

Indiabulls

CONSUMER FINANCE

INDIABULLS CONSUMER FINANCE LIMITED

Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial Services Private Limited' pursuant to a fresh certificate of incorporation dated January 13, 2010. The name of our Company was changed to 'IVL Finance Limited' pursuant to a fresh certificate of incorporation dated October 19, 2016. Pursuant to a fresh certificate of incorporation dated September 18, 2018, the name of our Company was changed to 'Indiabulls Consumer Finance Limited'. Our Company was incorporated under the Companies Act, 1956 on October 27, 1994 with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). The CIN of our Company is U74899DL1994PLC062407. Our Company is registered as a Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934. For further details regarding changes to the name and registered office of our Company, please see "History and other Corporate Matters" on page 97.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India. **Telephone No.:** +91 11 3025 2900, **Facsimile No.:** +91 11 3015 6701
Corporate Office(s): Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013
Telephone No.: +91 22 6189 1000, **Facsimile No.:** +91 22 6189 1421
Plot No. 249 D & E, Udyog Vihar, Phase IV, Tower A, Gurugram – 122 016, Telephone No.: +91 124 668 5899, **Facsimile No.:** +91 124 668 1240
Website: www.indiabullskonsumerfinance.com, **Email:** helpdesk@indiabulls.com

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

PUBLIC ISSUE BY INDIABULLS CONSUMER FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") AGGREGATING UP TO ₹ 30,000 MILLION ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENTS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our promoter is Indiabulls Ventures Limited. For further details refer to the section "Our Promoter" on page 121.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved, specific attention of the Investor is invited to "Risk Factors" and "Material Developments" on page 14 and 130 respectively of the Draft Shelf Prospectus, Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making any investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

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

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, please see "Terms of the Issue" on page 166. For details relating to Eligible Investors please see "Issue related information" on page 162.

CREDIT RATINGS

The NCDs proposed to be issued under this Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/RB/0615/2018-19 dated January 4, 2019 and instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rating letter and rationale for these ratings, see Annexure A and B of this Draft Shelf Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.


LISTING

The NCDs offered through this Draft Shelf Prospectus along with the Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and along with BSE are referred to as "Stock Exchanges"). Our Company has received an 'in-principle' approval from the BSE vide its letter no. [●] dated [●] and NSE vide its letter no. [●] dated [●]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated January 21, 2019 has been filed with BSE and NSE, pursuant to Regulation 6(2) of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

 Edelweiss Ideas create, values protect	 a.k. BUILDING BONDS	 AXIS BANK	 TRUST In Partnership, With Trust.
EDELWEISS FINANCIAL SERVICES LIMITED Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, Maharashtra, India Telephone No.: +91 22 4086 3535 Facsimile No.: +91 22 4086 3610 Email: icfl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641	A.K. CAPITAL SERVICES LIMITED 30-39, Free Press House 3rd Floor, Free Press Journal Marg 215, Nariman Point, Mumbai 400 021 Telephone No.: +91 22 6754 6500 Facsimile No.: +91 22 6610 0594 Email: icflncd2019@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Ms. Shilpa Pandey/Mr. Krish Sanghvi SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881	AXIS BANK LIMITED Axis House, 8 th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India Telephone No.: +91 22 6604 3293 Facsimile No.: +91 22 2425 3800 Email: icfl.2019@axisbank.com Investor Grievance Email: investor.grievance@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vikas Shinde SEBI Registration No.: INM000006104 CIN: L65110GJ1993PLC020769	TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India Telephone No.: +91 22 4084 5000 Facsimile No.: +91 22 4084 5007 Email: mbd.trust@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Vikram Thirani SEBI Registration No.: INM000011120 CIN: U67190MH2006PTC162464

DEBENTURE TRUSTEE**

REGISTRAR TO THE ISSUE

 IDBI trustee IDBI Trusteeship Services Ltd	 KARVY FINTECH
IDBI TRUSTEESHIP SERVICES LIMITED Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Telephone No.: +91 22 40807018 Facsimile No.: +91 22 66311776 Email: anjalee@idbitrustee.com Investor Grievance Email: response@idbitrustee.com Website: www.idbitrustee.com Contact Person: Ms. Anjalee Athalye SEBI Registration No.: IND000000460 CIN: U65991MH2001GOI131154	KARVY FINTECH PRIVATE LIMITED (FORMERLY KNOWN AS KCPL ADVISORY SERVICES PRIVATE LIMITED)*** Karvy Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telangana– 500 032 Telephone No.: +91 40 6716 2222; Facsimile No.: +91 40 2343 1551 Email: icfl.ncd1@karvy.com Investor Grievance Email: einward.ris@karvy.com Website: www.karvyfintech.com Contact Person: Mr. M Murali Krishna SEBI Registration No.: INR000000221 CIN: U67200TG2017PTC117649

ISSUE PROGRAMME*

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

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

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

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of section 26 and 31 of the Companies Act, 2013, applicable as on date of the Shelf Prospectus along with the endorsed/certified copies of all requisite documents. For further details please see "Material Contracts and Documents for Inspection" beginning on page 207.

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

TABLE OF CONTENTS

SECTION I-GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION.....	11
FORWARD-LOOKING STATEMENTS	13
SECTION II-RISK FACTORS	14
SECTION III-INTRODUCTION	41
SUMMARY OF BUSINESS	41
GENERAL INFORMATION	49
CAPITAL STRUCTURE	57
OBJECTS OF THE ISSUE.....	62
STATEMENT OF TAX BENEFITS	65
SECTION IV-ABOUT OUR COMPANY	76
INDUSTRY OVERVIEW	76
OUR BUSINESS	83
HISTORY AND OTHER CORPORATE MATTERS	97
REGULATIONS AND POLICIES	100
OUR MANAGEMENT	112
OUR PROMOTER	121
SECTION V-FINANCIAL INFORMATION	129
FINANCIAL STATEMENTS	129
MATERIAL DEVELOPMENTS	130
FINANCIAL INDEBTEDNESS	135
SECTION VI – LEGAL AND OTHE INFORMATION	144
OUTSTANDING LITIGATIONS AND DEFAULTS	144
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	151
SECTION VII- ISSUE RELATED INFORMATION	162
ISSUE STRUCTURE.....	162
TERMS OF THE ISSUE	166
ISSUE PROCEDURE.....	179
SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY	201
SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	207
DECLARATION	208
ANNEXURE A	209
ANNEXURE B	210
ANNEXURE C	211
ANNEXURE D	212

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Company related terms

Term	Description
₹/Rs./INR/Rupees/Indian Rupees	The lawful currency of the Republic of India
Articles/ Articles of Association/AoA	Articles of Association of our Company
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Bond Issue Committee	The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way of board resolutions dated September 27, 2018 and December 4, 2018
Corporate Office(s)	Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 and Plot No. 249 D & E, Udyog Vihar, Phase IV, Tower A, Gurugram – 122 016
Director(s)	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
IHFL	Indiabulls Housing Finance Limited
IVL	Indiabulls Ventures Limited
Key Managerial Personnel	The Key Managerial Personnel of the Company appointed in accordance with the provisions of the Companies Act, 2013
Limited Review Financial Results	The unaudited interim financial information for the half year ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI circular Number CIR/IMD/DF1/9/2015 dated November 27, 2015 and SEBI circular number CIR/IMD/DF1/69/2016 dated August 10, 2016
Limited Review on Special Purpose Interim Financial Information	The unaudited interim statement of profit and loss for the nine months period ended December 31, 2018 and related notes prepared in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the ICAI.
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company
Promoter	The promoter of our Company, being Indiabulls Ventures Limited
Promoter Group	Includes the Promoter and entities covered by the definition under regulation 2(1)(pp) of the SEBI ICDR Regulations
Preference Shares	0.001% Compulsorily Convertible Preference Shares of face value of ₹ 10 each
Reformatted Financial Information	The statement of reformatted balance sheet as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the statement of reformatted profit and loss for the Fiscals 2018, 2017, 2016, 2015 and 2014 and the statement of reformatted cash flows for the Fiscals 2018, 2017, 2016, 2015 and 2014

Term	Description
	as examined by the statutory auditors of our Company, namely, M/s Walker Chandiook & Co LLP, Chartered Accountants Our audited financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 form the basis for such Reformatted Financial Information
Registered Office	M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001, India
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Statutory Auditors/Auditors	The statutory auditors of our Company, being M/s Walker Chandiook & Co LLP, Chartered Accountants

Issue related terms

Term	Description
Abridged Prospectus	The memorandum containing the salient features of the Shelf Prospectus and the respective Tranche Prospectus
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to the Issue
Applicant/ Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus, the Abridged Prospectus and the Application Form for respective Tranche Issue through ASBA process
Application	An application to subscribe to the NCDs (whether physical or electronic) offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Shelf Prospectus and respective Tranche Prospectus(es)
Application Amount	The aggregate value of the NCDs applied for as indicated in the Application Form for the Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and the respective Tranche Prospectus
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application”	The application used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Account will be opened by our Company in respect of the Issue, and as specified in the Shelf Prospectus and relevant Tranche Prospectus for each Tranche Issue
Base Issue	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker Centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
CARE	CARE Ratings Limited

Term	Description
Category I Investor	<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with minimum corpus of ₹ 250 million, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹ 5,000 million as per its last audited financial statements; and • Mutual Funds registered with SEBI
Category II Investor	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Societies registered under the applicable laws in India and authorised to invest in the NCDs; • Statutory Bodies/Corporations; • Co-operative bank and regional rural banks; • Public/ private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1 million across all series of NCDs in Issue
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1 million across all series of NCDs in Issue
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	As specified under the respective Tranche Prospectus
Consortium Members	As specified under the respective Tranche Prospectus
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations
Coupon/ Interest Rate	As specified under the respective Tranche Prospectus
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CARE Ratings Limited and Brickwork Ratings India Private Limited
Debenture Trustee	The agreement dated January 17, 2019 entered into between the Debenture Trustee

Term	Description
Agreement	and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the NCD Holders in this Issue being IDBI Trusteeship Services Limited
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the NCD Holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, sub-brokers, agents, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange
Designated Stock Exchange	BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the issue in dematerialized form. Please note that the applicants will not have the option to apply for NCDs under the Issue, through direct online mechanism of the Stock Exchanges.
Draft Shelf Prospectus	This Draft Shelf Prospectus dated January 21, 2019 filed by our Company with the Designated Stock Exchange for receiving public comments in accordance with the provisions of the SEBI Debt Regulations and to SEBI for record purpose
Edelweiss	Edelweiss Financial Services Limited
ICRA	ICRA Limited
Interest/ Coupon Payment Date	As specified under the respective Tranche Prospectus
Issue	Public issue by our Company of NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 30,000 million (“ Shelf Limit ”) (“ Issue ”). The NCDs will be issued in one

Term	Description
	or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for respective tranche issue (each a “ Tranche Issue ”), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the “ Offer Documents ”)
Issue Agreement	Agreement dated January 21, 2019 between our Company and the Lead Managers
Issue Closing Date	As specified in the relevant Tranche Prospectus
Issue Opening Date	As specified in the relevant Tranche Prospectus
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms
Lead Managers/ LMs	Edelweiss Financial Services Limited, A.K.Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited
Market Lot	One NCD
NCDs	Secured redeemable non-convertible debentures of face value of ₹ 1,000 each
NCD Holder/ Debenture Holder(s)/ Bond Holder(s)	Holder of secured redeemable non-convertible debentures of face value of ₹ 1,000 each
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA.OCBs are not permitted to invest in the Issue
Offer Document	This Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus
Public Issue Account Bank	As specified in the relevant Tranche Prospectus
Public Issue Account Agreement	As specified in the relevant Tranche Prospectus
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be [●] days (as specified under respective Tranche Prospectus) prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Bond Issue Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Redemption Amount	As specified in the relevant Tranche Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	As specified in the relevant Tranche Prospectus
Refund Bank(s)	As specified in the relevant Tranche Prospectus
Register of Debenture Holders	The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registered Broker or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Registrar Agreement	Agreement dated January 18, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Series	As specified in the relevant Tranche Prospectus

Term	Description
Security	The NCDs proposed to be issued will be secured by a first ranking <i>pari passu</i> charge on present and future receivables and current assets of the Issuer for the principal amount and accrued interest thereon. The NCDs will have an asset cover of one time on the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on <i>pari passu</i> or exclusive basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection, provided that a minimum security cover of one time on the principal amount and accrued interest thereon, is maintained.
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Shelf Limit	The aggregate limit of the Issue, being ₹ 30,000 million to be issued under this Draft Shelf Prospectus, the Shelf Prospectus and Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus to be filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013
Specified Cities/Specified Locations	Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium Members, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Stock Exchanges	BSE and NSE
Syndicate or Members of the Syndicate	Collectively, the Consortium Members appointed in relation to the Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchanges only in the Specified Cities
Syndicate ASBA	Applications through the Members of the Syndicate or the Designated Intermediaries
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I Capital means owned fund as reduced by investment in shares of other NBFC and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II capital	Tier II capital includes the following: <ul style="list-style-type: none"> (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non- deposit

Term	Description
	taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, and any other information in respect of the relevant Tranche Issue
Tripartite Agreements	Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL
Working Day(s)	Working Day means all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai, as per SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.
Wilful Defaulter	A person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AUM	Asset Under Management
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result
CDSL	Central Depository Services (India) Limited
Companies Act/ Act	The Companies Act, 1956 or the Companies Act 2013, to the extent notified by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended and replaced from time to time
Companies Act, 1956	Companies Act, 1956, as amended and as applicable
Companies Act, 2013	The Companies Act, 2013, as amended
CRAR	Capital to Risk-Weighted Assets Ratio
CRPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
ECB	External Commercial Borrowings

Term/Abbreviation	Description/ Full Form
ECS	Electronic Clearing Scheme
ESOP	Employee Stock Option Plan
Depositories Act	Depositories Act, 1996
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
FCNR	Foreign Currency Non-Repatriable
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended
India	Republic of India
IND AS / Ind AS	Indian Accounting Standard
Indian GAAP	Generally Accepted Accounting Principles followed in India
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881, as amended
NPA	Non-Performing Assets
NRI or "Non-Resident"	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
QIP	Qualified Institutions Placement
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term/Abbreviation	Description/ Full Form
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
WC DL	Working Capital Demand Loan

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
Adjusted CRAR	Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments)
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ALM	Asset Liability Management
CAGR	Compounded Annual Growth Rate
CIBIL	Credit Information Bureau (India) Limited
ECB	External Commercial Borrowings
EMI	Equated monthly instalment
FSI	Floor Space Index
ICRA Research Report	Report on “Indian Retail Non-Banking Finance Market: Growth revival supports asset quality and profitability” dated April 2018 by ICRA Limited
KYC	Know Your Customer
LAP	Loan Against Property
LTV	Loan-to-value ratio
Net NPAs	Gross NPAs less provisions for NPAs
PMLA	Prevention of Money Laundering Act, 2002, as amended
ROE	Return on Equity
SCB	Scheduled Commercial Bank
Stage 1 Asset	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under IND AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under IND AS
Stage 2 Asset	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under IND AS
Stage 2 Provision	Stage 2 provision are life time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under IND AS
Stage 3 Asset	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS
Stage 3 Provision	Stage 3 provision are life time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under IND AS
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade

Notwithstanding anything contained herein, capitalised terms that have been defined in “*Capital Structure*”, “*Regulations and Policies*”, “*History and other Corporate Matters*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Statements*”, “*Financial Indebtedness*”, “*Outstanding Litigations and Defaults*”, “*Issue Procedure*” and “*Summary of Main Provisions of the Articles of Association*” on pages 57, 100, 97, 65, 112, 129, 135, 144, 179 and 201 respectively will have the meanings ascribed to them in such sections.

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

Certain Conventions

All references in this Draft Shelf Prospectus to “India” are to the Republic of India and its territories and possessions.

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

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (“IndAS”). Accordingly, the Limited Review Financial Results, submitted by our Company to the Stock Exchanges pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular Number CIR/IMD/DF1/9/2015 dated November 27, 2015 and SEBI circular number CIR/IMD/DF1/69/2016 dated August 10, 2016, included in this Draft Shelf Prospectus in the “Financial Information” beginning at page 129, have been prepared in accordance with the Ind AS. Further, the Limited Review on Special Purpose Interim Financial Information for the nine months period ended December 31, 2018, included in “Financial Information” beginning at page 129, have been prepared in accordance with Ind AS.

The Reformatted Financial Information, the Limited Review Financial Results and the Limited Review on Special Purpose Interim Financial Information are included in this Draft Shelf Prospectus. The reports on the Reformatted Financial Information, the Limited Review Financial Results and the Limited Review on Special Purpose Interim Financial Information, as issued by the Statutory Auditors, M/s Walker Chandiook & Co LLP, Chartered Accountants, of our Company, are included in this Draft Shelf Prospectus in “Financial Statements” on page 129.

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

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Ind AS financial statements included in this Shelf Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Shelf Prospectus should accordingly be limited.

Currency and Unit of Presentation

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

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including ICRA, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may

also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

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

FORWARD-LOOKING STATEMENTS

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

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations and/or directions issued by the RBI in connection with NBFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the chapter “*Risk Factors*” on page 14.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 83 and 144 respectively. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Draft Shelf Prospectus with the Stock Exchanges relevant Tranche Prospectus with the RoC and the date of the Allotment.

SECTION II-RISK FACTORS

Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section “Our Business” on page 83 and under “Financial Statements” on page 129, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations, cash flows and financial condition. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. If any of the following or any other risks actually occur, our business prospects, results of operations, cash flows and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

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

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

The unaudited interim financial information for the half year ended September 30, 2018 (which has been prepared under IND AS) and the unaudited interim statement of profit and loss for the nine months period ended December 31, 2018 (which has been prepared under IND AS), and financial information upto and for the Fiscal 2018 (which has been prepared in accordance with Indian GAAP) are not comparable.

The comparative financial information for the corresponding quarter and nine months ended 31 December 2017 are based on the previously issued standalone financial results, prepared in accordance with the accounting standards specified under Section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('the previous GAAP') and are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS. The opening balance sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 would be finalised and subjected to audit at the time of annual financial statements for the year ending 31 March 2019.

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

A. Risk Factors Relating to our Company

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

The credit markets in India have faced significant volatility, dislocation and liquidity constraints since the autumn of this year. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies. As at March 31, 2017, the net non-performing assets of Indian banks amounted to ₹ 4,331,206 million. Additionally, restructuring of assets under the newly enacted Insolvency and Bankruptcy Code, 2016, as amended, has also not yet resulted in significant recoveries by banks in India, amongst other lenders. Furthermore, there has been extreme volatility in the Indian equity markets and a sharp decline in the share prices of Indian finance companies including banks, housing finance companies and non-banking financial companies.

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

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

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

Our Company has in the past faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by our Company. Our Company had in certain instances initiated legal proceedings to recover the dues from its delinquent customers. For further details in relation to litigations, see "*Outstanding Litigation and Other Material Developments*". Customer defaults could also adversely affect our Company's levels of NPAs and provisions made for its NPAs, which could in turn adversely affect our Company's operations, cash flows and profitability. Our Company's gross NPAs as at March 31, 2018 and September 30, 2018 was ₹ 20.80 million and ₹ 134.16 million, respectively. As at March 31, 2018, 2017 and 2016 our gross NPAs as a percentage of our AUM was 0.05%, nil and nil respectively, and our net NPAs (which reflect our gross NPAs less provisions for NPAs, except counter-cyclical provision) as a percentage of our AUM was 0.05%, nil and nil, respectively.

Moreover, as our Company's loan portfolio as per IND AS matures, our Company may experience increased defaults in principal or interest repayments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its loan portfolio as per IND AS may deteriorate and its results of operations may be adversely affected. Our Company's Stage 3 Provision was ₹ 100.62 million as at September 30, 2018 and our Company's total provisions for its NPAs was ₹ 2.08 million in Fiscal March 31, 2018 and nil in Fiscal 2017, respectively, and its provisioning coverage ratio (i.e., Stage 3 Assets for which Stage 3 Provision had been created/ gross NPAs for which provisions had been created) was 75%, 10%, and nil, respectively, during these periods, which may not be comparable to that of other similar financial institutions. Moreover, there can be no assurance that there will be no further deterioration in our Company's provisioning coverage ratio or that the percentage of NPAs that our Company will be able to recover will be similar to its past experience in recovering its NPAs. In the event of any further deterioration in the quality of our Company's loan portfolio as per IND AS, there could be further adverse impact on its results of operations. Defaults for a period of more than 90 days result in such loans being classified as "non-performing". If our Company is unable to effectively monitor credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of its loan portfolio as per IND

AS, the proportion of NPAs in its loan portfolio as per IND AS could increase, which may, in turn, have a material adverse effect on our Company's business, financial condition, results of operation and future financial performance.

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

We have experienced consistent growth in our business in the past. Our revenue from operations grew at a CAGR of 1123%, from ₹ 572.43 million in Fiscal 2017 to ₹ 7,000.70 million in Fiscal 2018. Our profit after tax grew at a CAGR of 2761.10%, from ₹ 66.94 million in Fiscal 2017 to ₹ 1,915.22 million in Fiscal 2018. Our assets under management grew at a CAGR of 4,254.6%, from ₹ 919.10 million as of March 31, 2017 to ₹ 40,018.32 million as of March 31, 2018.

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

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

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

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

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

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

We are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations and these involve proceedings filed by and against our Company. We, our Promoter and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings and cases filed by us under the Negotiable Instruments Act. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, see "Outstanding Litigations and Defaults" on page 144.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

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

Our concentration of advances with our top 20 borrowers is 10.04% of our total advances as on March 31, 2018. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations. Moreover, failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/ or financial condition.

