less: Recoveries during the year | - | - |
| Less: Write off | - | - |
| Closing Net NPAs | 2,631.39 | 40.89 |
| d. Movement of provisions for NPA | | |
| Opening balance | 167.08 | - |
| Provision made during the year | 5,614.46 | 167.08 |
| Write off/write back of excess provisions | - | - |
| Less: Write off | - | - |
| Closing balance | 5,781.54 | 167.08 |

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.

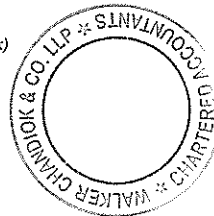
xv. The Company has been assigned the following credit ratings:

| 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 |

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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. 3,453.69 lakhs (31 March 2018 Rs. 2,370.97 lakhs) 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

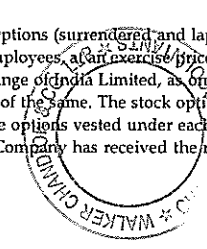
During the financial year ended 31 March 2010, the Holding Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Holding Company was authorised to grant 20,000,000 options, representing 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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh 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. 3,453.69 lakhs (31 March 2018: Rs. 2,370.97 lakhs) 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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

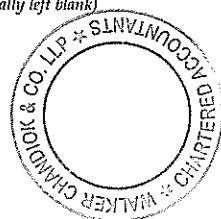
Note - 55 (Continued)

| | IBVL ESOP - 2009 | | | | | | |
|--|--|--|--|--|--|--|--|
| Total options under the Scheme (Nos.) | 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).

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in Rs. lakh unless stated otherwise)

Note - 56

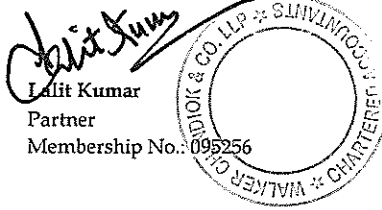
In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Prote Fund as at 31 March 2019 (31 March 2018: Rs. nil; 1 April 2017: Rs. nil).

In terms of our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's registration no. : 001076N/N500013



Lalit Kumar


Partner

Membership No.: 095256

Place: Mumbai

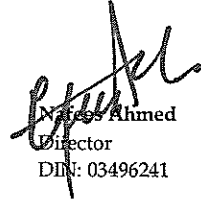
Date: 25 April 2019

For and on behalf of the board of directors


Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798


Place: Mumbai

Date: 25 April 2019


Nagesh Ahmed
Director
DIN: 03496241

Place: Gurugram

Date: 25 April 2019


Rajeev Lochan Agrawal
Chief Financial Officer


Manish Rustagi
Company Secretary