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

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

mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

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

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

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

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

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

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

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

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain

or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

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

Our Company's secured loan portfolio was ₹ 18,792.65 million as at March 31, 2018, which represented 47 per cent of the aggregate gross value of our Company's total Loan Book as of March 31, 2018. Further our Company's secured loan portfolio as at March 31, 2017 and March 31, 2016, respectively was nil. Our Company's unsecured loan portfolio was ₹ 21,225.67 million, ₹ 919.10 million and ₹ 656.89 million as at March 31, 2018, March 31, 2017 and March 31, 2016, respectively, and represented 53 per cent, 100 per cent and 100 per cent, respectively, of the aggregate gross value of our Company's total Loan Book as of those dates. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

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

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

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

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

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

Out of our Company's total long term outstanding borrowing (including current maturity of secured long term debt) of ₹ 25,409.72 million as at March 31, 2018, an amount of ₹ 818.44 million will mature during

the current financial year, and there were no long term outstanding debt as March 31, 2017 and March 31, 2016, respectively. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of a volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

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

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

As at March 31, 2018, our Company had outstanding secured borrowings of ₹ 28,909.72 million (including long term borrowings, short term borrowings and debentures, term loans from banks but excluding interest accrued and due on secured loans included in other current liabilities). As at March 31, 2018, our Company had outstanding unsecured borrowings of ₹ 2,500 million (including long term borrowings, short term borrowings and debentures and interest accrued and due on unsecured loans included in other current liabilities). Our Company will continue to incur additional indebtedness in the future. Most of our Company's borrowings are secured by its business receivables.

Certain of our Company's financing agreements also include certain conditions and covenants that require it to maintain certain financial ratios, maintain certain credit ratings and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant consequences on our Company's business and operations. Under certain of our Company's financing agreements, our Company requires, but may be unable to obtain, consents from the relevant lenders for, among others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose of any encumbered assets, or to amend its Memorandum of Association and Articles of Association. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that our Company may propose to take from time to time. For details relating to our Company's borrowings, please see "Financial Indebtedness" on page 135.

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

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets. While our Company has sought consents from its lenders for undertaking this Issue, our Company is yet to receive the consent of some of its lenders, namely, South Indian Bank and NABARD.

Undertaking the Issue without lender consents constitutes a default by our Company under the relevant financing documents and will entitle the relevant lenders to call a default against our Company and to

enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of security interests created under the financing documents, and taking possession of the assets given as security pursuant to the financing documents. An event of default would affect our Company's ability to raise new funds or renew borrowings as needed to conduct our operations and pursue our growth initiatives. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may have a material adverse effect on our Company's operations, financial position and credit rating.

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

We will file the Shelf Prospectus only upon obtaining the consent of South Indian Bank and NABARD.

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

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

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

We, our Promoter and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, labour proceedings and cases filed by us under the Negotiable Instruments Act. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, see "*Outstanding Litigations and Defaults*" on page 144.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

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

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

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

In recent years, our Company's growth has been fairly substantial. The CAGR of the total Loan Book of our Company increased by 4,254.08%, from fiscal year 2017 to fiscal year 2018. Our Company's growth strategy includes growing our Company's personal loan book and retail customer base. There can be no assurance that our Company will be able to sustain its growth plan successfully or that our Company will be able to expand further or diversify its portfolio of products. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our Company's culture, values and entrepreneurial environment as well as developing and improving our Company's internal administrative infrastructure. Our Company also faces a number of operational risks in executing its growth strategy.

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

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

As our Company is an NBFC-ND-SI in terms of applicable RBI regulations, its liquidity and ongoing profitability are primarily dependent upon its timely access to, and the costs associated with raising capital. Our Company's business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our Company's ability to obtain funds at competitive rates will depend on various factors including our Company's ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position and ability to meet its obligations. Thus, any downgrade of our Company's credit ratings would increase borrowing costs and constrain its access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our Company's ability to access the debt capital markets. As a result, this would negatively affect our Company's net interest margin and its business. In addition, any downgrade of our Company's credit ratings could increase the possibility of additional terms and conditions being imposed on any additional financing or refinancing arrangements in the future. Any downgrade of our Company's credit ratings could also accelerate the repayment of certain of our Company's borrowings in accordance with the applicable covenants of its borrowing arrangements. Any such adverse development could adversely affect our Company's business, financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The following table describes the ALM of our Company as on September 30, 2018:

(₹ in million)

	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	32.68	-	55.31	120.67	195.36	576.56	-	-	980.58
Advances	3,200.00	3,260.00	3,330.00	10,520.00	20,880.00	29,450.00	20,000.00	10,763.55	101,403.55
Investments	1,354.14	-	-	-	-	576.6	0.0	0.0	1,354.14
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings	3,276.80	3,062.59	1,479.26	2,879.43	20,258.87	29,007.93	626.93	-	60,591.80
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

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

Our Company's Loan Book, as on March 31, 2018, includes secured and unsecured loans which constitutes 47% and 53%, respectively, of our Company's Loan Book. Since these loans are unsecured, in the event of defaults by such customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company. Furthermore, our Company's structured collateralised credit products generally do not contain restrictions on the purpose for which the loans are given. As a result, its customer may utilise such loans for various purposes which are often incapable of being monitored on a regular basis, or at all.

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

Our Company's capital adequacy ratio computed on the basis of the applicable RBI norms was 36.67%, 90.03% and 108.51%, as at March 31, 2018, March 31, 2017 and March 31, 2016, respectively, with Tier I Capital comprising 36.31%, 88.92% and 108.20%, as at March 31, 2018, March 31, 2017 and March 31,

2016, respectively. The Tier II Capital comprises of 0.36%, 1.11% and 0.31% as at March 31, 2018, March 31, 2017 and March 31, 2016. If our Company continues to grow its loan portfolio and asset base, it will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

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

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

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

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

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

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

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

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

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

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

Our Company's ability to sustain the rate of growth depends significantly on selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Our Company faces a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors to which it lends. There is significant competition in India for such personnel, which has increased in recent years as a significant number of banks, NBFCs have recently commenced operations. If our Company is unable to hire additional qualified personnel or to retain them, our Company's ability to expand its business may be impaired. Our Company will need to recruit new employees who will have to be trained and integrated within our Company's operations. In addition, our Company will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate its employees properly may result in an increase in employee attrition rate, a requirement to hire additional employees, an erosion of the quality of customer service, a diversion in the management's resources, an increase in its exposure to high-risk credit and an increase in costs for our Company. Hiring and retaining qualified and skilled managers are critical to our Company's future as its business model depends on its credit-appraisal and asset valuation mechanism which are personnel-driven. Moreover, competition for experienced employees can be intense, and has intensified in the recent financial periods. While our Company has an incentive structure, our Company's inability to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our Company's business and future financial performance.

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

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

Our Company is dependent on various external vendors for the implementation of certain elements of its operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. Our Company is, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective

employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our Company's external vendors or service providers could materially and adversely affect its business, results of operations and cash flows.

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

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

Our Company is exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee and third party outsourced contractor errors. Our Company attempts to mitigate operational risk by maintaining a comprehensive system of internal and external controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees and marketing partners with continuous training. Any failure to mitigate such risks may adversely affect our Company's business and results of operations.

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

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

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

32. *We do not own a majority of our branch offices including our registered office and corporate offices. Any termination or failure on our part to renew our lease/rent Agreements in a favourable, timely*

manner, or at all, could adversely affect our business and results of operations. Moreover many of the lease/rent agreements entered into by our Company may not be duly registered or adequately stamped.

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

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

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

Our Company is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our Company's risk management is limited by the quality and timeliness of available data. Our Company's hedging strategies and other risk management techniques may not be fully effective in mitigating its risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although our Company has established these policies and procedures, they may not be fully effective.

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

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

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see “*Our Business – Liability Management*” and “*Our Business – Risk Management*” page 92. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk.

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

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See “- *High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance*” on page 15.

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

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

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

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

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

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

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

judgement of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in our Company having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our Company's reputation, business and results of operations may be adversely affected.

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

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

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

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

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

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

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

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

customers may lead to significant losses and affect their ability to repay our Company's loans. Consequently, this may adversely affect our Company's financial performance.

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

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

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

Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Company's Promoter, Directors and related entities have interests in various entities that are engaged in businesses similar to our Company. Commercial transactions in the future between our Company and related parties may result in conflicting interests. A conflict of interest may occur directly or indirectly between our Company's business and the business of our Company's Promoter which could have an adverse effect on our Company's operations. Conflicts of interest may also arise out of common business objectives shared by our Company, our Company's Promoter, Directors and their related entities. Our Company's Promoter, Directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our Company. Our Company cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

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

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

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

44. *Our Company will be subject to a number of new accounting standards that may significantly impact its financial statements, which may adversely affect the manner in which it accounts for losses and its results of operations*

Our Company's results of operations and financial condition will be affected by certain changes to Indian GAAP, which are intended to align Indian GAAP further with IFRS. These new Indian Accounting Standards ("**Ind AS**") will change our Company's methodology for estimating allowances for probable loan losses. New accounting standards may require our Company to value its non-performing loans by

reference to their market value (if a ready market for such loans exists), or to calculate the present value of the expected future cashflows realisable from our Company's loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for probable losses. This may result in our Company recognizing higher allowances for probable loan losses in the future, which will adversely affect the results of its operations.

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules 2015 on February 16, 2015 ("IAS Rules"). The MCA, via its notification dated March 30, 2016, requires NBFCs having a net worth of ₹ 50,000 million or more as of March 31, 2016, shall comply with Indian Accounting Standards ("Ind AS") for accounting periods beginning on or after April 1, 2018. Our Company has not determined with any degree of certainty the impact such adoption would have on its financial reporting. Pursuant to adoption of these changes in future there can be no assurance that our Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind AS than under Indian GAAP. In any future transition to Ind AS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application.

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

Our Company's Reformatted Financial Information included in this Draft Shelf Prospectus are prepared in conformity with Indian GAAP and the Limited Review Financial Results and the Limited Review on Special Purpose Interim Financial Information have been prepared in conformity with IND AS. Indian GAAP differs in certain significant respects from IND AS and other accounting principles and standards. Our Company has not made any attempt to quantify the impact of IND AS on the financial data included in this Draft Shelf Prospectus, nor does our Company provide a reconciliation of its financial statements to those of IND AS. If our Company were to prepare its financial statements in accordance with such other accounting principles, our Company's results of operations, cash flows and financial condition may be substantially different. The significant accounting policies applied in the preparation of its Indian GAAP Reformatted Financial Information are set forth in the notes to the Reformatted Financial Information included in this Draft Shelf Prospectus. Prospective investors should review the accounting policies applied in the preparation of our Company's financial statements summarised in the section "Index to Financial Statements" and "Summary of Significant Differences between Indian GAAP and IND AS", and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Accordingly, the degree to which the financial statements included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the investor's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

46. *This Draft Shelf Prospectus includes certain unaudited financial information, which has been subject to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.*

This Draft Shelf Prospectus includes certain unaudited interim statement of profit and loss in relation to our Company for the nine months period ended December 31, 2018, in respect of which the Statutory Auditor of our Company have issued their limited review report dated January 21, 2019. Further, this Draft Shelf Prospectus also includes certain unaudited financial information in relation to our Company as at and for the six months period ended September 30, 2018, in respect of which the Statutory Auditor of our Company have issued their limited review report dated October 10, 2018. As this financial information has been subject only to limited review and not to an audit, any reliance by prospective investors on such unaudited interim statement of profit and loss for the nine months period ended December 31, 2018 and the unaudited financial information as at and for the six months period ended September 30, 2018 should, accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the six months period ended September 30, 2018 and the nine months period ended December 31, 2018, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors in the Issue are advised to read such unaudited financial

results as at and for the six months period ended September 30, 2018 and unaudited interim statement of profit and loss for the nine months period ended December 31, 2018 in conjunction with the Reformatted Financial Information provided elsewhere in this Draft Shelf Prospectus in “*Financial Information*” on page 129.

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

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

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

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

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

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

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

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

In relation to assignment/ securitisation transactions executed by us in relation to our AUM, we have entered into certain documentation, wherein we have, in accordance with industry practice, agreed to bear all costs in relation to stamp duty payable in respect of the assignment/ securitisation documents. Most of

these transactions involve loans (and underlying mortgages) situated across India, and not just the jurisdiction where the documents in relation to the assignment/ securitisation are stamped. If any of the transaction documents in relation to these assignment/ securitisation transactions, are for any reason, taken out of the state in which stamp duty has been paid, including for registration of the same in the state where the underlying property is situated, there may be an additional stamp duty implication us, to the extent of the difference between the stamp duty payable in such state and the stamp duty already paid. Any such liability may have a financial impact on our cash flows and results of operations.

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

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

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

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

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

B. External Risks

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

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

Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by

various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for June 2018 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on year inflation in terms of the CPI (NS-Combined) was 5.0% for the month of June 2018 as compared to 1.5% in June 2017. The RBI's third bi-monthly monetary policy statement released on August 1, 2018 stated that CPI inflation is expected to pick up from 5.0% in June 2018 to 4.6% in Q2-Fiscal 2019, 4.8% in H2-Fiscal 2019 and 5.0% in Q1-Fiscal 2020. The main risks to the outlook are uncertainties such as volatility in oil prices and global financial markets, rise in households' inflation expectations, regional distribution of monsoon, fiscal slippage at centre and/or state level, increase in house rent allowance (including by state governments), according to the RBI.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 34.6%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Risks pertaining to this Issue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sales of NCDs by any holder may give rise to tax liability, as discussed in "Statement of Tax Benefits" on page 65.

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

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

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, see "Objects of the Issue" on page 62. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

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

SECTION III-INTRODUCTION

SUMMARY OF BUSINESS

Overview

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

We focus primarily on providing personal loans, business loans (unsecured SME loans and secured SME loans) and other loans. Our AUM increased by 4254.6% from ₹ 919.10 million as at March 31, 2017 to ₹ 40,018.32 million as at March 31, 2018.

We are part of the Indiabulls Ventures group, which is a prominent financial services company providing brokering, lending and wealth management businesses, amongst other businesses. Our Promoter, Indiabulls Ventures Limited, was incorporated in 1995; and its long standing presence in financial services has enabled us to establish “Indiabulls” as a recognized brand in the financial services sector. In order to ensure expansion of our Company’s lending operations, our Promoter has infused funds periodically in the form of equity in our Company. As of December 31, 2018, we had presence in over 100 cities throughout India through which we market our loan products, enabling us to operate on a pan-India basis.

In Fiscal 2018, we launched our end-to-end personal loan fulfilment mobile based application “Dhani”, an automated mode of lending which will enable loan application, risk analysis, credit approval, underwriting and disbursement processes to be carried out electronically through the application. Further, we use various analytical techniques which enables us to deliver digitized and customized offering to customers. Our Company has made significant investments in technology in Fiscal 2018, which has resulted in the development of quick application based electronic disbursements reducing the operating costs of our Company. This model is scalable; and going forward, our Company’s products offerings can be expanded to different geographies through “Dhani”. Further, the network of our partners, who source the customers for our personal, business and other loans provided by our Company, increased by about seven times from 109,253 partners as at September 30, 2018 to 700,000 partners as at December 31, 2018. Our innovative marketing of loans both online (through “Dhani”) and offline (through our partners network) resulted in an increase in the loans disbursed by us by 1,767% from ₹ 0.015 million in the third quarter of Fiscal 2018 to ₹ 0.29 million in the third quarter of Fiscal 2019. Similarly, the loans disbursed by us increased by 57% from ₹ 0.19 million in the second quarter of Fiscal 2019 to ₹ 0.29 million in the third quarter of Fiscal 2019.

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

Our loan book amounted to ₹ 103,343.78 million as at December 31, 2018. The CRAR of 36.67% as at March 31, 2018 maintained by us is significantly higher than the minimum capital adequacy requirement of 15.00% as stipulated by the RBI, and the average CRAR of 15.70% as of March 31, 2018 maintained by NBFCs. (*Source: ICRA Report 2018*).

Our borrowings as at December 31, 2018 and March 31, 2018 amounted to ₹ 73,200.73 million and ₹ 31,409.72 million, respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures and commercial papers. We have a diversified lender base comprising public sector undertakings (“PSUs”), private banks, mutual funds, provident funds, pension funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to various banks, which results in an additional source of liquidity for us.

As at March 31, 2018, our gross NPAs as a percentage of our AUM was 0.05%, and our net NPAs as a percentage of our AUM was 0.05%. As of September 30, 2018, March 31, 2018, 2017 and 2016, our capital to risk (weighted) assets ratio was 39.83%, 36.67%, 90.03% and 108.51% respectively.

Our revenue from operations increased by 1123% from ₹ 572.44 million in Fiscal 2017 to ₹ 7,000.70 million in the Fiscal 2018. Our profit after tax increased by 2761% from ₹ 66.94 million in Fiscal 2017 to ₹ 1,951.22 million in the Fiscal 2018. For the nine month period ending December 31, 2018, our revenue from operations was ₹ 11,486.72

million and our profit after tax was ₹ 3,194.79 million. Our revenue from operations and profit after tax grew at a compound annual growth rate (“CAGR”) of 599.94% and 1079.35%, respectively, from Fiscal 2016 to Fiscal 2018.

A summary of our key operational and financial parameters derived from Reformatted Financial Statements prepared in accordance with Indian GAAP for the last three completed Fiscals as specified below, are as follows:

(₹ in million)

Parameters	Fiscal 2018	Fiscal 2017	Fiscal 2016
Net-worth	16,778.72	2,085.85	918.90
Total Debt of which:			
Non-current Maturities of Long Term Borrowing	24,591.28	-	-
Short Term Borrowing	6,000.00	-	-
Current Maturities of Long Term Borrowing	818.44	-	-
Net Fixed Assets	468.37	0.07	0.16
Non Current Assets (Excluding Fixed Assets & Assets Under Management)	783.70	11.63	2.36
Cash and Bank Balances	9,486.61	14.50	30.72
Current Investments	3,764.45	1,125.00	-
Current Assets (Excluding Cash and Bank Balances & Current Investments & Assets Under Management)	683.99	99.40	230.03
Current Liabilities (Excluding Short term borrowing , Current Maturities of Long Term Borrowing)	6,849.74	66.53	7.89
Non Current Liabilities (excluding long term borrowings)	167.25	17.32	2.04
Assets Under Management	40,018.32	919.10	665.56
Off Balance Sheet Assets	-	-	-
Interest Income (Including Treasury Income)	3,362.17	78.70	111.06
Interest Expenses	1,367.94	0.05	-
Provisioning & Write-offs (net of recoveries)	262.55	414.43	66.69
PAT	1,915.22	66.94	13.75
Gross NPA (%) of AUM	0.05%	0.00%	0.00%
Net NPA (%) of AUM	0.05%	0.00%	0.00%
Tier I Capital Adequacy Ratio (%) -Standalone	36.31%	88.92%	108.20%
Tier II Capital Adequacy Ratio (%) -Standalone	0.36%	1.11%	0.31%

A summary of our key operational and financial parameters, prepared in accordance with IND AS as at and for the nine months period ended December 31, 2018 are as follows:

(₹ in million)

Parameters	As at and for the nine months period ended December 31, 2018
Equity	42,834.29
Total Borrowings of which	-
Debt securities	1,000.00
Borrowings (other than debt securities and subordinated liabilities)	73,246.90
Subordinated Liabilities	-
Property, Plant and Equipment and Other Intangible assets	723.76
Financial assets (other than cash and cash equivalents)	8,621.93
Non-financial assets (including deferred tax assets)	1,473.85
Cash and cash equivalents	7,556.39
Bank balances other than cash and cash equivalents	961.12

Parameters	As at and for the nine months period ended December 31, 2018
Financial liabilities	4,547.32
Non-financial liabilities	231.87
Loan book as per IND AS (Net off ECL Provision)	102,523.33
Interest Income	10,085.86
Finance Costs	3,607.82
Impairment on financial instruments	665.4
Total Comprehensive Income	3,198.73
Stage 3 Assets as a percentage of Loan Book As per Ind AS (%)	0.33%
Stage 3 Asset net of Stage 3 Provision as a percentage of Loan Book as per Ind AS (%)	0.08%
CRAR - Tier I Capital Ratio (%)	37.17%
CRAR - Tier II Capital Ratio (%)	0.50%

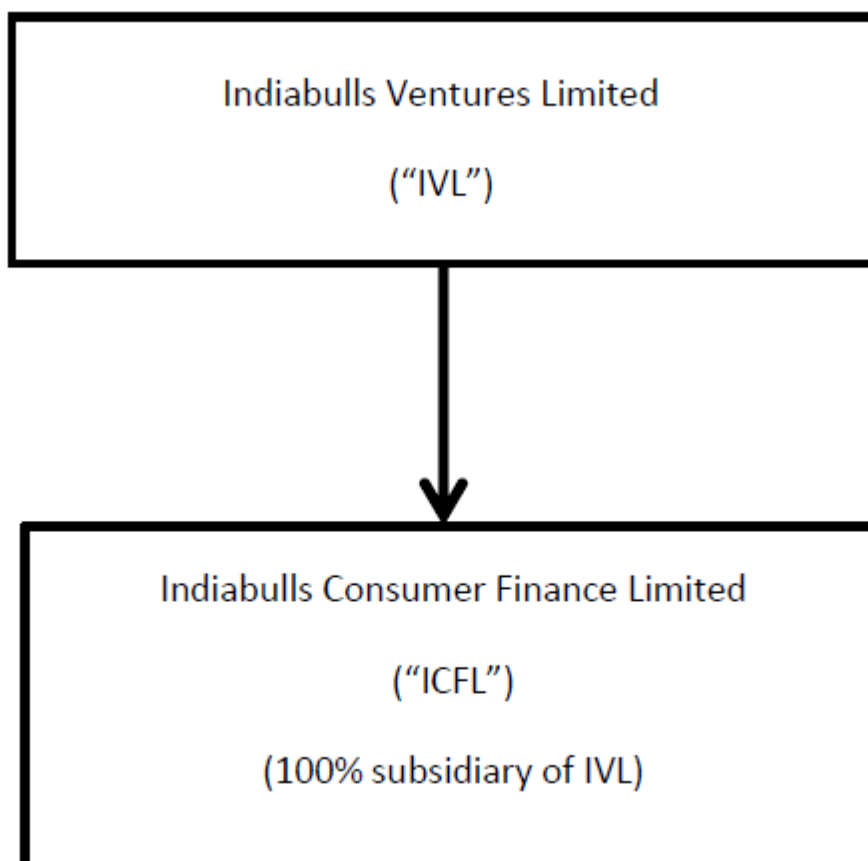
Our Company's Evolution

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

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

Our Company does not have any subsidiary.

Corporate Structure



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

Our Strengths

Our primary strengths are as follows:

Strong brand recognition and operational and business linkages:

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

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

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

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

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

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

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

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

Our customer sourcing and marketing models have resulted in scalable growth

Our customer sourcing includes sourcing of customers by our partners and sourcing of customer through “Dhani” mobile application. The network of our partners, who source the customers for personal, business and other loans provided by our Company, increased by about seven times from 109,253 partners as at September 30, 2018 to over 700,000 partners as at December 31, 2018.

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

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

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

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

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

Liquid balance sheet with strong capital adequacy

We are subject to capital adequacy ratio (“CAR”) requirements which are prescribed by the RBI. We are currently required to maintain a minimum 15.00% as prescribed under the prudential norms of the RBI, based on our total capital to risk weighted assets as part of our governance policy. We maintain capital adequacy higher than the statutorily prescribed CAR and in comparison with the CAR maintained by other NBFCs. As at September 30, 2018, our CAR, which was computed on the basis of the applicable RBI requirements, was 39.83%, as compared to the minimum capital adequacy requirement of 15.00% as stipulated by the RBI. As at March 31, 2018, our CAR, which was computed on the basis of the applicable RBI requirements, was 36.67%, as compared to the average CAR of 15.70% as of March 31, 2018 maintained by the NBFCs. (Source: ICRA Report 2018). With a significantly high CAR of 39.83% as at September 30, 2018, our balance sheet is well capitalised over the statutorily prescribed CAR of 15%. We also believe that we benefit from a liquid balance sheet with a high net worth and a comfortable capital to risk weighted assets ratio. As at December 31, 2018, we had cash and cash equivalent of ₹ 7,556.39 million.

Our Strategies

Growth of our lending business

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

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

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

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

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

reduce our proportion of bank financing to reduce our overall funding costs. Reduction in our cost of borrowings in turn allows us to competitively price our products to our customers. We believe that this competitive pricing combined with our loan service levels will allow us to attract more customers with good credit records, to grow our portfolio and attain a higher incremental market share.

We also seek to continue to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. We have maintained stable spread, ranging from 10.24% to 11.21% in the last 12 months, between our cost of funds and advances made by us.

Our funding mix is as follows:

<i>(₹ in million)</i>		
Source of funding	As at December 31, 2018	Fiscal 2018
Loans from banks and others	58,700.73	27,909.72
Non-convertible debentures and other debt instruments	1,000.00	1,000.00
Commercial papers	13,500.00	2,500.00
Subordinated debt	-	-
Total	73,200.73	31,409.72

Securitisation and sell down of our loan products

We sell down part of our loans portfolio through securitization and/or direct assignment of loan receivables to various banks, which results in an additional source of liquidity for us. In the third quarter of Fiscal 2019, we have securitised (for the first time) and sold loans aggregating to ₹ 2,694.72 million which comprises unsecured SME loans aggregating to ₹ 1,278.69 million.

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

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

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

Leverage on technology to improve customer reach and operating efficiency

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

Our Product Portfolio

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

We also offer business loans and other loans to SMEs, MSMEs and other enterprises, which may be secured or unsecured. Our business loans are primarily targeted at self-employed manufacturers, wholesalers, retailers and professionals such as doctors, architects and chartered accountants. Borrowers that are companies or other forms of

business enterprises, are required to meet various eligibility criteria, including relating to period of business continuity, profitability, revenue thresholds, working capital cycles and leverage ratios.

Our loan book amounted to ₹ 103,343.78 million as at December 31, 2018 (as per Ind AS) and our loan book grew significantly from ₹ 919.10 million as at March 31, 2017 to ₹ 40,018.33 million as at March 31, 2018.

GENERAL INFORMATION

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

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

Our Registered Office is located at M 62 & 63, First Floor, Connaught Place, New Delhi - 110001. We are registered with the Registrar of Companies, NCT of Delhi and Haryana under CIN U74899DL1994PLC062407.

Registered Office

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

Corporate Office(s)

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

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

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

Corporate Identification Number: U74899DL1994PLC062407

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

Chief Financial Officer:

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

Mr. Rajeev Lochan Agrawal
Chief Financial Officer

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

Compliance Officer and Company Secretary

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

Mr. Manish Rustagi
Company Secretary & Compliance Officer

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

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

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

Lead Managers

Edelweiss Financial Services Limited

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

A.K.Capital Services Limited

30-39, Free Press House 3rd Floor,
Free Press Journal Marg 215,
Nariman Point,
Mumbai 400 021
Telephone No.: +91 22 6754 6500
Facsimile No.: +91 22 6610 0594
Email: icflncd2019@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/ Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Axis Bank Limited

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

Trust Investment Advisors Private Limited

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

Consortium Members

As to be specified in the relevant Tranche Prospectus.

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Telephone No.: +91 22 40807018
Facsimile No.: +91 22 40807080
Email: anjalee@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Ms. Anjalee Athalye
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated January 16, 2019, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be

included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see “Annexure – C”.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see “*Issue Related Information*” on page 162.

Registrar

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

Karvy Selenium Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana– 500 032
Telephone No.: +91 40 6716 2222
Facsimile No.: +91 40 2343 1551
Email: icfl.ncd1@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U67200TG2017PTC117649

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

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

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

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

Statutory Auditor

Walker Chandiok & Co. LLP
Chartered Accountants

7th Floor, Plot No. 19A
Sector-16A, Noida – 201 301, India
Telephone No.: +91 120 710 9001
Facsimile No.: +91 120 710 9002

Email: lalit.kumar@walkerchandiok.in
Firm registration number: 001076N/ N500013
Contact Person: Lalit Kumar (Partner)
Date of appointment as Statutory Auditor: September 29, 2017

Credit Rating Agencies

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park,
Kalena Agrahara,
Bannerghatta Road,
Bengaluru – 560 076
Telephone No.: +91 80 4040 9940
Facsimile No.: +91 80 4040 9941
Email: info@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: Mr. K N Suvarna
SEBI Registration No.: IN/CRA/005/2008

CARE Ratings Limited

4th floor, Godrej Colesium,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai – 400 022
Telephone No.: +91 22 6754 3528
Facsimile No.: +91 22 6754 3457
Email: aditya.acharekar@careratings.com
Website: www.careratings.com
Contact Person: Mr. Aditya Acharekar
SEBI Registration No.: IN/CRA/004/1999

Legal Advisor to the Issue

Shardul Amarchand Mangaldas & Co

24th Floor, Express Tower,
Nariman Point,
Mumbai- 400021
Telephone No.: +91 22 4933 5555
Facsimile No.: +91 22 4933 5550

Public Issue Account Bank

As specified in the relevant Tranche Prospectus.

Refund Bank

As specified in the relevant Tranche Prospectus.

Bankers to our Company

Indian Overseas Bank

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

Lakshmi Vilas Bank Limited

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

IndusInd Bank Limited

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

Union Bank of India

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

Contact Person: Mr. Ravindra Singh Mahar

Punjab & Sind Bank

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

Vijaya Bank

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

Syndicate Bank

Large Corporate Branch Maker Towers,
Maker Tower E Wing, 2nd Floor,
Cuffe Parade, Mumbai – 400 005
Telephone No.: +91 22 2216 6649
Facsimile No.: +91 22 2218 5798
Email: br.5088@syndicatebank.co.in
Website: www.syndicatebank.in
Contact Person: Mr. Ramakrishnan N.H., Asst.
General Manager

Self Certified Syndicate Banks

In relation to Applications submitted to a member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Member of the Consortium at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Contact Person: Mr. K. Sridhar Babu

RBL Bank Limited

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

YES Bank Limited

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

Impersonation

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

“Any person who:

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

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 20 lakh or with both.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within 6 Working Days from the date of closure of the Issue. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/RB/0615/2018-19 dated January 4, 2019 and instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rationale for these ratings, see Annexure A and B of this Draft Shelf Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds, please see “*Objects of the Issue*” on page 62.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

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

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

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

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

CAPITAL STRUCTURE

1. Details of Share Capital and Securities Premium Account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as on December 31, 2018:

		<i>(in ₹, except share data)</i>
		Aggregate value at face value (except for securities premium)
A.	AUTHORISED SHARE CAPITAL	
	80,000,000 Equity Shares of ₹ 10 each	800,000,000
	5,500,000 Preference Shares of ₹ 10 each	55,000,000
	Total Authorised Share Capital	855,000,000
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
	57,593,000 Equity Shares of ₹ 10 each	575,930,000
	5,500,000 Preference Shares of ₹ 10 each	55,000,000
	Total Issued Subscribed and Paid-Up Capital	630,930,000
	Total Issued, Subscribed and Paid-Up Capital	630,930,000
C.	SECURITIES PREMIUM ACCOUNT	
	Securities Premium Account before the Issue*	37,034.21 million

*Note: The securities premium account does not include impact of IND AS adjustments, if any.

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

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

3. Share Capital History of our Company

a) Details of Equity Share Capital

The history of the paid up Equity Share capital of our Company, up to the quarter ended December 31, 2018 are as mentioned below:

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

(1) Initial allotment of 100 Equity Shares each to the subscribers to the Memorandum viz. Kamal Kishore Malpani, Rajesh Kumar Malpani and Amit Kumar Malpani on January 21, 1995

(2) The Company, on December 30, 1995, allotted 11,000 Equity Shares to Kamal Kishore Malpani, 21,000 Equity Shares to Rajesh Malpani, 20,000 Equity Shares each to Vivek Malpani, Bhagwani Devi Bhaiya and Kishan Lal Sharma, 30,000 Equity Shares to Amit Malpani, 25,000 Equity Shares to each Kusum Goel and Darshana Periwal, 10,000 Equity Shares to each M.L.Bhattar, Prabha Bhattar, Suman Lata Bhaiya and Bhikam Chand Ranka, 24,000 Equity Shares to Priyanka Periwal, 15,000 Equity Shares each to Raunak Bhaiya and Venus Trade & Mercantiles (P) Ltd., 21,500 Equity Shares to Starward Com. & Investment (P) Ltd., 22,000 Equity Shares to Suresh Kumar Periwal (HUF), 21,800 Equity Shares to Raj Kumar Periwal (HUF), 50,000 Equity Shares each to Non Stop Commotrade Pvt. Ltd., Red Strip Merchants (P) Ltd., and Sankhuwala Finvest (P) Ltd., 30,000 Equity Shares to Alexy Impex Pvt. Ltd. and 5,000 Equity Shares to Piccadely General Suppliers (P) Ltd.

(3) The Company, on September 29, 2010, allotted 1,000,000 Equity Shares to Pushpanjali Finsolutions Private Limited

(4) The Company, on June 28, 2013, allotted 800,000 Equity Shares to Pushpanjali Finsolutions Private Limited upon conversion of 2,000,000 preference shares held by Pushpanjali Finsolutions Private Limited

(5) The Company, on March 20, 2017, on a rights issue basis had allotted 2,902,400 Equity Shares to Indiabulls Distribution Services Limited.

- (6) The Company, on May 19, 2017, on a rights issue basis had allotted 5,219,400 Equity Shares to Indiabulls Ventures Limited.
- (7) The Company, on June 7 2017, on a rights issue basis had allotted 6,662,000 Equity Shares Indiabulls Ventures Limited.
- (8) The Company, on March 28, 2017, on a rights issue basis had allotted 7,451,565 Equity Shares to Indiabulls Ventures Limited.
- (9) The Company, on June 12, 2018, on a rights issue basis had allotted 28,901,735 Equity Shares to Indiabulls Ventures Limited.
- (10) The Company, on August 30, 2018, on a rights issue basis had allotted 4,139,700 Equity Shares to Indiabulls Ventures Limited.

b) Details of Preference Share Capital

The history of the paid up Preference Share capital of our Company up to the quarter year ended December 31, 2018 are as mentioned below:

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

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

4. Equity shares issued for consideration other than cash

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

5. Shareholding pattern of our Company as on December 31, 2018

The shareholding pattern of the Company as at December 31, 2018 is as under:

a. Equity Shares

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Indiabulls Ventures Limited	57,592,994	100.00	57,592,994
2.	Mr. Sanjeev Kashyap*	1	0.00	-
3.	Mr. Ravinder*	1	0.00	-
4.	Mr. Anil Malhan*	1	0.00	-
5.	Mr. Satish Chand*	1	0.00	-
6.	Mr. Matbeer Singh*	1	0.00	-
7.	Mr. Pankaj Sharma*	1	0.00	-
Total		57,593,000	100.00	57,592,994

*Held as nominee of Indiabulls Ventures Limited

b. Preference Shares

Sr. No.	Name	No. of Preference Shares	As a % of total number of Preference Shares
1.	Indiabulls Distribution	5,500,000	100.00

Sr. No.	Name	No. of Preference Shares	As a % of total number of Preference Shares
	Services Limited		
Total		5,500,000	100.00

6. **Shareholding of the Promoter in our Company as on December 31, 2018:**

Sr. No.	Name of the Promoter	Total No. of Equity Shares	No. of Equity Shares in demat form	% of holding
1.	Indiabulls Ventures Limited	57,593,000*	57,592,994	100%

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

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

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

S No.	Name of the Security holder	Date of Purchase/Sale	Nature of Transaction	Total No. of Equity Shares Purchased/Sold
1.	Indiabulls Ventures Limited	June 12, 2018	Allotment pursuant to Rights Issue	28,901,735
2.	Indiabulls Ventures Limited	August 30, 2018	Allotment pursuant to Rights Issue	4,139,700

8. **Details of top 10 equity shareholders of our Company as on December 31, 2018:**

Sr. No.	Name	No. of Equity Shares	As a % of total number of shares	No. of Equity Shares in demat form
1.	Indiabulls Ventures Limited	57,592,994	100.00	57,592,994
2.	Mr. Sanjeev Kashyap*	1	0.00	-
3.	Mr. Ravinder*	1	0.00	-
4.	Mr. Anil Malhan*	1	0.00	-
5.	Mr. Satish Chand*	1	0.00	-
6.	Mr. Matbeer Singh*	1	0.00	-
7.	Mr. Pankaj Sharma*	1	0.00	-
Total		57,593,000	100.00	57,592,994

*Held as nominee of Indiabulls Ventures Limited

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

For details of top 10 debenture holders of our Company, please see “Financial Indebtedness” on page 135.

10. **Long term debt to equity ratio**

(₹ in million)

Particulars	Refer	Prior to the Issue (as of December 31, 2018)	Post Issue (Proforma)
Debt			
Long - term borrowings	(A)	30,856.24	60,856.24
Short - term borrowings	(B)	29,972.79	29,972.79

Particulars	Refer	Prior to the Issue (as of December 31, 2018)	Post Issue (Proforma)
Current maturities of long term debt	(C)	13,417.87	13,417.87
Debt (A)+(B)+(C)	(D)	74,246.90	104,246.90
Less: Cash and cash equivalents	(E)	(8,331.03)	(8,331.03)
Total Debt (D - E)	(F)	65,915.87	95,915.87
Shareholders' fund			
Share Capital	(G)	630.93	630.93
Reserves and surplus	(H)	42,203.36	42,203.36
Less: Deferred tax assets (net)	(I)	(173.31)	(173.31)
Total Shareholders funds (G + H - I)	(J)	42,660.98	42,660.98
Long term debt/ equity (A+C-E)/(J) (In times)	(K)	0.84	1.55
Total debt/ equity (F/J) (In times)	(L)	1.55	2.25
Notes:			
Note 1) The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 30,000 million from the proposed Issue as on December 31, 2018 only and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the date of Allotment.			
Note 2) This statement does not give effect to any movement in long - term borrowings or short - term borrowings or current maturities of long term debt or cash and cash equivalents as per cash flow statement post December 31, 2018, except stated in Note 1) above. Further, this statement also does not give effect to any movement in share capital and reserves and surplus post December 31, 2018.			

11. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.
12. There has been no change in the promoter holding of our Company during the last financial year beyond 26% (as prescribed by RBI).
13. There has been no acquisition or amalgamation in last one year preceding the date of filing of this Draft Shelf Prospectus.
14. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.
15. For details of the outstanding borrowing of our Company, please see “*Financial Indebtedness*” on page 135.
16. As on the date of this Draft Shelf Prospectus, our Company does not have any employee stock option plan.

OBJECTS OF THE ISSUE

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

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

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

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

(₹ in million)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	As per relevant Tranche Prospectus(es)
2.	Issue Related Expenses*	As per relevant Tranche Prospectus(es)
3.	Net Proceeds (i.e. Gross Proceeds less Issue related expenses)	As per relevant Tranche Prospectus(es)

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

Requirement of funds and Utilisation of Net Proceeds

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

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

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

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses for each Tranche Prospectus shall be specified in respective Tranche Prospectus.

The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

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

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2018-19, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Other Confirmation

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

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

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

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

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

Variation in terms of contract or objects

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

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of each Tranche Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

4. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
5. Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

STATEMENT OF TAX BENEFITS

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

1. We have performed the procedures agreed with you, vide the engagement letter dated January 16, 2019, and enumerated in paragraph 2 below with respect to the possible tax benefit available to the prospective holders of non – convertible debentures (“NCD Holders”) in the proposed public issue of secured, redeemable, non-convertible debentures (“NCDs”) of up to Rs. 3,000 crore (“Issue”) by Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) (“Company”), under the Income Tax Act, 1961, as amended (the “IT Act”), presently in force in India, in the enclosed Annexure I. Several of these benefits are dependent on the NCD Holder(s) fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of NCD Holder(s) to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives the NCD Holder(s) would face in future. The Debenture Holder(s) may not choose to fulfill such conditions. Our engagement was performed in accordance with the Standard on Related Services (SRS) 4400, “Engagement to Perform Agreed-upon Procedures regarding Financial Information”, issued by The Institute of Chartered Accountants of India.
2. We have performed the following procedures:
 - (i) Read the statement of tax benefits as given in Annexure I, and
 - (ii) Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.
3. Because the above procedures do not constitute either an audit or a review made in accordance with the Standards on Related Service (SRS) 4400, “Engagement to perform Agreed-upon Procedures regarding Financial Information”, issued by The Institute of Chartered Accountants of India, we do not express any assurance on Statement of Tax Benefits, as set out in Annexure I.
4. We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the IT Act as amended with respect to Debenture Holder(s).
5. The tax benefits discussed in the enclosed statement are not exhaustive. The enclosed statement is only intended to provide general information to the NCD Holders and is neither designed nor intended to be a substitute for professional tax advice. NCD Holders are advised to consult their own tax consultant with respect to the tax implications arising out of their participation in the proposed Issue particularly in view of the individual nature of tax consequences and changing tax laws in India.
6. The contents of the enclosed annexure are based on information, explanation and representation obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
7. We do not express any opinion or provide any assurance as to whether:
 - a) The NCD Holders will continue to obtain these benefits in future; or
 - b) The conditions prescribed for availing the benefits have been / would be met.
8. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

10. We shall not be liable to any claims, liabilities or expenses relating to the facts mentioned in the enclosed statement.
11. The enclosed statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds under the Issue.
12. The enclosed statement covers only certain relevant benefits under the direct tax laws and does not cover benefits under any other law.
13. The enclosed statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2019-20. Several of these benefits are dependent on the NCD Holders fulfilling the conditions prescribed under the relevant provisions.
14. The stated benefits in the enclosed statement will be available only to the sole/ first named holder in case the debenture is held by joint holders, unless otherwise provided by law.
15. This certificate has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to the National Stock Exchange of India Ltd and the BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

Yours faithfully,

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

Ajay Sardana
Partner
Membership no. 089011
New Delhi, January 17, 2019

STATEMENT OF TAX BENEFITS

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

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

i) To the Resident Debenture Holder

1. Interest on NCD received by debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

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

To illustrate, as on April 01, 2018-

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000.00;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial Year (Senior Citizen) is Rs. 3,00,000.00;
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial Year (Super Senior Citizen) is Rs. 5,00,000.00 for Financial Year 2018-19.

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

Further, section 87A of the I.T. Act provides a rebate of 100% of income-tax or an amount of Rs. 2,500 whichever is less to a resident individual whose total income does not exceed Rs. 3,50,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration with Permanent Account Number (PAN) in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of Section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
 - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued under Section 197(1) have to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct Surcharge, Health and Education cess.
 3. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the Income Tax Act, 1961.
 4. As per Section 2(29A) of the I.T. Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases of debentures, it is 36 months immediately preceding the date of its transfer. Under Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds issued by government and Sovereign Gold Bond issued by the Reserve Bank of India. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10% computed without indexation as the benefit of indexation is not available in case of debentures. In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.
 5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at Para 4 above would also apply to such short term capital gains.
 6. Securities Transaction Tax (“STT”) is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Bonds.
 7. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would

generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

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

(ii) To the Non Resident Debenture Holder

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

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

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

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

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along-with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.
7. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) read with 195 of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

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

- (1) In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.
 - (2) The deductee referred to in sub-rule (1), shall in respect of payments specified therein, furnish the following details and documents to the deductor, namely:
 - (i) name, e-mail id, contact number
 - (ii) address in the country or specified territory outside India of which the deductee is a resident;
 - (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate
 - (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.
8. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as

interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

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

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

IV To the Other Eligible Institutions

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

V. General Anti-Avoidance Rule ('GAAR')

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

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

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

1. As per provisions of Section 54EE inserted by the Finance Act 2016, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax, if the whole amount of Capital Gain is invested in long term Specified Assets. If only part of the capital gain is so invested, the exemption shall be proportionately reduced.

However, if the said notified units are transferred within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which the debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.

2. As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

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

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

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

- (b) A declaration under Sections 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per paragraph(a) above in such a case.
- (c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and paragraph (a) above will apply apart from penal consequences.
- (d) As per the Finance Act 2016, with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:

- (i) Payment of interest on long-term bonds as referred to in section 194LC; and
 - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfilment of conditions specified vide Notification no. 53/2016 dated 24th June 2016. Rule 37BC of the Income Tax Rules, inserted vide notification no.53 /2016, F.No.370 142/16/ 2016- provides that
- (3) In the case of a non-resident, not being a company, or a foreign company (hereafter referred to as 'deductee') and not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the deductee furnishes the details and the documents specified in sub-rule (2) to the deductor.
- (4) The deductee referred to in sub-rule (1), shall in respect of payments specified therein, furnish the following details and documents to the deductor, namely:
- (i) name, e-mail id, contact number
 - (ii) address in the country or specified territory outside India of which the deductee is a resident;
 - (iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate
 - (iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

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

1. As per Section 56(2)(X) of the I.T. Act, where an individual or HUF receives debentures from any person on or after 1st April 2017::
- a) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
 - (b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax. However, this provision would not apply to any receipt:
 - a) from any relative; or
 - b) on the occasion of the marriage of the individual; or
 - c) under a will or by way of inheritance; or
 - d) in contemplation of death of the payer or donor, as the case may be; or
 - e) from any local authority as defined in Section 10(20) of the I.T Act; or
 - f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Sec. 10(23C); or
 - g) from any trust or institution registered under Section 12AA;
 - h) From any trust or institution registered under section 12AA
 - i) By any fund/trust/institution/university/other educational institution/any hospital or other medical institution referred to in sub-clause (iv)/(v)/(vi)/(via) of clause 23C of Section 10
 - j) By way of transaction not regarded as transfer under clause (i)/(vi)/(via)/(vii)/(viii)/(viiii)/(v) of Section 47
 - k) From any individual by a trust created or established solely for the benefit of relative of the individual.
2. As per section 56 (2)(ix) of the income-tax Act with effect from the 1st day of April, 2015 any sum of money received as an advance or otherwise in the course of negotiations for transfer of a capital asset shall be chargeable to income tax under the head " Income from other sources" in the hands of recipient if:

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

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

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

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A(3)(a) read with Rule 21AC and Form 10FC].
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].
- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee [Section 94A(4)].
- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

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

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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

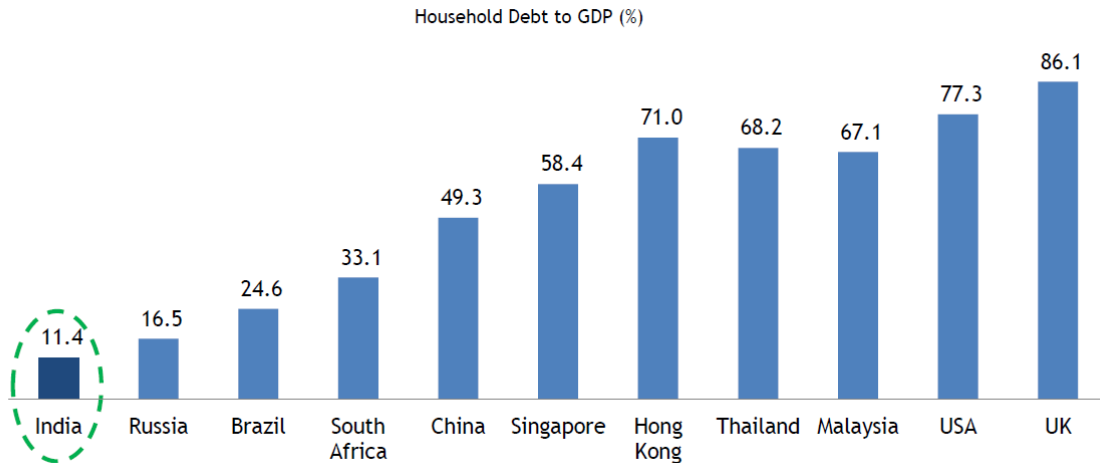
Ajay Sardana
Partner
Membership no. 089011
New Delhi, January 17, 2019

SECTION IV-ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Vast Market Opportunity:

India's household debt to GDP stood at 11.4%-the lowest amongst all the G20 nations and less than 1/4th of China's 49.3%.

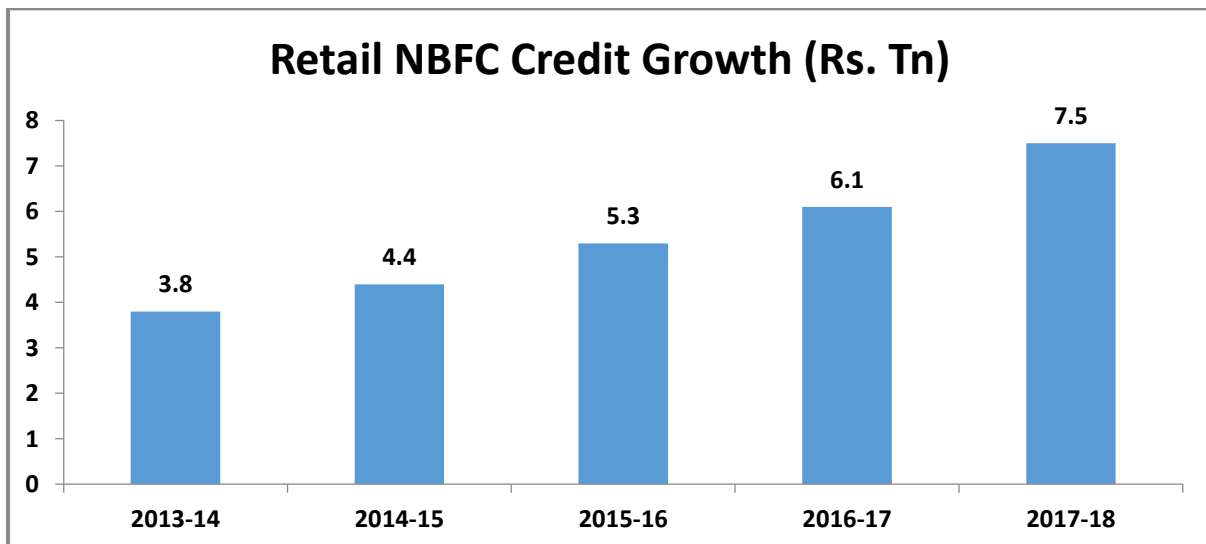


(Source: Bank for International Settlements, March 2018)

An Overview of Non-banking Financial Companies (“NBFCs”)

NBFC Retail Credit has grown at an Impressive Pace

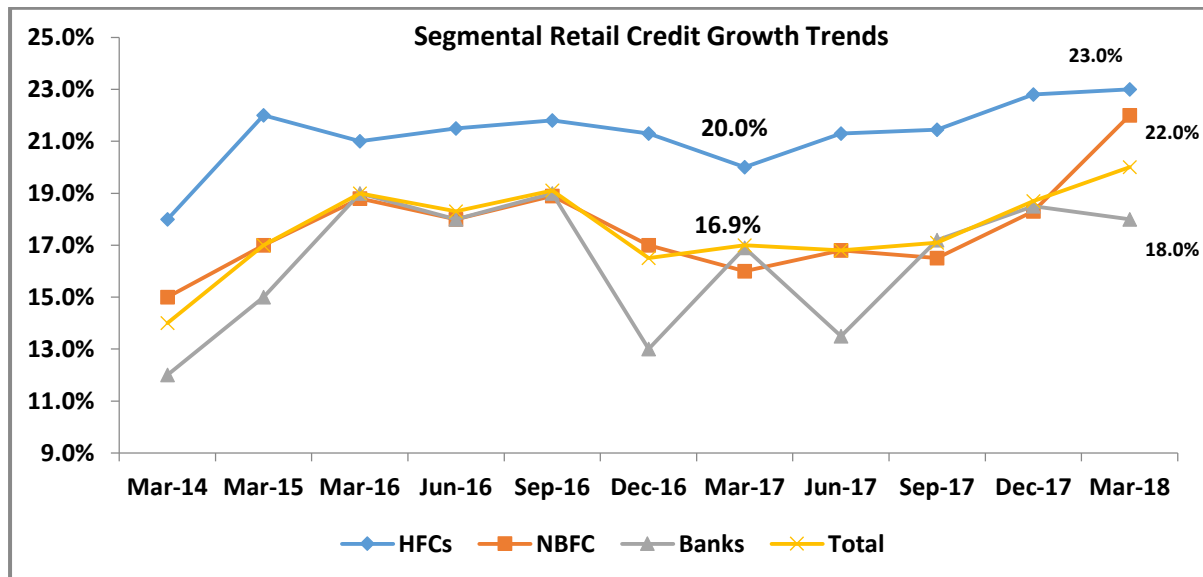
NBFC-retail credit grew at 22% during Fiscal 2018, highest in the last 4 years, to ₹ 7.5 trillion in March 2018.



(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Revival was witnessed from the third quarter of Fiscal 2018 as impact of GST implementation and spill-over effects of demonetization, on some key asset segments, waned. Key segments contributing to overall growth were LAP+SME, CV, personal credit (unsecured, including consumer durable) and microfinance, which in total account for 63% of the total NBFC-retail credit in March 2018. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

NBFCs turned to be the key funding source to SMEs and small businesses on the back of the large credit demand-supply gap and as working capital demand from these enterprises increased post GST implementation. Bank credit to segment grew by a relatively moderate pace during the period, which also pushed these entities towards NBFC financing. Further, healthy growth in the vehicle sales (CV, tractor, construction equipment, two-wheeler, car etc.) during the last fiscal supplemented credit growth. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

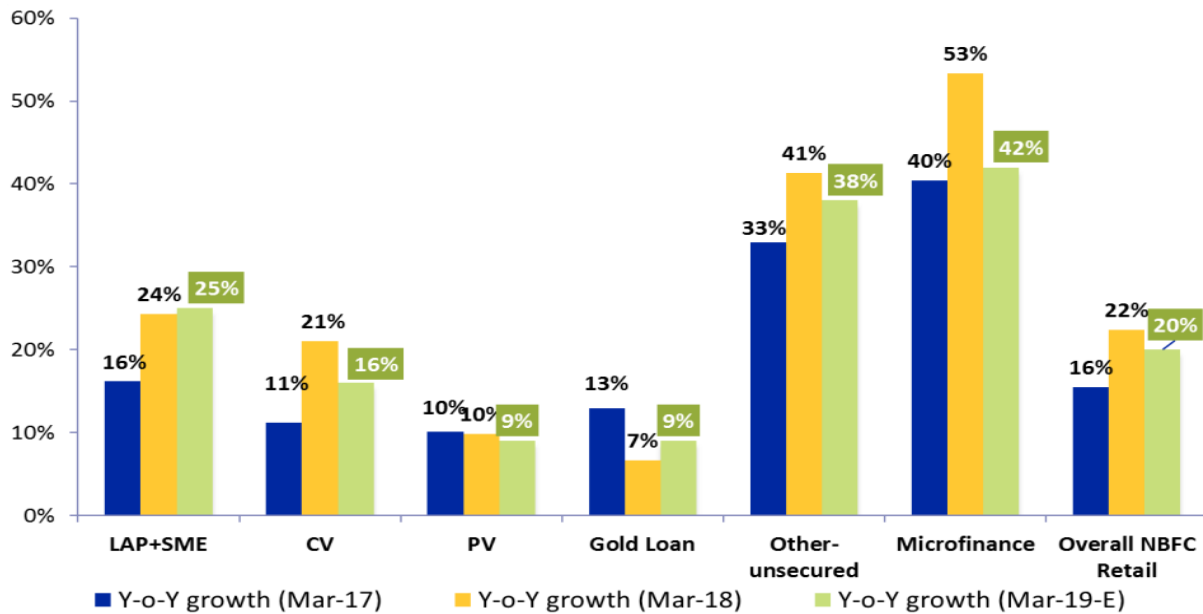


(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Growth in LAP and SME segment (25% of NBFC retail credit) improved with increased demand post GST implementation, limited credit availability from banks and as concerns around property valuation etc., reduced. Demand also increased post GST implementation, as working capital requirement for SMEs went-up and, bank credit to the segment continued to grow at moderate pace (10% in Fiscal 2018 and 8% in Fiscal 2017). Therefore, NBFCs were able to stepped-up credit to this segment; and credit grew at a robust 26% during Fiscal 2018 versus 16% in Fiscal 2017. While the growth was still lower than the 33-34% rate witnessed in Fiscals 2015 and 2016, the revival indicates change in the lender's stance, as uncertainties around property valuation, amongst others, which prevailed post de-monetisation, subsided. Lenders, however, continued to focus on lower ticket loans (less than ₹ 10 million); with the emergence of new age NBFCs with a specific focus on micro- and small-enterprises contributing to overall segmental growth. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

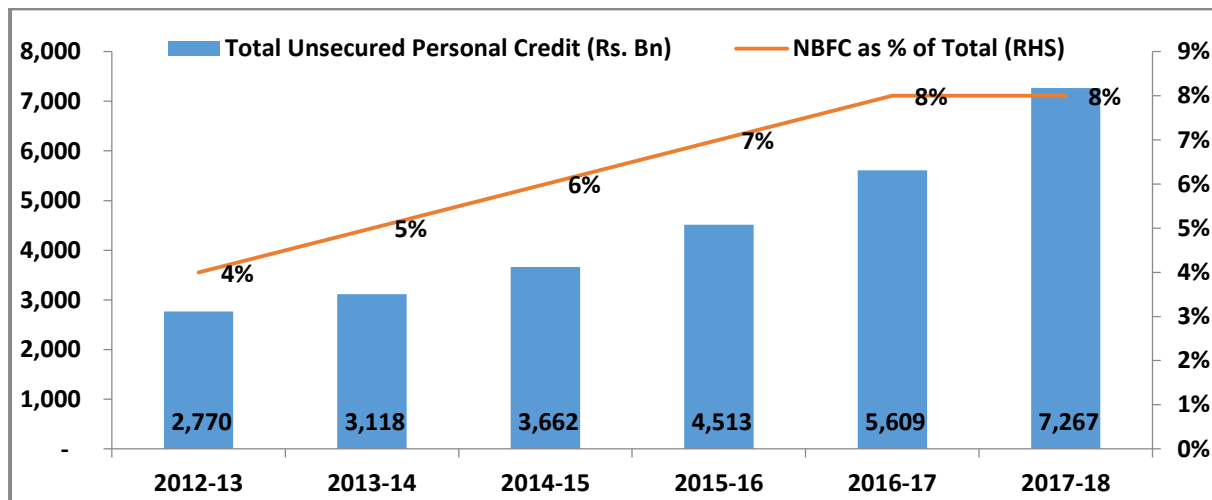
(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

The key asset segments are expected to growth at a healthy pace than the historical trends, which would support NBFC credit expansion of 19-21% in Fiscal 2019. However, steady increase in the systemic rates and expected narrowing of the funding avenues could impact credit growth. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)



(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Personal credit by NBFCs have grown steadily over the years from its share of 8% as on March 2013 (including Microfinance) to 15% as on March 2018, propelled by new product offerings (consumer durable financing, lifestyle financing and personal loans), by leveraging on better borrower seasoning, improved availability of credit bureau data, and by augmenting their credit processes and distribution networks. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)



(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Growth Drivers for Retail-NBFCs are Unchanged

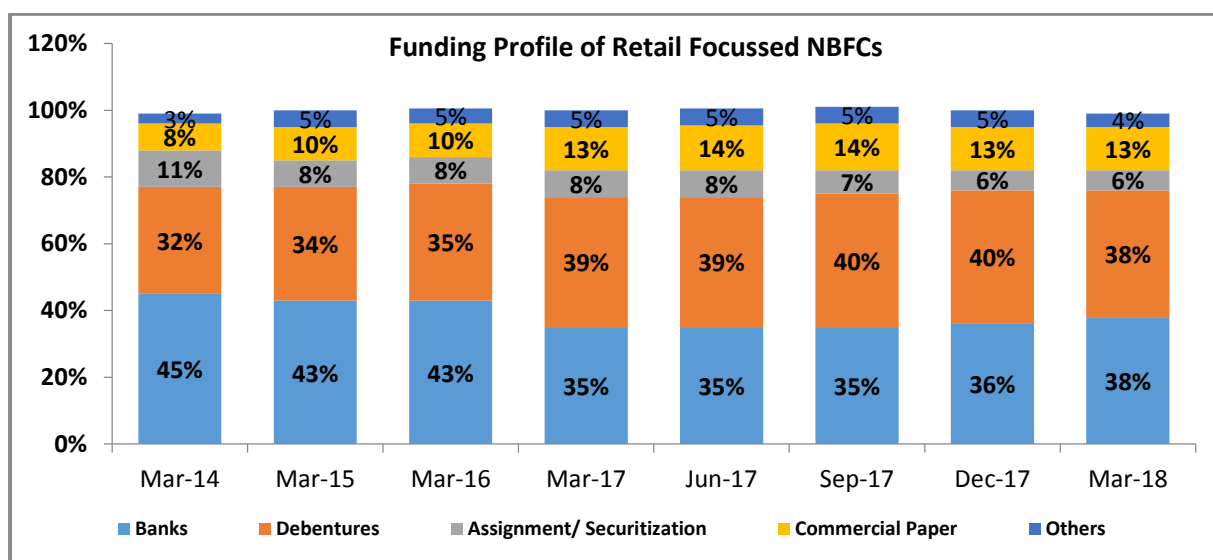
The Indian retail credit market stood at ₹ 34.8 trillion as on March 31, 2018 registering a year on year growth of about 20%. The growth engines of Fiscal 2018 are expected to keep firing in Fiscal 2019 for retail-NBFCs to grow at about 20% (+1%). LAP+SME credit is expected to grow at a healthy 23-25% as credit flow from banks to this segment is likely to remain moderate because of limited expansion envisaged for overall banking credit and asset quality concerns faced by some banks. NBFC CV credit is expected to grow at 15-17%. Unsecured personal credit and microfinance are envisaged to expand at around 40% as more entities venture into the personal credit space and, as asset quality and collection related concerns in microfinance segment moderated (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Increased Bank Funding to NBFCs is constrained by Internal Sectoral Lending Caps

The share of bank funding to NBFCs started increasing from the third quarter of Fiscal 2018 after witnessing a steady decline during Fiscal 2017 and the six month period September 30, 2017. Bank credit outstanding to NBFCs grew by 30% year-on-year in May 2018 as compared to the banks gross credit growth of 11% (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*). Bank credit to NBFCs has been increasing since the second quarter of Fiscal 2018, largely mirroring the increase in bond yields while the marginal cost of fund-based lending rate (“MCLR”) from banks remained largely stable during this period. Going forward, while banks are expected to increase their deposit rates and MCLR in a steady manner in Fiscal 2019, they are likely to remain a competitive funding source for NBFCs, considering the current bond yields. (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)

Banks, however, would be constrained by their internal sectoral lending caps. This cap could vary from bank to bank depending upon their target lending segment and sectoral risk perception, thus limiting their ability to take incremental exposure to NBFCs, until the same is revised upwards. Further, as overall banking sector credit growth is expected to remain muted at 7-8% in Fiscal 2019, coupled with restrictions because of the large exposure framework, which is applicable from Fiscal 2019, and tighter group exposure norms for banks, NBFCs would have to diversify their funding sources to support their envisaged growth in the medium to long term. (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)

Also, foreign portfolio investors registered with SEBI (“FPIs”) are now permitted to invest in corporate bonds with minimum residual maturity of above one year versus a minimum residual maturity of three years in the past. This would provide impetus to FPI interest as debt redemption can be structured for a shorter tenure than in the past. (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)



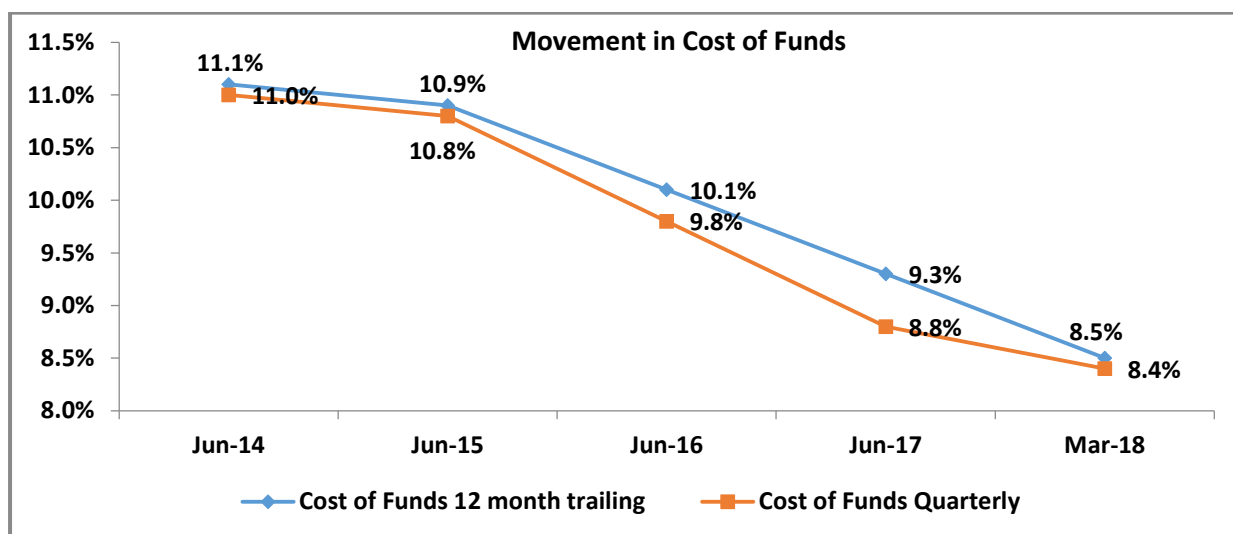
(Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)

Cost of Funds stay Moderated

The cost of funds continued to moderate in the fourth quarter of Fiscal 2018 even as the systemic rates went-up, as NBFCs were able to tap on to the commercial paper (“CP”) market for their funding requirements; rates in CP market continued to remain favourable in comparison to bond financings. Further NBFCs were able to secure bank funding at relatively favourable rates as Bank-MCLR continued to remain largely stable. Entities were also able to secure loans at relatively competitive rates from banks, in the form of foreign currency borrowings and at borrowing rates, which are linked to market debt indices. (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)

Also, the debt redemptions are expected to happen at a slower pace compared to their advance maturities in the six month period ended September 30, 2018. This is likely to provide NBFCs with adequate time to adjust to the prevailing higher interest rate and competitive scenario and, accordingly reprice their incremental advances. (Source: *Indian Retail Non-Banking Finance Market, ICRA Research Report*)

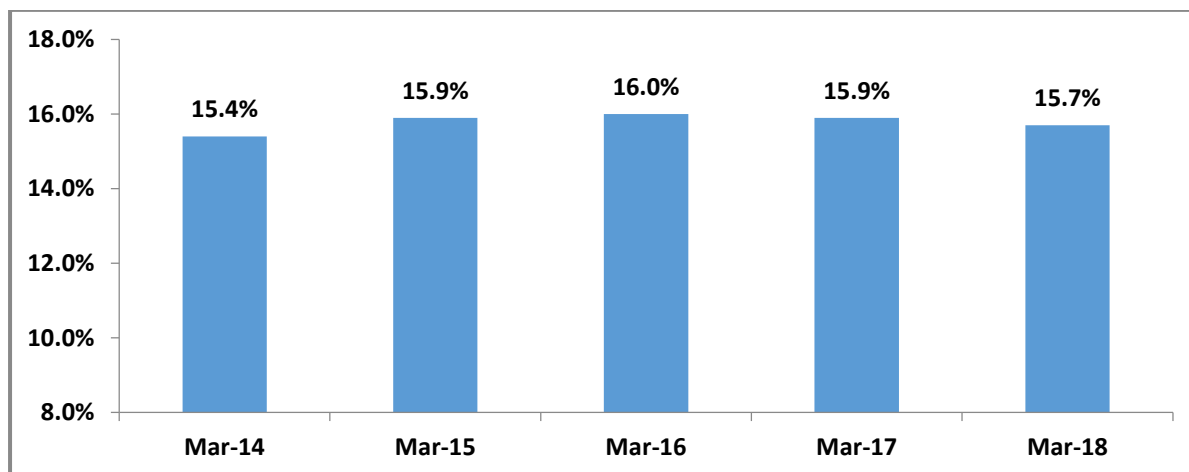
Retail focused Non-Banking Finance companies (NBFCs) would require about ₹ 3.8-4.0 trillion of fresh debt funding during Fiscal 2019 to support their envisaged portfolio growth of about 20% in Fiscal 2019 (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report). Incremental weighted average funding cost is expected to be about 9.3-9.5% versus a 8.4%-8.5% in Fiscal 2018. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)



(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Capitalisation

The capital profile is comfortable with the net worth in relation to managed assets at 15.8% in December 2017, it moderated somewhat in Q4FY2018 on back of the sharp portfolio growth. ICRA expects the capital profile for NBFCs to remain adequate over the medium term.



(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Mid and small sized NBFCs with steeper growth plans, however, would be required to raise capital in the near term to support business growth.

Comparison of Key Financials for NBFC, Banks and HFCs during Fiscal 2018

	Net Interest Margin	Opex/Avg Assets	Provi/Avg Assets	PAT/Avg Assets	PAT/Avg Net Worth
NBFC Retail	8.4%	3.7%	1.9%	2.0%	12.8%

	Net Interest Margin	Opex/Avg Assets	Provi/Avg Assets	PAT/Avg Assets	PAT/Avg Net Worth
Public Sector Banks	2.1%	1.7%	2.7%	-0.9%	16.7%
Private Sector Banks	3.3%	2.2%	1.4%	1.1%	10.3%
HFCs	3.3%			2.0%	18.2%

(Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

An Overview of the Micro Small and Medium Enterprises (“MSME”) Sector

Loans against Property (“LAP”) and Small and Medium scale Enterprises (“SME”) Finance

Growth in this segment revived as SME credit grew at a healthy clip of about 40% while the LAP segment grew at a modest 11% year on year as in March 2018. SME loans include loans secured by mortgages, plant and machinery, inventory, and unsecured loans. Overall growth in LAP and SME segment went-up in Fiscal 2018 as compared with Fiscal 2017 as the lenders interest in the segment improved as the uncertainties post demonetisation, GST implementation and around property prices subsided. Overall credit growth in the LAP and SME segment was about 24% in aggregate during Fiscal 2018. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

NBFCs are increasingly focusing on SME credit, for productive purposes vis a vis the conventional LAP, where the end use could be production or consumption. Larger NBFCs, in view of asset quality concerns and increased competitive pressure, have moderated their ticket sizes (focus largely on less than ₹ 10 million). Niche positioning of NBFCs along with a differentiated product offering, good market knowledge, and large unmet demand, is likely to support their credit growth. Also, the emergence of the new-age NBFCs (average ticket size around ₹ 1.0 million), with a focus on the small business loans segment, would provide them with the growth impetus going forward. ICRA expects the segment to grow at about 23-25% in Fiscal 2019. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

The sharp dip in growth during Fiscal 2017 mirrors the decline in the LAP portfolio of some large players in the segment, while slowdown in the growth rate was witnessed for others. SME credit however, continued to register a healthy more than 30% growth in Fiscal 2017. LAP+SME portfolio of NBFCs registered a 17% growth in Fiscal 2017 as compared with a 33% and 34% growth in Fiscal 2015 and Fiscal 2016, respectively. (Source: Indian Retail Non-Banking Finance Market, ICRA Research Report)

Non-banks to Support MSME Credit Growth over the Next 5 Years

ICRA expects MSME credit to grow at a CAGR of about 12-14%, over the next five years, to reach a portfolio of about ₹ 29 trillion compared to about ₹ 16 trillion in March 2017 on the back of an estimated 20-21% CAGR for non-banks (NBFCs and HFCs). On the other hand, bank credit growth in this segment is likely to remain moderate at 9-11% with private sector banks estimated to grow at a faster clip of about 16-18% compared to public sector bank growth 7-9%. (Source: MSME Credit Trends and Outlook, ICRA Research Report)

Large Un-met Demand

Credit penetration is quite low in this segment, with only 7% of the MSMEs (in numbers) having availed credit. Only 5% of all MSMEs have funding from institutional sources (Source: SIDBI, AR 2015-16). With about 55 million MSMEs in the country, accounting for about 31% of the GDP, the scope for credit growth is quite immense. However, notwithstanding the envisioned credit growth over the next 5 years, ICRA Research expects the unmet credit to remain quite sizeable despite the 12-13% growth during the period. Sizeable unmet credit demand provides ample scope for growth over the medium term for entities focusing on this segment. The emergence of new players, fintech companies, could help accelerate penetration levels and support non-bank credit growth. (Source: MSME Credit Trends and Outlook, ICRA Research Report)

Key Initiatives to Support Credit Flow to MSMEs

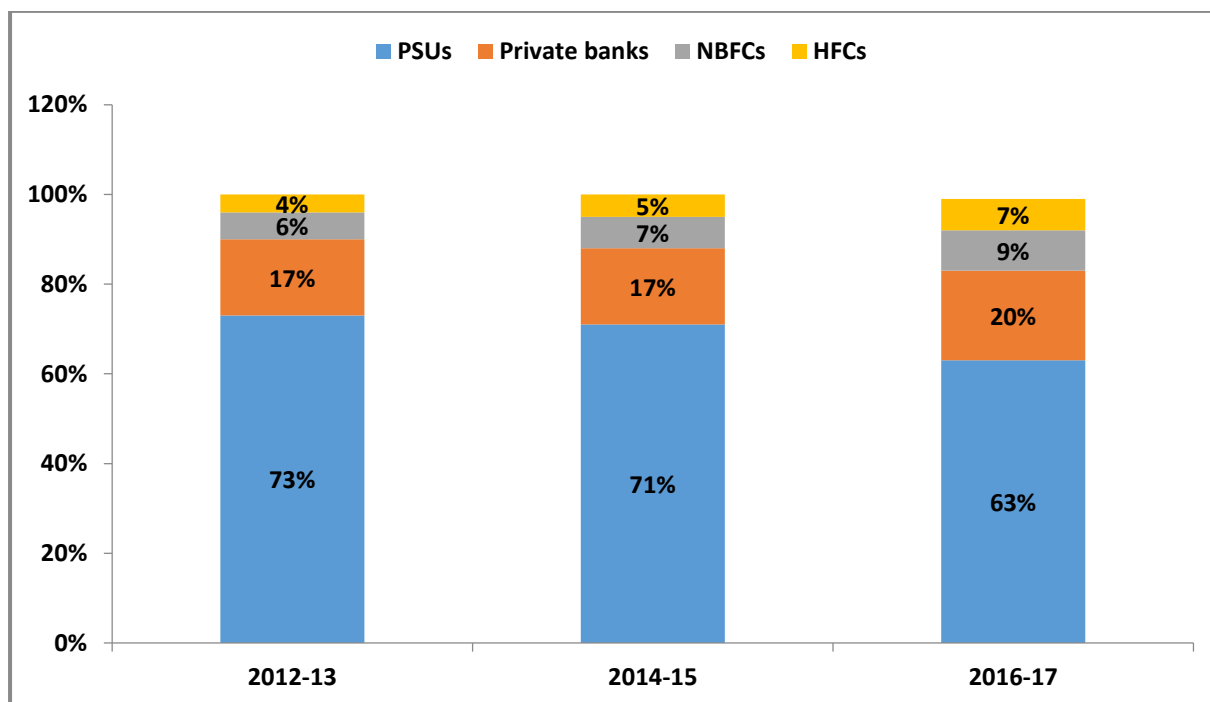
- Removal of lending cap on MSME (services) for priority sector classification;
- Establishment of institutions and systems including MUDRA, small finance banks (SFBs) and Trade Receivable Discounting System (TReDS), amongst others;

- Credit Linked Capital Subsidy Scheme (CLSS) for MSMEs, Credit Guarantee Fund Trust For Micro And Small Enterprises (CGTMSE) and streamlining credit flow for life-cycle funding requirements of MSMEs likely to result in timely credit availability;
- Specialised MSME bank branches and yearly targets for banks to grow MSME credit; and
- Proposed revision in MSME definition, based on turnover vis-à-vis investment in plant and machinery or equipment, would broaden the MSME credit space and align the MSME classification with the tax regime. This would, in turn, improve transparency, compliance and facilitate targeted extension of benefits to this segment. However, the impact of the above on credit flow to small sized businesses (turnover of < ₹ 100 million) remains to be seen.

(Source: MSME Credit Trends and Outlook, ICRA Research Report)

Share of Non-banks to Increase

Non-bank share in MSME credit would expand to about 22-23% by March 2022 compared to 16% in March 2017, as credit growth in this segment is expected to outpace banks. ICRA takes note of the recent public sector bank recapitalisation programme and the expected MSME-focused growth over the medium term. However, recent developments including the Punjab National Bank fraud are expected to result in muted credit flow to the industries segment in the near term, at least. While the emerging trends over the medium to long term would remain to be seen, the banks are saddled with higher NPAs in this segment, which is also likely to be a drag on credit flow to this segment. Thus, non-banks are likely to benefit because of their focused and customised loan offerings and faster turnarounds. (Source: MSME Credit Trends and Outlook, ICRA Research Report)



(Source: MSME Credit Trends and Outlook, ICRA Research Report)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 13 for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 14 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Audited Financial Statements as at and for Fiscals 2018, 2017, 2016, 2015 and 2014, our Interim Reviewed Financial Statements as at and for the six months ended September 30, 2018, and Limited Review on Special Purpose Interim Financial Information for the nine months ended December 31, 2018. For further information, see “Financial Statements” on page 129.

Unless otherwise indicated, industry and market data used in the context of NBFCs in this section has been derived from the report “Indian Retail Non-Banking Finance Market: Growth revival supports asset quality and profitability” by ICRA Limited dated April 2018 (the “ICRA Research Report” by ICRA) prepared and issued by ICRA.

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

Overview

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

We focus primarily on providing personal loans, business loans (unsecured SME loans and secured SME loans) and other loans. Our AUM increased by 4254.6% from ₹ 919.10 million as at March 31, 2017 to ₹ 40,018.32 million as at March 31, 2018.

We are part of the Indiabulls Ventures group, which is a prominent financial services company providing brokering, lending and wealth management businesses, amongst other businesses. Our Promoter, Indiabulls Ventures Limited, was incorporated in 1995; and its long standing presence in financial services has enabled us to establish “Indiabulls” as a recognized brand in the financial services sector. In order to ensure expansion of our Company’s lending operations, our Promoter has infused funds periodically in the form of equity in our Company. As of December 31, 2018, we had presence in 124 cities throughout India through which we market our loan products, enabling us to operate on a pan-India basis.

In Fiscal 2018, we launched our end-to-end personal loan fulfilment mobile based application “Dhani”, an automated mode of lending which will enable loan application, risk analysis, credit approval, underwriting and disbursement processes to be carried out electronically through the application. Further, we use various analytical techniques which enables us to deliver digitized and customized offering to customers. Our Company has made significant investments in technology in Fiscal 2018, which has resulted in the development of quick application based electronic disbursements reducing the operating costs of our Company. This model is scalable; and going forward, our Company’s products offerings can be expanded to different geographies through “Dhani”. Further, the network of our partners, who source the customers for our personal, business and other loans provided by our Company, increased by about seven times from 109,253 partners as at September 30, 2018 to 700,000 partners as at December 31, 2018. Our innovative marketing of loans both online (through “Dhani”) and offline (through our partners network) resulted in an increase in the loans disbursed by us by 1,767% from ₹ 0.015 million in the third quarter of Fiscal 2018 to ₹ 0.29 million in the third quarter of Fiscal 2019. Similarly, the loans disbursed by us increased by 57% from ₹ 0.19 million in the second quarter of Fiscal 2019 to ₹ 0.29 million in the third quarter of Fiscal 2019.

We have obtained a credit rating of “AA” from CARE and “AA+” from Brickwork in relation to our long term and short term bank facilities. We have also received short-term credit rating of “A1+” from CRISIL, ICRA and CARE. These ratings signify the high degree of safety, regarding timely servicing of financial obligations and low credit

risk. The credit rating of “A1+” signifies the highest short term credit rating. We believe that our ratings result in a lower cost of funds for the Company.

Our loan book amounted to ₹ 103,343.78 million as at December 31, 2018. The CRAR of 36.67% as at March 31, 2018 maintained by us is significantly higher than the minimum capital adequacy requirement of 15.00% as stipulated by the RBI, and the average CRAR of 15.70% as of March 31, 2018 maintained by NBFCs. (Source: ICRA Report 2018).

Our borrowings as at December 31, 2018 and March 31, 2018 amounted to ₹ 73,200.73 million and ₹ 31,409.72 million, respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures and commercial papers. We have a diversified lender base comprising public sector undertakings (“PSUs”), private banks, mutual funds, provident funds, pension funds and others. We also sell down parts of our portfolios through securitization and/or direct assignment of loan receivables to various banks, which results in an additional source of liquidity for us.

As at March 31, 2018, our gross NPAs as a percentage of our AUM was 0.05%, and our net NPAs as a percentage of our AUM was 0.05%. As of September 30, 2018, March 31, 2018, 2017 and 2016, our capital to risk (weighted) assets ratio was 39.83%, 36.67%, 90.03% and 108.51% respectively.

Our revenue from operations increased by 1123% from ₹ 572.44 million in Fiscal 2017 to ₹ 7,000.70 million in the Fiscal 2018. Our profit after tax increased by 2761% from ₹ 66.94 million in Fiscal 2017 to ₹ 1,951.22 million in the Fiscal 2018. For the nine month period ending December 31, 2018, our revenue from operations was ₹ 11,486.72 million and our profit after tax was ₹ 3,194.79 million. Our revenue from operations and profit after tax grew at a compound annual growth rate (“CAGR”) of 599.94% and 1079.35%, respectively, from Fiscal 2016 to Fiscal 2018.

A summary of our key operational and financial parameters derived from Reformatted Financial Statements prepared in accordance with Indian GAAP for the last three completed Fiscals as specified below, are as follows:

	(₹ in million)		
Parameters	Fiscal 2018	Fiscal 2017	Fiscal 2016
Net-worth	16,778.72	2,085.85	918.90
Total Debt of which:			
Non-current Maturities of Long Term Borrowing	24,591.28	-	-
Short Term Borrowing	6,000.00	-	-
Current Maturities of Long Term Borrowing	818.44	-	-
Net Fixed Assets	468.37	0.07	0.16
Non Current Assets (Excluding Fixed Assets & Assets Under Management)	783.70	11.63	2.36
Cash and Bank Balances	9,486.61	14.50	30.72
Current Investments	3,764.45	1,125.00	-
Current Assets (Excluding Cash and Bank Balances & Current Investments & Assests Under Management)	683.99	99.40	230.03
Current Liabilities (Excluding Short term borrowing , Current Maturities of Long Term Borrowing)	6,849.74	66.53	7.89
Non Current Liabilities (excluding long term borrowings)	167.25	17.32	2.04
Assets Under Management	40,018.32	919.10	665.56
Off Balance Sheet Assets	-	-	-
Interest Income (Including Treasury Income)	3,362.17	78.70	111.06
Interest Expenses	1,367.94	0.05	-
Provisioning & Write-offs (net of recoveries)	262.55	414.43	66.69
PAT	1,915.22	66.94	13.75
Gross NPA (%) of AUM	0.05%	0.00%	0.00%
Net NPA (%) of AUM	0.05%	0.00%	0.00%
Tier I Capital Adequacy Ratio (%) -Standalone	36.31%	88.92%	108.20%

Parameters	Fiscal 2018	Fiscal 2017	Fiscal 2016
Tier II Capital Adequacy Ratio (%)-Standalone	0.36%	1.11%	0.31%

A summary of our key operational and financial parameters, prepared in accordance with IND AS as at and for the nine months period ended December 31, 2018 are as follows:

(₹ in million)

Parameters	As at and for the nine months period ended December 31, 2018
Equity	42,834.29
Total Borrowings of which	-
Debt securities	1,000.00
Borrowings (other than debt securities and subordinated liabilities)	73,246.90
Subordinated Liabilities	-
Property, Plant and Equipment and Other Intangible assets	723.76
Financial assets (other than cash and cash equivalents)	8,621.93
Non-financial assets (including deferred tax assets)	1,473.85
Cash and cash equivalents	7,556.39
Bank balances other than cash and cash equivalents	961.12
Financial liabilities	4,547.32
Non-financial liabilities	231.87
Loan book as per IND AS (Net off ECL Provision)	102,523.33
Interest Income	10,085.86
Finance Costs	3,607.82
Impairment on financial instruments	665.4
Total Comprehensive Income	3,198.73
Stage 3 Assets as a percentage of Loan Book As per Ind AS (%)	0.33%
Stage 3 Asset net of Stage 3 Provision as a percentage of Loan Book as per Ind AS (%)	0.08%
CRAR - Tier I Capital Ratio (%)	37.17%
CRAR - Tier II Capital Ratio (%)	0.50%

Our Company's Evolution

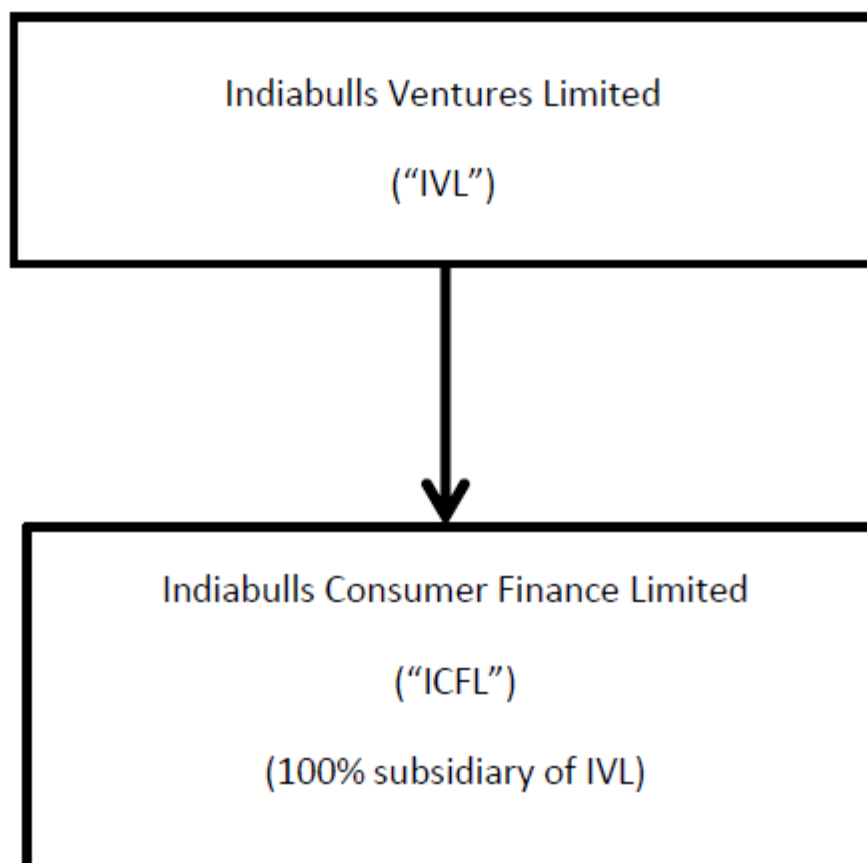
Our Company was incorporated as 'Malpani Securities Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1994 issued by the RoC. Subsequently, the name of our Company was changed to 'Shivshakti Financial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

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

Finance Limited' to 'Indiabulls Consumer Finance Limited', we received a new certificate of registration bearing registration number B-14.00909 dated November 2, 2018. We operate under the "Indiabulls" brand name.

Our Company does not have any subsidiary.

Corporate Structure



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

Our Strengths

Our primary strengths are as follows:

Strong brand recognition and operational and business linkages:

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

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

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

Our lending business is sourced digitally as well as through partners, direct selling agents and sales team. We may conduct site verification visits and interviews with the applicant. We have centralized credit hubs, where our underwriting processes are carried out by our credit team. We have also entered into arrangements with certain

verification agencies supervised by our internal management to conduct site visits to verify identity and other information of applicants in certain cases. On the sanction of a loan amount, repayment terms are set out up on completion of all documentation requirements by the applicant. Due to our presence across India along with our on-site credit verification process, we have established a diverse customer base, situated across India.

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

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

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

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

Our customer sourcing and marketing models have resulted in scalable growth

Our customer sourcing includes sourcing of customers by our partners and sourcing of customer through “Dhani” mobile application. The network of our partners, who source the customers for personal, business and other loans provided by our Company, increased by about seven times from 109,253 partners as at September 30, 2018 to over 700,000 partners as at December 31, 2018.

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

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

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

collection strategies for delinquent loans, including settlements and restructured payment plans. We may also outsource collection activities to third parties. We may engage debt collection companies or dispose of loan portfolios that we are unable to collect to such debt collection companies.

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

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

Liquid balance sheet with strong capital adequacy

We are subject to capital adequacy ratio (“CAR”) requirements which are prescribed by the RBI. We are currently required to maintain a minimum 15.00% as prescribed under the prudential norms of the RBI, based on our total capital to risk weighted assets as part of our governance policy. We maintain capital adequacy higher than the statutorily prescribed CAR and in comparison with the CAR maintained by other NBFCs. As at September 30, 2018, our CAR, which was computed on the basis of the applicable RBI requirements, was 39.83%, as compared to the minimum capital adequacy requirement of 15.00% as stipulated by the RBI. As at March 31, 2018, our CAR, which was computed on the basis of the applicable RBI requirements, was 36.67%, as compared to the average CAR of 15.70% as of March 31, 2018 maintained by the NBFCs. (Source: ICRA Report 2018). With a significantly high CAR of 39.83% as at September 30, 2018, our balance sheet is well capitalised over the statutorily prescribed CAR of 15%. We also believe that we benefit from a liquid balance sheet with a high net worth and a comfortable capital to risk weighted assets ratio. As at December 31, 2018, we had cash and cash equivalent of ₹ 7,556.39 million.

Our Strategies

Growth of our lending business

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

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

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

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

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

We also seek to continue to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. We have maintained stable spread, ranging from 10.24% to 11.21% in the last 12 months, between our cost of funds and advances made by us.

Our funding mix is as follows:

	(₹ in million)	
Source of funding	As at December 31, 2018	Fiscal 2018
Loans from banks and others	58,700.73	27,909.72
Non-convertible debentures and other debt instruments	1,000.00	1,000.00
Commercial papers	13,500.00	2,500.00
Subordinated debt	-	-
Total	73,200.73	31,409.72

Securitisation and sell down of our loan products

We sell down part of our loans portfolio through securitization and/or direct assignment of loan receivables to various banks, which results in an additional source of liquidity for us. In the third quarter of Fiscal 2019, we have securitised (for the first time) and sold loans aggregating to ₹ 2,694.72 million which comprises unsecured SME loans aggregating to ₹ 1,278.69 million.

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

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

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

Leverage on technology to improve customer reach and operating efficiency

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

Our Product Portfolio

We offer unsecured personal loans targeted at a wide range of customers that meet our eligibility criteria. These eligibility criteria include age restrictions, such as minimum age at the time of loan application, and maximum age at the time of maturity of such loan. Other eligibility criteria for borrowers include minimum income levels based

on residential location and income sources, as well as specific employment conditions, and certain banking and credit history requirements.

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

Our loan book amounted to ₹ 103,343.78 million as at December 31, 2018 (as per Ind AS) and our loan book grew significantly from ₹ 919.10 million as at March 31, 2017 to ₹ 40,018.32 million as at March 31, 2018.

LENDING POLICIES AND PROCEDURES

Overview

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

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

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

Customer Appraisal and Approval Process

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

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

The customer appraisal process includes Two way assessment : for Personal loan product we have rule based approval process, where a customer by providing demographic information, submission of valid documents, banking details, etc. We also take details from credit bureaus and assess customer's credibility. Post collation of all information about the customer, credit assessment is done through a system and reviewed by credit officer wherever required before final approval. We also have a physical credit appraisal process. All applications by prospective customers must be submitted in our standardized forms. In addition to submitting a duly signed application form, prospective customers are required to submit pre-defined KYC documents, including proof of name, date of birth, address and signature, as well as documents relating to income, bank account, etc. To be eligible for a loan, each prospective customer must either be presently employed and receiving a salary from a corporation or be self-employed with an established business track record and sufficient earnings. Each such prospective customer is also

required to provide requisite documentation for income verification purposes. If salaried, prospective customers are required to submit salary slips, bank statements and Form 16, a certificate issued to salaried personnel in India by their respective employers certifying the tax deducted at source from salary disbursements for such employees. If self-employed, prospective customers are required to submit income tax returns along with financial statements and bank statements. Borrowers which are proprietorships or companies are also required to submit certain approvals maintained by them in respect of their business and operations.

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

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

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

Customer Service

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

Asset Recovery and Non-Performing Loans

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

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

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

The following table sets forth details of our non-performing loans (in absolute terms and also as a percentage of AUM) and our cumulative provision as at March 31, 2018, 2017 and 2016, as per Indian GAAP:

Particulars	Standalone		
	As at March 31,		
	2018	2017	2016
	<i>(in ₹ million, except percentages)</i>		
Gross NPAs	20.80	-	-
% of gross NPAs to AUM	0.05%	-	-
Net NPAs	18.72	-	-
% of net NPAs to AUM	0.05%	-	-
Total cumulative provision – loans and other assets	165.39	22.96	2.63

Liability Management

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

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

Risk Management

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

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

Interest Rate Risk

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

As at December 31, 2018, a significant majority of our loan assets and borrowings were floating rate. Our business is impacted by a change in interest rates although the floating rate loans only re-price on a periodic basis. Our balance sheet consists of Indian Rupee denominated assets and liabilities. Consequently, movements in domestic interest rates constitute the source of interest rate risk.

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

For more information on our liquidity risk, see “Risk Factors – We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues” on page 17.

Liquidity Risk

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

Asset Liability Management (“ALCO”)

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

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

Particulars	Total	Fourth quarter of Fiscal 2019	First quarter of Fiscal 2020	Second quarter of Fiscal 2020	Third quarter of Fiscal 2020	Fourth quarter of Fiscal 2020	Fiscal 2021	Fiscal 2022	> 3 Years
Cash, Cash Equivalents and Undrawn Bank Lines	1,696	1,696	941	1,603	1,063	1,884	2,625	5,039	5,803
Customer Repayments	10,334	1,080	1,066	1,058	1,051	1,045	3,168	1,498	368
Total Inflows (A)	12,030	2,776	2,007	2,661	2,114	2,929	5,793	6,537	6,171
Cumulative Total Inflows		2,776	3,842	4,900	5,951	6,996	10,164	11,662	12,030
Borrowing Repayments	6,757	1,835	404	1,598	230	304	754	734.05	898
Equity Capital, Reserves and Surplus	5,273								5,273
Total Outflows (B)	12,030	1,835	404	1,598	230	304	754	734	6,171
Cumulative Total Outflows		1,835	2,239	3,837	4,067	4,371	5,125	5,859	12,030
Net Cash (A-B)		941	1,603	1,063	1,884	2,625	5,039	5,803	0
		941	1,603	1,063	1,884	2,625	5,039	5,803	-0

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

Capital Adequacy Ratio

NBFCs are required to maintain a minimum CRAR norm of 15% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. The table below sets forth our standalone CRAR as at December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016:

Particulars	Standalone			
	For the nine month period ended December 31,	For the Fiscal Year ended March 31,		
	2018	2018	2017	2016
Tier I Capital (₹ in million)	42,072.24	16,457.41	18,332.41	9,178.64
Tier II Capital (₹ in million)	567.30	165.39	229.64	26.29
Total Capital (₹ in million)	42,639.54	16,622.80	18,562.05	9,204.93
Total Risk Weighted Assets (₹ in million)	1,131,749.50	45,320.05	20,616.13	8,482.96
Capital Adequacy Ratio				
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	37.17%	36.31%	88.92%	108.20%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.50%	0.36%	1.11%	0.31%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	37.68%	36.67%	90.03%	108.51%

Credit Risk

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

Operational risk management

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

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

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

Credit risk

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

Technology risk

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

Employee risk

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

Regulatory risk

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

Fraud and anti-money laundering transactions

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

Competition

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

Insurance

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

Intellectual Property

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

See also "*Risk Factors – We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business.*" on page 31.

Legal Proceedings

We are party to various legal proceedings which arise primarily in the ordinary course of our operations. For further details, please see "*Outstanding Litigations and Defaults*" on page 144.

Human Resources

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

Corporate Social Responsibility ("CSR")

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

Property

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

HISTORY AND OTHER CORPORATE MATTERS

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

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

Our Registered Office is located at M 62 & 63, First Floor, Connaught Place, New Delhi - 110001. We are registered with the Registrar of Companies, NCT of Delhi and Haryana under CIN U74899DL1994PLC062407.

Change in registered office of our Company

The registered office of our Company was shifted from First Floor, 51, Hauz Khas Village, New Delhi – 110 016 to M - 62 & 63, First Floor, Connaught Place, New Delhi – 110 001 with effect from July 17, 2014.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on the business of stock and share broking and its allied matters such as acting as underwriters, sub-underwriters, brokers to issue of securities, dealers in securities, buying, selling, transferring, hypothecating and holding of shares, debentures and securities of all kinds and description. Merchant banks for the purpose of issue of shares/ debentures and securities of all kinds. Lead managers or co-managers, brokers and sub-brokers of stocks and new issue of shares, debentures and securities of all kinds and description, registrars to the issue of securities, share transfer agents, investment business, portfolio management, corporate counseling, investment and financial consultants, finance and discount brokers, foreign exchange brokers (with the permission of RBI and other authorities), advisors and consultants to the issue of securities of all kinds and types in all their aspects in India or outside and manage/arrange mergers and acquisitions.
2. To invest in, acquire and hold, buy or sell or otherwise dispose of or deal in securities of any kind, shares, debentures, debenture stocks, securities, properties, bonds, units, obligations and securities issued or guaranteed by any government, state, union territory, municipal or civil body, financial institutions commercial papers, negotiable instruments and paper instruments of all types and kinds.
3. To carry on the business of merchant banking in all its aspects, to act as managers to issue and offers, whether by way of public offer or otherwise of shares, stocks, debentures, bonds, units, participation certificates, deposit certificates, notes, bill, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scripts (hereinafter collectively referred to as the "securities") to act as agents of and or dealers in the securities in the course of merchant banking business, to act as discount house for any of securities, to act as financial consultants, advisors and counselors in investment and capital markets, to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure, agree to procure subscription for the securities to manage portfolio investments, to provide financial and investment assistance for the purposes herein, to act as an issue house, registrar to issue, transfer agents, for the securities, to manage and administer computer

centers and clearing houses for the securities to form syndicate of consortia of managers, agents and purchase for or of any of the securities, to act as brokers, dealers, and agents of or in connection with the securities, bullions and precious metals, to syndicate any financial arrangement whether in domestic market or in international market and whether by way of any loans, guarantees, export and yard credits, to undertake the work of factoring of bills and other commercial papers and to arrange and/or co-ordinate documentation and negotiable in this regard.

4. To hold investments in various step down subsidiaries for investing, acquiring, holding, purchasing or procuring equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by the company.
5. To provide investment advisory services on the internet or otherwise; provide financial consultancy in the area of personal and corporate finance; publish books and CD ROMs and any other information related to the above; to conduct the business of hybrid financial instruments; to conduct depository participant services; to conduct de-materialisation and re-materialisation of shares; set up depository participant centers at various regions in India and to perform all related, incidental, ancillary and allied services.
6. To receive funds, deposits and investments from the public, Government agencies, financial institutions and corporate bodies; grant advances and loans; conduct advisory services related to banking activities, project financing, funding of mergers and acquisition activities; fund management and activities related to money market operations; to carry on the business of portfolio management services, investment advisory services; custodial services; asset management services; leasing and hire purchase; mutual fund services and to act as brokers of real estate and financial instruments.
7. To carry on the business of financing; provide lease and hire purchase services; to provide consultancy in the area of lease and hire purchase financing and to operate mutual funds; receive funds from investors; equity or debt instrument research activity instrument in debt and/or equity instruments.

Key Milestones and Major Events

Date of Event/ Milestone	Particulars
October 27, 1994	Incorporated as 'Malpani Securities Private Limited', a private limited company under the Companies Act, 1956.
May 30, 1998	The Reserve Bank of India issued certificate of registration No. 14.00909 on May 30, 1998 to carry on the business of Non-Banking Financial Institution without accepting public deposit.
January 13, 2010	The name of our Company was changed to 'Shivshakti Financial Services Private Limited'
April 12, 2010	RBI issued fresh certificate of registration bearing number B-14.00909 dated April 12, 2010, in lieu of earlier certificate.
February 05, 2015	Conversion from private limited company to public limited company i.e. 'Shivshakti Financial Services Private Limited' to 'Shivshakti Financial Services Limited', a public limited by shares company.
March 19, 2015	Registered with RBI vide registration no. B-14.00909 to carry on the business of Non -Banking Financial Institution without accepting public deposits.
October 19, 2016	The name of our Company was changed to 'IVL Finance Limited' from 'Shivshakti Financial Services Limited'.
December 13, 2016	RBI issued fresh certificate of registration bearing number B-14.00909 dated December 13, 2016 upon change of name of our Company to IVL Finance Limited.
September 18, 2018	The name of our Company was changed to 'Indiabulls Consumer Finance Limited' from 'IVL Finance Limited'.
November 2, 2018	RBI issued fresh certificate of registration bearing number B-14.00909 dated November 2, 2018 upon change of name of our Company to Indiabulls Consumer Finance Limited.

Awards and Recognitions

We have received the following awards:

Financial Year	Particulars
2018-19	Award for 'Best Use of Mobile in a Digital Campaign' at the Digital Industry Awards part of t6he 2 nd Chief Digital Officer Summit
2018-19	Awards for 'Best Mobile Search Campaign (Bronze)' and 'Best Display Campaign (Bronze)' at India Digital Awards, 2019

Key terms of our Material Agreements

Our Company has not entered into any material agreement other than in the ordinary course of business.

Our Subsidiary

As on the date of this Draft Shelf Prospectus, our Company has no subsidiaries, associates and joint ventures.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For the purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Draft Shelf Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs ("NBFCND").

As at September 1, 2016, the RBI issued an updated Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as updated from time to time) applicable to all NBFC-NDSI's.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 ("**Peer to Peer Regulations**"), Reserve Bank Commercial Paper

Directions, 2017 (“**Commercial Papers Directions**”) and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:

- Asset finance companies;
- Investment companies;
- Systemically Important Core Investment Company;
- Loan companies and/or
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

Our Company has been classified as an NBFC-ND-SI.

Systemically Important NBFC-NDs

As per the NBFC Master Directions, the revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 500 crores and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 500 crores and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs- ND-SI is required to comply with conduct of business regulations if customer interface exists. All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15%.

Rating of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹ 100 crores are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“**ND-SI-Directions**”), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI vide notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicity and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital has been defined in the ND-SI Directions as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds has been defined in the ND-SI Directions as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the ND-SI Directions, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC ND SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 2 crores. For this purpose, the RBI Act has defined “net owned fund” to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing, (i) investment by such companies in shares of

(i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further, in accordance with RBI Notification No DNBR.007/CGM (CDS) 2015 dated March 27, 2015 which provides that a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹ 2 crores may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of:

- (i) ₹ 1 crores before April 1, 2016; and
- (ii) ₹ 2 crores before April 1, 2017

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFCND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 100 crores or more or holding public deposits of ₹ 200 crores or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and

confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on 20 April 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards (“IAS”) and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs has amended the existing IAS vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to our Company from April 1, 2018.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lakhs and above, and if the fraud is of ₹ 1 crores or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditor are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on inter alia examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits (“**CRILC**”) on a quarterly basis as well as all Special Mention Accounts-2 (“**SMA-2**”) status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework (“**IT**”) business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT and Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. It has to be implemented by applicable NBFCs by June 2018.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“**Risk Management Directions**”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/entities; and (v) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/2006-07/414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within

one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management (“ALM”) System in relation to NBFCs (“ALM Guidelines”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment (“FDI”) Policy and Foreign Exchange Management Act, 1999 (“FEMA”). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion (“DIPP”) issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the “SOP”). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the “Competent Authority”) for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian (“NRI”) investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “DRT Act”) provides for establishment of the Debts Recovery Tribunals (the “DRTs”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under

the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant's detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

The Prevention of Money Laundering Act, 2002

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "SARFAESI Act") regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a NPA. A bank or financial institution may sell a financial assets only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as a NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower and enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Insolvency and Bankruptcy Code, 2016 (the “IB Code”)

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

- i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;
- ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and
- iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

- i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals (“**NCLT**”) shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal (“**NCLAT**”).
- ii. In case of individuals and partnerships, Debt Recovery Tribunal (“**DRT**”) shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal (“**DRAT**”).

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

- i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits of the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.
- ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (IRP) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India (“**IBBI**”) which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

Companies Act, 2013

The Companies Act, 2013 (“**Companies Act**”) has been notified by the Government of India on August 30, 2013 (the “**Notification**”). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining

provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit of financial statements, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Registration of a charge under the Companies Act 2013

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the Registrar of Companies.

If the particulars of a charge are not filed within the aforesaid period, but filed within a period of 300 days of such creation or modification, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter-alia* govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

OUR MANAGEMENT

Board of Directors

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

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

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

The following table sets forth details regarding the Board at the date of this Draft Shelf Prospectus:

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

Name, Address, DIN and Date of Appointment/Re-Appointment	Age	Designation	Other Directorships (as on the date of the Draft Shelf Prospectus)
<p>Address: A/403, Ashok Garden, Thokarsi Jivraj Road, Shivadi, Mumbai – 400 015.</p> <p>DIN: 02698115</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: September 14, 2017</p>			<ul style="list-style-type: none"> • Indian Commodity Exchange Limited • Indiabulls Venture Capital Trustee Company Limited** • Indiabulls Trustee Company Limited • Indiabulls Commercial Credit Limited • Indiabulls Asset Reconstruction Company Limited • Indiabulls Life Insurance Company Limited • Indiabulls Integrated Services Limited • OakNorth Bank Limited
<p>Mr. Nafees Ahmed</p> <p>Address: B- 45, City Apartment, Vasundhara Enclave, Delhi - 110096</p> <p>DIN: 03496241</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: September 14, 2017</p>	46	Non-Executive Director	<ul style="list-style-type: none"> • Lorena Developers Limited • Lorena Real Estate Limited • Lorena Infrastructure Limited • Lorena Constructions Limited • Parmida Properties Limited • Lorena Builders Limited • Parmida Real Estate Limited** • Parmida Developers Limited • Ivonne Infrastructure Limited
<p>Ms. Preetinder Virk*</p> <p>Address: H.No.- 1139, Sector – 13, Urban Estate, Karnal, Haryana - 132001</p> <p>DIN: 02398827</p> <p>Nationality: Indian</p> <p>Occupation: Lawyer</p> <p>Term: Liable to retire by rotation</p> <p>Date of appointment: December 4, 2018</p>	36	Non-Executive Director (Additional)	<ul style="list-style-type: none"> • Securitrust Corporate Services Private Limited
<p>Brig. Labh Singh Sitara (Retd.)</p> <p>Address: H. No. 50, New Officers Colony, Patiala, Punjab – 147 001.</p> <p>DIN: 01724648</p> <p>Nationality: Indian</p> <p>Occupation: Ex-army officer</p>	79	Independent Director	<ul style="list-style-type: none"> • Indiabulls Real Estate Limited • Indiabulls Ventures Limited • Indiabulls Housing Finance Limited • Lucina Land Development Limited • Indiabulls Distribution Services Limited • Selene Constructions Limited • Athena Infrastructure Limited • SORIL Infra Resources Limited

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

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

*** The name of the company is under the process of being struck off.*

Brief biographies of our Directors

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

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

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

Mr. Nafees Ahmed, aged 46 years, is a Non-Executive Director on our Board. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology. He has more than 13 years of experience in the IT sector. He was awarded "The Digital Innovators - Honoree 2017" at CIO100 Symposium and Awards Ceremony, "CIO Power list 2017 – Mobility Icon" and "50 Most Innovative CIOs/ CTOs of India" by India's Greatest.com.

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

Brig. Labh Singh Sitara (Retd.), aged 79 years, is an Independent Director on our Board. He holds a bachelor's degree in economics from the Punjab University. He has previously served in the Indian army and has been awarded with Dhyan Chand Award for lifetime achievement in games and sports by Ministry of Youth Affairs and Sports in the year 2004. He has won medals in the Asian Games in the year 1966 and 1970, respectively and has also served as an honorary advisor to the Sports Department of the Government of Punjab and as a member of the planning committee of the Athletics Federation of India.

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

Relationship with other Directors

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

Confirmations

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

Compensation of Directors

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

- a. The following table sets forth the compensation paid by our Company, to our Whole-time Director for the Fiscal Year 2018 (excluding the value of retirement benefits and perquisites on employee stock options):

(₹ in million)

Whole-time Director	Total remuneration (including salary and other benefits*)
	Fiscal 2018
Mr. Pinank Jayant Shah	20.02

*Excludes retirement benefits and employee stock options.

- b. The following table sets forth the compensation paid by our Company to our current Non-Executive Directors for Fiscal 2018:

(₹ in million)

Non-Executive Director	Total remuneration (including salary and other benefits*)
	Fiscal 2018
Mr. Gagan Banga	Nil
Mr. Ajit Kumar Mittal	Nil
Mr. Nafees Ahmed	Nil

- c. The following table sets forth the sitting fees paid by our Company to our existing Independent Directors for the Fiscal Year 2018:

(₹ in million)

Name of Director	Total sitting fees
	Fiscal 2018
Brig. Labh Singh Sitara (Retd.)	Nil
Mr. Alok Kumar Misra	Nil

Interest of Directors/ Promoter of our Company

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

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

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

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

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

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

Shareholding of the Directors

As on December 31, 2018, none of the Directors hold any Equity Shares or any outstanding options in our Company.

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

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

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

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

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

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

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

Committees of Board of Directors

1. Audit Committee

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

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

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

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

2. Nomination and Remuneration Committee (“NRC”)

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

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

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

3. Corporate Social Responsibility Committee (“CSR”)

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

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

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

4. Asset Liability Management Committee (“ALCO”)

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

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

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

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

5. Integrated Risk Management Committee (“IRMC”)

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

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

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

6. Investment Committee

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

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

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

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

Key Managerial Personnel of our Company

Following are the Key Managerial Personnel of our Company:

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

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the Fiscal 2018, 2017, 2016, 2015 and 2014, as per the requirements under “Accounting Standard 18 – Related Party Transactions” specified under the Companies Act, refer to the chapter “*Financial Statements*” on page 129.

OUR PROMOTER

Profile of our Promoter

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

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

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

Interest of our Promoter in our Company

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder, loans provided to us by our Promoter, sharing infrastructure and common services. For further details, please see related party transactions in the section “*Financial Statements*” on page 129.

Other understandings and confirmations

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

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

Details of shareholding of IVL in our Company as on December 31, 2018:

Total number of Equity Shares	Number of Equity Shares in demat form	Total shareholding as %of total number of Equity Shares	Number of Equity Shares pledged	% of Equity Shares pledged with respect to the Equity Shares owned by IVL
57,593,000	57,592,994*	100	Nil	Nil

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

Shareholding pattern of IVL as on December 31, 2018:

Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities			No of Shares Outstanding	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
								Equity shares with voting rights	----	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	6	187879588	35788434	0	223668022	36.97	223668022	0	223668022	36.97	0	33.79	61190168	27.36	0	0.00	223668022
(B)	Public	80508	334092325	47159879	0	381252204	63.03	381252204	0	381252204	63.02	57024968	66.21	129738357	34.03	NA	NA	381234852
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	1	0	0	58977	58977	NA	58977	0	58977	0.01	0	NA	0	0.00	NA	NA	58977
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Total:		80515	521971913	82948313	58977	604979203	100.00	604979203	0	604979203	100.00	57024968	100.00	190928525	31.56	0	0.00	604961851

Statement showing shareholding pattern of the Promoter and Promoter Group

Cate gory	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholdin g as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares			Number of Shares pledged or otherwise encumbered	Number of equity shares held in demateriali zed form		
									No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held			No.	As a % of total Shares held
									Equity shares with voting rights	----	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)			(XIII)	(XIV)			
(1)	Indian																			
(a)	Individuals/Hindu undivided Family		1	41489078	9408927	0	50898005	8.41	50898005	0	50898005	8.41	0	7.69	0	0.00	0	0.00	50898005	
	SAMEER GEHLAUT	AFMPG9469E	1	41489078	9408927	0	50898005	8.41	50898005	0	50898005	8.41	0	7.69	0	0.00	0	0.00	50898005	
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(d)	Any Other		5	146390510	26379507	0	172770017	28.56	172770017	0	172770017	28.56	0	26.10	61190168	35.42	0	0.00	172770017	
	ZELKOVA BUILDERS PRIVATE LIMITED	AAACZ5953G	1	32907534	7710104	0	40617638	6.71	40617638	0	40617638	6.71	0	6.14	14690168	36.17	0	0.00	40617638	
	ORTHIA CONSTRUCTIONS PRIVATE LIMITED	AABCO2307A	1	39701671	9301943	0	49003614	8.10	49003614	0	49003614	8.10	0	7.40	12700000	25.92	0	0.00	49003614	
	ORTHIA PROPERTIES PRIVATE LIMITED	AABCO2309Q	1	39981305	9367460	0	49348765	8.16	49348765	0	49348765	8.16	0	7.46	0	0.00	0	0.00	49348765	
	INUS DEVELOPERS PRIVATE LIMITED	AACCI1928E	1	16800000	0	0	16800000	2.78	16800000	0	16800000	2.78	0	2.54	16800000	100.00	0	0.00	16800000	
	INUS PROPERTIES PRIVATE LIMITED	AACCI1953M	1	17000000	0	0	17000000	2.81	17000000	0	17000000	2.81	0	2.57	17000000	100.00	0	0.00	17000000	
	Sub-Total (A)(1)		6	187879588	35788434	0	223668022	36.97	223668022	0	223668022	36.97	0	33.79	61190168	27.36	0	0.00	223668022	
(2)	Foreign																			
(a)	Individuals (Non- Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
	Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		6	187879588	35788434	0	223668022	36.97	223668022	0	223668022	36.97	0	33.79	61190168	27.36	0	0.00	223668022	

Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C 2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Equity shares with voting rights	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)	(XIV)			
(1)	Institutions																		
(a)	Mutual Funds		2	7423	0	0	7423	0.001	7423	0	7423	0.001	0	0.001	0	0.00	NA	NA	7423
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		108	147541138	11563424	0	159104562	26.30	159104562	0	159104562	26.30	13454544	26.068	54172069	34.03	NA	NA	159104562
	JASMINE CAPITAL INVESTMENTS PTE LTD	AADCJ8832 D	1	52545147	7287296	0	59832443	9.89	59832443	0	59832443	9.89	0	9.039	0	0.00	NA	NA	59832443
	STEADVIEW CAPITAL MAURITIUS LIMITED	AAQCS125 3G	1	33312801	1095774	0	34408575	5.69	34408575	0	34408575	5.69	11167272	6.885	34408575	100.00	NA	NA	34408575
(f)	Financial Institutions/Banks		3	10905	0	0	10905	0.00	10905	0	10905	0.002	0	0.002	0	0.00	NA	NA	10905
(g)	Insurance Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	Sub Total (B)(1)		113	147559466	11563424	0	159122890	26.30	159122890	0	159122890	26.302	13454544	26.07	54172069	34.04	NA	NA	159122890
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(3)	Non-Institutions																		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs		78101	34444601	6440283	0	40884884	6.76	40884884	0	40884884	6.76	17797266	8.87	0	0.00	NA	NA	40867532
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		65	28778832	4683443	0	33462275	5.53	33462275	0	33462275	5.53	11242250	6.75	0	0.00	NA	NA	33462275
	DIVYESH BHARAT SHAH	AFAPD0331 A	1	10569000	1981687	0	12550687	2.07	12550687	0	12550687	2.07	1500000	2.12	0	0.00	NA	NA	12550687
(b)	NBFCs Registered with RBI		13	123864	3158	0	127022	0.02	127022	0	127022	0.02	0	0.02	0	0.00	NA	NA	127022
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	FOREIGN COMPANIES		1	62213000	11103288	0	73316288	12.12	73316288	0	73316288	12.12	14530908	13.27	73316288	100.00	NA	NA	73316288
	TAMARIND CAPITAL PTE LTD	AAACO913 ID	1	62213000	11103288	0	73316288	12.12	73316288	0	73316288	12.12	13454545	13.11	73316288	100.00	NA	NA	73316288
	NON RESIDENT INDIANS		853	1566249	11752	0	1578001	0.26	1578001	0	1578001	0.26	0	0.24	0	0.00	NA	NA	1578001
	CLEARING MEMBERS		219	308339	27653	0	335992	0.06	335992	0	335992	0.06	0	0.05	0	0.00	NA	NA	335992
	FOREIGN BODIES		1	2250000	0	0	2250000	0.37	2250000	0	2250000	0.37	0	0.34	2250000	100.00	NA	NA	2250000

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C 2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
									Equity shares with voting rights	Total									
										----	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)		
	BODIES CORPORATES		1141	56774667	13326878	0	70101545	11.59	70101545	0	70101545	11.59	0	10.59	0	0.00	NA	NA	70101545
	BRIJKISHOR TRADING PRIVATE LIMITED	AACCB8393A	1	8300000	1556250	0	9856250	1.63	9856250	0	9856250	1.63	0	1.49	0	0.00	NA	NA	9856250
	TUPELO CONSULTANCY LLP	AALFT6432C	1	20294594	4709132	0	25003726	4.13	25003726	0	25003726	4.13	0	3.78	0	0.00	NA	NA	25003726
	SHUBHI CONSULTANCY SERVICES LLP	ACVFS7166E	1	9487486	1025132	0	10512618	1.74	10512618	0	10512618	1.74	0	1.59	0	0.00	NA	NA	10512618
	I E P F		1	73307	0	0	73307	0.01	73307	0	73307	0.01	0	0.01	0	0.00	NA	NA	73307
	Sub Total (B)(3)		80395	186532859	35596455	0	222129314	36.72	222129314	0	222129314	36.72	43570424	40.14	75566288	34.02			2222111962
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		80508	334092325	47159879	0	381252204	63.03	381252204	0	381252204	63.02	57024968	66.21	129738357	34.03			381234852

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

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

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

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

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

Board of Directors of IVL as on date of the Draft Shelf Prospectus:

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

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Reformatted Financial Information	F-1 to F-41
2.	Limited Review Financial Results	F-42 to F-46
3.	Limited Review on Special Purpose Interim Financial Information	F-47 to F-49

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
Haryana, India

T +91 124 462 8000
F +91 124 462 8001

The Board of Directors,
Indiabulls Consumer Finance Limited
(formerly IVL Finance Limited)
M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001, India

Proposed public issue of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 (the “Securities”) aggregating up to Rs. 30,000 million in India by Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the “Company”/ “Issuer”) (the “Offering”).

Auditors' Report on Reformatted Financial Information

1. The accompanying Reformatted Financial Information of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) (the 'Company'), which comprise the Reformatted Statements of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Reformatted Statements of Profit and Loss, the Reformatted Cash Flow Statements for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and a summary of the significant accounting policies and other explanatory information (together comprising the "Reformatted Financial Information") are derived from the audited financial statements (the "Audited Financial Statements") of the Company for the respective years audited by us/predecessor auditors as detailed in paragraph 3 and 8 below, which are to be included in the draft shelf prospectus, the shelf prospectus and the respective tranche prospectus(s) to be filed by the Company in connection with the Offering.
2. The Reformatted Financial Information have been prepared by the Management of the Company on the basis of accounting described in Note 2 to the Reformatted Financial Information and have been approved by the Board of Directors.
3. We expressed our opinion on the Audited Financial Statements of the Company as of and for the year ended 31 March 2018 *vide* our report dated 23 April 2018.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

4. The Reformatted Financial Information as of and for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, reported upon by predecessor auditors, have been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the audited financial statements as of and for the year ended 31 March 2018. The figures included in the Reformatted Financial Statements, do not reflect the effect of events that occurred subsequent to the date of the reports on the respective years referred to in paragraph 3(a) and 3(b) above.

5. **Management's Responsibility for the Reformatted Financial Information**

Management is responsible for the preparation of the Reformatted Financial Information, as mentioned in paragraph 1 above, for inclusion in the draft shelf prospectus, the shelf prospectus and the respective tranche prospectus(s) to be filed by the Company in connection with the Offering, on the basis of accounting described in Note 2 to the Reformatted Financial Information. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Financial Information that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Financial Information.

6. **Auditor's Responsibility**

Our responsibility is to express an opinion on the Reformatted Financial Information based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

7. **Opinion**

In our opinion and as per the report submitted by predecessor auditors, the Reformatted Financial Information derived from the Audited Financial Statements of the Company for the respective years are a fair presentation of the Audited Financial Statements of the respective years on the basis of accounting described in Note 2 to the Reformatted Financial Information.

8. **Other matters**

The financial statements of the Company for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 were audited by S A S & Co. (the "predecessor auditors"). In relation to the aforesaid financial statements audited by the predecessor auditors, we have not carried out any audit tests or review procedures. Our report on Reformatted Financial Information in so far as it relates to the financial information for each for the four years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 is based solely on the report on reformatted financial statements for each of these years submitted by the predecessor auditors to the Board of Directors of the Company.



Walker ChandioK &Co LLP

This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or predecessor auditors on the Reformatted Financial Information.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Restrictions on use

This report is addressed to and is provided to enable the Company for inclusion in the draft shelf prospectus, the shelf prospectus and the respective tranche prospectus(s), to be filed by the Company in connection with the Offering with BSE Limited, National Stock Exchange of India Limited, Registrar of Companies of Delhi and Haryana and with the Securities and Exchange Board of India. The Reformatted Financial Information may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

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



Lalit Kumar
Partner
Membership Number: 095256



Place: Gurugram
Date: 21 January 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)

ANNEXURE-I
REFORMATTED STATEMENT OF ASSETS AND LIABILITIES
(All amounts in Rupees millions, unless otherwise stated)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES						
(1) Shareholders' funds						
(a) Share capital	4	300.52	52.19	23.17	23.17	23.17
(b) Reserves and surplus	5	16,478.21	2,033.66	895.73	881.96	877.68
		<u>16,778.73</u>	<u>2,085.85</u>	<u>918.90</u>	<u>905.13</u>	<u>900.85</u>
(2) Non-current liabilities						
(a) Long-term borrowings	6	24,591.28	-	-	-	-
(b) Other long-term liabilities	7	18.30	-	-	-	-
(c) Long-term provisions	8	148.95	17.33	2.04	4.23	4.24
		<u>24,758.53</u>	<u>17.33</u>	<u>2.04</u>	<u>4.23</u>	<u>4.24</u>
(3) Current liabilities						
(a) Short-term borrowings	9	6,000.00	-	-	-	-
(b) Trade payables	10					
(i) total outstanding dues to micro and small enterprises		0.72	-	-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		276.54	0.03	-	-	-
(c) Other current liabilities	11	7,283.41	54.96	0.12	0.25	0.06
(d) Short-term provisions	12	107.51	11.53	7.76	12.21	11.10
		<u>13,668.18</u>	<u>66.52</u>	<u>7.88</u>	<u>12.46</u>	<u>11.16</u>
TOTAL		<u>55,205.44</u>	<u>2,169.70</u>	<u>928.82</u>	<u>921.82</u>	<u>916.25</u>
II. ASSETS						
(1) Non - current assets						
(a) Fixed assets						
(i) Property, plant and equipment	13	155.10	0.07	0.16	0.23	0.44
(ii) Intangible assets	13	307.47	-	-	-	-
(iii) Intangible asset under development		5.80	-	-	-	-
		<u>468.37</u>	<u>0.07</u>	<u>0.16</u>	<u>0.23</u>	<u>0.44</u>
(b) Non-current investments	14	677.23	-	-	-	-
(c) Deferred tax assets (net)	15	8.03	6.92	1.03	3.67	3.47
(d) Long-term loans and advances	16	30,879.10	661.60	356.16	257.90	299.25
		<u>31,564.36</u>	<u>668.52</u>	<u>357.19</u>	<u>261.57</u>	<u>302.72</u>
(2) Current assets						
(a) Current investments	17	3,764.45	1,125.00	-	-	-
(b) Cash and bank balances	18	9,486.61	14.50	30.72	31.97	5.39
(c) Short-term loans and advances	19	9,532.56	361.61	375.89	530.11	543.38
(d) Other current assets	20	389.09	-	164.86	97.94	64.32
		<u>23,172.71</u>	<u>1,501.11</u>	<u>571.47</u>	<u>660.02</u>	<u>613.09</u>
TOTAL		<u>55,205.44</u>	<u>2,169.70</u>	<u>928.82</u>	<u>921.82</u>	<u>916.25</u>

Notes 1 - 40 form an integral part to the reformatted financial information

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

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 21 January 2019

Place: Mumbai
Date: 21 January 2019

Place: Gurugram
Date: 21 January 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-II
REFORMATTED STATEMENT OF PROFIT AND LOSS
(All amounts in Rupees millions, unless otherwise stated)

	Note No.	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Revenue						
I. Revenue from operations	21	7,000.44	572.23	142.89	61.82	300.15
II. Other income	22	0.26	0.21	-	-	0.33
III. Total revenue (I + II)		7,000.70	572.44	142.89	61.82	300.48
IV. Expenses						
Employee benefits expense	23	422.00	4.44	3.95	4.09	13.62
Finance costs	24	1,367.94	0.05	-	-	111.55
Depreciation and amortisation	13	56.08	0.09	0.12	0.14	0.07
Other expenses	25	2,656.85	490.98	122.41	52.57	134.40
Total expenses		4,502.87	495.56	126.48	56.80	259.64
V. Profit before tax (III - IV)		2,497.83	76.88	16.41	5.02	40.84
VI. Tax expense:						
(1) Current tax		587.59	19.73	1.33	0.87	-
Less: Minimum alternate tax credit entitlement		-	(3.03)	(1.33)	-	-
(2) Tax credit for earlier years		(3.87)	(0.87)	-	-	-
(3) Deferred tax		(1.11)	(5.89)	2.64	(0.20)	31.72
		582.61	9.94	2.64	0.67	31.72
VII. Profit for the year (V-VI)		1,915.22	66.94	13.77	4.35	9.12
VIII. Earnings per equity share:						
(1) Basic	28	125.57	27.75	5.94	1.88	4.29
(2) Diluted		97.01	27.75	5.94	1.88	4.29
Face value per equity share		10.00	10.00	10.00	10.00	10.00

Notes 1 - 40 form an integral part to the reformatted financial information

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

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole Time
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 21 January 2019

Place: Mumbai
Date: 21 January 2019

Place: Gurugram
Date: 21 January 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-III
REFORMATTED STATEMENT OF CASH FLOWS
(All amounts in Rupees millions, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
A Cash flow from operating activities:					
Net profit before tax	2,497.83	76.88	16.41	5.02	40.84
Adjustments for:					
Depreciation and amortisation expenses	56.08	0.09	0.12	0.14	0.07
Provision for loan assets	262.55	414.43	66.69	49.30	132.25
Provision for gratuity and compensated absences	14.41	0.28	0.04	0.34	0.27
Operating profit	2,830.87	491.68	83.26	54.80	173.43
Adjustments for:					
(Increase)/ decrease in trade and other receivables	(40,020.57)	(482.51)	(83.90)	(27.58)	5,494.22
(Increase) in investments	(3,316.67)	(1,125.00)	-	-	-
(Increase)/ decrease in fixed deposits	(672.64)	-	-	-	50.00
Increase/ (decrease) in other liabilities and provisions	6,859.38	54.87	(0.12)	0.18	(59.95)
Cash (used in)/ generated from operating activities	(34,319.63)	(1,060.96)	(0.76)	27.40	5,657.70
Income taxes paid (including tax deducted at source)	(522.38)	(55.27)	(0.44)	(0.82)	(25.61)
Net cash (used in)/ generated from operating activities	(34,842.01)	(1,116.23)	(1.20)	26.58	5,632.09
B Cash flow from investing activities:					
Purchase of fixed assets including movement for capital advances	(540.09)	-	(0.05)	-	-
Intangible asset under development	(5.80)	-	-	-	-
Net cash used in investing activities	(545.89)	-	(0.05)	-	-
C Cash flow from financing activities:					
Proceeds from issue of equity shares (including securities premium)	10,027.66	1,100.01	-	-	8.00
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	2,750.00	-	-	-	-
Redemption of preference share capital (including securities premium)	-	-	-	-	(3,207.99)
Proceeds from term loans from banks	30,750.00	-	-	-	-
Repayment of term loans	(2,840.29)	-	-	-	(2,435.07)
Proceeds from issue of non convertible debentures	1,000.00	-	-	-	-
Proceeds from issue of commercial papers	2,500.00	-	-	-	-
Net cash generated from/ (used in) financing activities	44,187.37	1,100.01	-	-	(5,635.06)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,799.47	(16.22)	(1.25)	26.58	(2.97)
E Cash and cash equivalents at the beginning of the year	14.50	30.72	31.97	5.39	8.36
F Cash and cash equivalents at the close of the year (D + E)	8,813.97	14.50	30.72	31.97	5.39

Notes :

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Cash in hand	0.04	-	0.03	0.03	-
Balances with banks:					
- in current accounts	5,612.71	14.50	30.69	31.94	5.39
- in fixed deposits with original maturity of less than three months	3,201.22	-	-	-	-
Cash and cash equivalents	8,813.97	14.50	30.72	31.97	5.39

3 Cash and cash equivalents include following balances not available for use by the Company:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Deposits pledged with banks for overdraft facilities	3,201.22	-	-	-	-

Notes 1 - 40 form an integral part to the reformatted financial information

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

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole Time
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 21 January 2019

Place: Mumbai
Date: 21 January 2019

Place: Gurugram
Date: 21 January 2019

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 1

Company overview:

Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ("the Company") was incorporated on 27 October 1994 under Companies Act, 1956 and is engaged in the business of financing and allied activities. The Company is registered under section 45-IA of the Reserve bank of India Act, 1934 to carry on the business of a non-deposits taking Non-banking Financial Company.

The Company was initially incorporated with name of Malpani Securities Private Limited to carry on its business of stock and share broking, financing & related activities. The Company's name was changed to Shivshakti Financial Services Private Limited after obtaining the approval from the Registrar of Companies, National Capital Territory of Delhi & Haryana on 13 January 2010. The members of the Company at their Extraordinary General Meeting held on 7 October 2014, accorded their approval for conversion from private limited company to public limited company. The Company received a fresh certificate of incorporation consequent upon conversion from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 5 February 2015 in respect of the change from Shivshakti Financial Services Private Limited to IVL Finance Limited. Further, the name of the Company is changed from IVL Finance Limited to Indiabulls Consumer Finance Limited and a fresh certificate of incorporation dated 18 September 2018 has been obtained from the Registrar of Companies, National Capital Territory of Delhi & Haryana in this respect.

Note - 2

Basis of preparation:

The Reformatted Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, Reformatted Statement of Profit and Loss, Reformatted Statement of Cash Flows for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and a summary of the significant accounting policies and other explanatory information (together referred as "Reformatted Financial Information") have been extracted by the Management from the Audited Financial Statements of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 (together referred as "the Audited Financial Statements").

The Reformatted Financial Information as at and for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the audited financial statement as of and for the year ended 31 March 2018.

The Reformatted Financial Information have been prepared by the Management in connection with the proposed issue of non-convertible debentures of the Company to be listed on BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in accordance with the requirements of Section 26 of the Companies Act, 2013 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time and related clarifications issued by the Stock Exchanges.

The Audited Financial Statements of the Company were prepared in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (Indian GAAP). The financial statements were prepared on an accrual basis under the historical cost convention.

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Note - 3

Significant accounting policies:

a) Prudential norms:

The Company follows Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)" (RBI Directions, 2016), dated 1 September 2016, in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the balance sheet and provisioning. Accounting Standards (AS) and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI Directions, 2016.

b) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

c) Revenue recognition:

- i. Interest income from financing activities and others is recognised on an accrual basis. In terms of the RBI directions, 2016, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realised.
- ii. Processing fees received in respect of loans given is recognised in the year in which loan is disbursed.
- iii. Additional interest/ overdue charges is recognised on realisation basis.
- iv. Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Instalments ('EMI') comprising principal and interest. EMIs commence once the loan is disbursed. In case of pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.
- v. Income from Fee Income from Services is recognised on accrual basis.
- vi. Income from interest from fixed deposits is recognized on accrual basis.
- vii. Dividend income on units of mutual fund held by the Company are recognised on receipt basis as per the RBI directions, 2016

d) Fixed assets:

(i) Property, plant and equipment:

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in the Statement of Profit and Loss.

(ii) Intangible assets:

Intangible assets are stated at their cost of acquisition less accumulated amortisation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

e) Depreciation / amortisation:

2013-14

Depreciation on tangible fixed assets is provided on straight line method at the rates specified in Schedule XIV to the Company Act, 1956. Depreciation on addition to fixed assets is provided on pro-rate basis from the date the asset is put to use. Depreciation on sale/deduction from fixed assets is provided for up to date of sale/deduction/scrapping, as the case may be.

2014-15, 2015-16, 2016-17 and 2017-2018

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/ scrapping, as the case may be. Assets costing Rs. 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

f) Impairment of assets:

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, to the extent the amount was previously charged to the Statement of Profit and Loss.

Note - 3

Significant accounting policies (*continued*)

g) Investments:

Investments are classified as long-term and current investments. Long-term investments are carried at cost less provision if any for any diminution other than temporary in their value. Current investments are valued at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

h) Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

i) Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised during the time period that is necessary to complete and prepare an asset for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

j) Employee benefits:

i. Defined contribution plans:

The Company has a defined contribution plans namely provident fund, employees state insurance, labour welfare fund and employees national pension scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss. In respect of these contributions, the Company has no further obligations beyond making the contribution and hence, such employee benefit plans are classified as defined contribution plans.

ii. Defined benefits plan:

The Company has unfunded gratuity as defined benefit where the amount that employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. The liability recognised in the balance sheet for defined benefit plan is the present value of defined benefit obligation at the reporting date. The present value of defined benefit obligation is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

iii. Other long-term benefit:

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

k) Earnings per share

Basic earnings per share are computed using weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using weighted average number of equity and dilutive potential equity shares outstanding during the year except where results would be anti-dilutive.

Note - 3

Significant accounting policies (continued)

l) **Equity index/ stock futures:**

In accordance with the Guidance Note on 'Accounting for Equity Index and Equity Stock Futures and Options' issued by the Institute of Chartered Accountants of India, which is more fully explained below:

- i. Initial Margin - Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement / squaring-up of the underlying contract, are disclosed under Loans and Advances.
- ii. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin - Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.
- iii. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:

Credit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.

Debit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the Statement of Profit and Loss.

On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin - Equity Index/Stock Futures Account" after adjustment of the provision for anticipated losses is recognised in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up. The Company uses hedging instruments to hedge its exposure to variability of expected fair value of equity investment. Such hedging instruments are initially recognised at fair value on the date on which such contract is entered into and are subsequently re-measured at fair value.

m) **Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

n) **Provisions and contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed for:

- (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent Assets are not recognised in the financial statements

o) **Cash and cash equivalents:**

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 4

Share capital:

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised										
Equity shares of Rs. 10 each	58.50	585.00	5.22	52.19	2.32	23.17	2.32	23.17	2.32	23.17
Compulsorily convertible preference shares of Rs. 10 each	5.50	55.00	4.78	47.81	7.68	76.83	7.68	76.83	7.68	76.83
Issued, subscribed and paid up										
Equity shares of Rs. 10 each	24.55	245.52	5.22	52.19	2.32	23.17	2.32	23.17	2.32	23.17
Compulsorily convertible preference shares of Rs. 10 each	5.50	55.00	-	-	-	-	-	-	-	-
	30.05	300.52	5.22	52.19	2.32	23.17	2.32	23.17	2.32	23.17

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	5.22	52.20	2.32	23.20	2.32	23.17	2.32	23.17	1.52	15.20
Add: Issued during the year	19.33	193.32	2.90	29.00	-	-	-	-	0.80	8.00
Outstanding at the end of the year	24.55	245.52	5.22	52.20	2.32	23.17	2.32	23.17	2.32	23.20

Compulsorily convertible preference shares

	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	-	-	-	-	-	-	-	-	4.00	40.00
Add: Issued during the year	5.50	55.00	-	-	-	-	-	-	1.00	10.00
Less: Converted/redeemed during the year	-	-	-	-	-	-	-	-	5.00	50.00
Outstanding at the end of the year	5.50	55.00	-	-	-	-	-	-	-	-

b. Terms/rights attached to equity shares / compulsorily convertible preference shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

c. Shares held by Holding Company

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24.55	100%	-	-	-	-	-	-	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5.22	100%	2.32	100%	2.32	100%	2.32	100%

Note:

Indiabulls Ventures Limited became our holding company w.e.f. 19 May 2017.

d. Shares held by shareholders holding more than 5% shares:

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24.55	100%	-	-	-	-	-	-	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5.22	100%	2.32	100%	2.32	100%	2.32	100%

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

f. Employee stock option schemes: (refer note 37)

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 5

Reserves and surplus

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Securities premium reserve					
Balance as at the beginning of the year	1,862.99	792.00	792.00	792.00	3,960.00
Add: Additions during the year	12,529.33	1,070.99	-	-	990.00
Less: Utilised during the year	-	-	-	-	(4,158.00)
Balance at the end of the year	<u>14,392.32</u>	<u>1,862.99</u>	<u>792.00</u>	<u>792.00</u>	<u>792.00</u>
Capital redemption reserve					
Balance as at the beginning of the year	10.00	10.00	10.00	10.00	-
Add: Amount transferred during the year	-	-	-	-	10.00
Balance at the end of the year	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Reserve fund (U/s 45-IC of the Reserve Bank of India Act, 1934)					
Balance at the beginning of the year	35.64	22.25	19.50	18.63	16.80
Add: Amount transferred during the year *	383.04	13.39	2.75	0.87	1.83
Balance at the end of the year	<u>418.68</u>	<u>35.64</u>	<u>22.25</u>	<u>19.50</u>	<u>18.63</u>
Surplus in the statement of profit and loss					
Balance at the beginning of the year	125.03	71.48	60.46	57.05	59.76
Add: Profit for the year	1,915.22	66.94	13.77	4.35	9.12
Less: Adjustments on account of opening depreciation due to change in useful lives of fixed assets	-	-	-	(0.07)	-
Amount available for appropriation (A)	<u>2,040.25</u>	<u>138.42</u>	<u>74.23</u>	<u>61.33</u>	<u>68.88</u>
Appropriations (B):					
Amount transferred during the year to Reserve Fund (U/s 45-IC of the RBI Act,1934)*	383.04	13.39	2.75	0.87	1.83
Transfer to capital redemption reserve	-	-	-	-	10.00
Surplus balance carried forward (A)-(B)	<u>1,657.21</u>	<u>125.03</u>	<u>71.48</u>	<u>60.46</u>	<u>57.05</u>
	<u>16,478.21</u>	<u>2,033.66</u>	<u>895.73</u>	<u>881.96</u>	<u>877.68</u>

* In terms of Section 45-IC of the R.B.I. Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year end, the Company has transferred an amount of Rs. 383.04 millions (31 March 2017: Rs. 13.39 millions, 31 March 2016: Rs. 2.75 millions; 31 March 2015: Rs. 0.87 millions; 31 March 2014: Rs 1.83 millions) to the reserve fund.

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 6					
Long-term borrowings					
Secured					
Term loan from banks (refer note a)	25,403.85	-	-	-	-
Vehicle loans from banks (refer note b)	5.87	-	-	-	-
Less: Amount disclosed as current maturities of long-term debt (refer note 11)	(818.44)	-	-	-	-
	<u>24,591.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

a) Balances of term loans from banks* includes:

- i. Loan outstanding amounting to Rs. 423.08 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 13 quarterly instalments commencing from December 2017 with last installment falling due in year 2020-21.
- ii. Loan outstanding amounting to Rs. 1,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 16 quarterly instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last installment falling due in year 2022-23.
- iii. Loan outstanding amounting to Rs. 1,480.77 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 13 quarterly instalments commencing from December 2017 with last installment falling due in year 2020-21.
- iv. Loan outstanding amounting to Rs. 1,500.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in payable in one installment in April 2019.
- v. Loan outstanding amounting to Rs. 3,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23. .
- vi. Loan outstanding amounting to Rs. 3,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.
- vii. Loan outstanding amounting to Rs. 5,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in 2 equal annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.
- viii. Loan outstanding amounting to Rs. 10,000.00 million (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015; Rs Nil; 31 March 2014: Rs Nil) taken during the financial year 2017-18 is repayable in Payable in one installment in September 2019.

*** Notes:**

1. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash & cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts. Such borrowings further secured by way of corporate guarantee furnished on our behalf by Holding Company i.e. Indiabulls Ventures Limited.
 2. Interest rate on term loans varies from 8.00% to 9.50% per annum.
- (b) The vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 7					
Other long-term liabilities					
Lease equalisation reserve	18.30	-	-	-	-
	<u>18.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note - 8
Long-term provisions
Provision for employee benefits

Provision for gratuity (refer note 33)	15.56	0.73	0.50	0.47	0.16
Provision for compensated absences (refer note 33)	6.11	0.18	0.13	0.12	0.11

Other provisions

Provision for loan assets	2.37	13.79	0.34	3.00	3.07
Contingent provisions against standard assets	124.91	2.63	1.07	0.64	0.90
	<u>148.95</u>	<u>17.33</u>	<u>2.04</u>	<u>4.23</u>	<u>4.24</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 9					
Short-term borrowings					
Secured					
Term loans from bank (refer note a below)	2,500.00	-	-	-	-
8.50% non- convertible debentures (refer note b below)	1,000.00	-	-	-	-
Unsecured					
Commercial papers	2,500.00	-	-	-	-
	<u>6,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

a) This loan is repayable in one installment in September 2018. The term loan is secured by way of first pari-passu charge on loan receivables & all current assets (including cash & cash equivalents) of the Company, both present and future; and on present and future loan assets of the Company. It carries interest rate of 8.35% per annum.

b) Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies repayable for the principal amount and interest thereon. These debentures are repayable in one installment in March 2019.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 10					
Trade payables					
Total outstanding dues of					
- micro and small enterprises (refer note 32)	0.72	-	-	-	-
- others	276.54	0.03	-	-	-
	<u>277.26</u>	<u>0.03</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note - 11

Other current liabilities

Current maturities of long-term borrowings (refer note 6)	818.44	-	-	-	-
Interest accrued but not due	1.41	-	-	-	-
Statutory liabilities	119.18	54.96	0.03	0.18	-
Employee related payables	9.34	-	-	-	-
Temporary overdrawn balances as per books	6,308.39	-	-	-	-
Other payables	26.65	-	0.09	0.07	0.06
	<u>7,283.41</u>	<u>54.96</u>	<u>0.12</u>	<u>0.25</u>	<u>0.06</u>

Note - 12

Short-term provisions

Provision for employee benefits

Provision for gratuity (refer note 33)	0.33	0.02	0.02	0.02	-
Provision for compensated absences (refer note 33)	0.10	0.01	-	-	-

Other provisions

Provision for loan assets	-	5.50	0.29	5.40	4.94
Contingent provisions against standard assets	38.11	1.05	0.93	1.16	1.20
Provision for taxation (net of advance tax / tax deducted at source)	68.97	4.95	6.52	5.63	4.96
	<u>107.51</u>	<u>11.53</u>	<u>7.76</u>	<u>12.21</u>	<u>11.10</u>

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 14					
Non-current investments					
Long term- Trade- quoted					
Investment in quoted equity shares of Reliance Industries Limited [Number of shares 0.82 million (previous year : nil) face value of Rs. 10 each]	677.23	-	-	-	-
	<u>677.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate book value of quoted investments	677.23	-	-	-	-
Aggregate market value of quoted investments	723.81	-	-	-	-
Note - 15					
Deferred tax assets (net):					
Deferred tax assets					
Arising on account of temporary differences due to:					
- Contingent provisions against standard assets	20.13	6.62	0.81	3.47	3.44
- Disallowances under Income-tax Act, 1961	7.65	0.27	0.20	0.21	0.09
- On account of lease equalisation reserve	6.33	-	-	-	-
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	-	0.03	0.02	-	-
Deferred tax liabilities					
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	26.08	-	-	0.01	0.06
Deferred tax assets (net)	<u>8.03</u>	<u>6.92</u>	<u>1.03</u>	<u>3.67</u>	<u>3.47</u>
Note - 16					
Long term loans and advances:					
(i) Loans and other credit facilities					
(considered good)					
Secured loans	15,924.31	-	-	-	-
Unsecured loans	14,856.35	656.89	354.83	257.90	299.25
(ii) Other unsecured loans and advances					
(unsecured and considered good)					
Capital advances	21.51	-	-	-	-
Security deposits	66.38	-	-	-	-
Prepaid expenses	10.55	-	-	-	-
Minimum alternative tax (MAT) credit entitlement	-	4.71	1.33	-	-
	<u>30,879.10</u>	<u>661.60</u>	<u>356.16</u>	<u>257.90</u>	<u>299.25</u>
Note - 17					
Current investments					
Investment in mutual funds- Non trade- Unquoted					
- Indiabulls Liquid Fund - Direct Growth [Number of units 0.59 millions (Previous year : 0.71 millions) Net assets value Rs. 1,698.2479 (Previous year : Rs.1588.5000) per unit]	1,001.13	1,125.00	-	-	-
- Indiabulls Short Term Fund - Direct Plan - Growth [Number of units 0.14 millions; Net asset value Rs. 1,512.3023 per unit]	214.14	-	-	-	-
- Invesco India Liquid Fund - Direct Plan Growth [Number of units 0.51 millions; Net asset value Rs. 2,445.9619 per unit]	1,250.70	-	-	-	-
- JM Equity Fund-Monthly Dividend Option [Number of units 35.79 millions; Net asset value Rs. 11.9538 per unit]	428.03	-	-	-	-
- JM Balanced Fund - Direct - Annual Dividend [Number of units 43.85 millions; Net asset value Rs. 19.8487 per unit]	870.45	-	-	-	-
	<u>3,764.45</u>	<u>1,125.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate book value of unquoted investments	3,764.45	1,125.00	-	-	-
Aggregate market value of unquoted investments	-	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Note - 18					
Cash and bank balances					
Cash and cash equivalents					
Cash on hand	0.04	-	0.03	0.03	-
Balance with banks					
- in current accounts	5,612.71	14.50	30.69	31.94	5.39
- in fixed deposits with original maturity of less than three months ⁽ⁱ⁾	3,201.22	-	-	-	-
	<u>8,813.97</u>	<u>14.50</u>	<u>30.72</u>	<u>31.97</u>	<u>5.39</u>
Other bank balances					
- in deposits with original maturity of more than three months but remaining maturity of less than twelve months from balance sheet date ⁽ⁱ⁾	672.64	-	-	-	-
	<u>9,486.61</u>	<u>14.50</u>	<u>30.72</u>	<u>31.97</u>	<u>5.39</u>
(i) Fixed deposits includes following deposits pledged with:					
Banks against bank guarantees issued by banks in favour of Unique Identification Authority of India.	2.50	-	-	-	-
National Securities Clearing Corporation Limited (NSCCL) as margin money for trading account maintained with Indiabulls Ventures Limited.	120.00	-	-	-	-
Banks for overdraft facilities	3751.36	-	-	-	-
Note - 19					
Short-term loans and advances					
(i) Loans and other credit facilities					
(considered good)					
Secured loans	2,868.34	-	-	-	-
Unsecured loans	6,369.32	262.21	310.72	465.00	478.87
(ii) Other unsecured loans and advances					
(unsecured and considered good)					
Advance to suppliers	81.96	-	-	-	-
Prepaid expenses	68.71	-	-	-	-
Goods and service tax credit and cenvat credit receivables	59.84	-	-	17.59	17.60
Advance income tax/tax deducted at source (net of provision of tax)	79.97	81.95	47.45	47.45	46.83
Loan and advances to employees	4.42	-	-	-	-
Security deposit	-	-	0.07	0.07	0.08
Others	-	17.45	17.65	-	-
	<u>9,532.56</u>	<u>361.61</u>	<u>375.89</u>	<u>530.11</u>	<u>543.38</u>
Note - 20					
Other current assets					
Investment hedge accounting adjustments	46.59	-	-	-	-
Margin money deposits	41.80	-	-	-	-
Interest accrued but not due on:					
- Loans	289.10	-	164.86	97.94	64.32
- Deposits with banks	11.60	-	-	-	-
	<u>389.09</u>	<u>-</u>	<u>164.86</u>	<u>97.94</u>	<u>64.32</u>

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 13
Fixed assets:

Gross block	Property, plant and equipment				Intangible assets		
	Computers	Office equipments	Furniture	Vehicles	Total	Softwares	Total
As at 31 March 2013	0.30	0.34	-	-	0.64	-	0.64
Additions for the year	-	-	-	-	-	-	-
As at 31 March 2014	0.30	0.34	-	-	0.64	-	0.64
Additions for the year	-	-	-	-	-	-	-
As at 31 March 2015	0.30	0.34	-	-	0.64	-	0.64
Additions for the year	0.05	-	-	-	0.05	-	0.05
As at 31 March 2016	0.35	0.34	-	-	0.69	-	0.69
Additions for the year	-	-	-	-	-	-	-
As at 31 March 2017	0.35	0.34	-	-	0.69	-	0.69
Additions for the year	113.74	22.29	24.26	9.44	169.73	348.85	518.58
As at 31 March 2018	114.09	22.63	24.26	9.44	170.42	348.85	519.27

Accumulated depreciation and amortisation	Property, plant and equipment				Intangible assets		
	Computers	Office equipments	Furniture	Vehicles	Total	Softwares	Total
As at 31 March 2013	0.11	0.02	-	-	0.13	-	0.13
Depreciation for the year	0.05	0.02	-	-	0.07	-	0.07
As at 31 March 2014	0.16	0.04	-	-	0.20	-	0.20
Depreciation for the year	0.04	0.10	-	-	0.14	-	0.14
Transition adjustment recorded against surplus balance in statement of profit and loss	0.07	-	-	-	0.07	-	0.07
As at 31 March 2015	0.27	0.14	-	-	0.41	-	0.41
Depreciation for the year	0.03	0.09	-	-	0.12	-	0.12
As at 31 March 2016	0.30	0.23	-	-	0.53	-	0.53
Depreciation for the year	0.02	0.07	-	-	0.09	-	0.09
As at 31 March 2017	0.32	0.30	-	-	0.62	-	0.62
Depreciation and amortisation for the year	12.06	1.41	0.67	0.56	14.70	41.38	56.08
As at 31 March 2018	12.38	1.71	0.67	0.56	15.32	41.38	56.70

Net block	Property, plant and equipment				Intangible assets		
	Computers	Office equipments	Furniture	Vehicles	Total	Softwares	Total
As at 31 March 2014	0.14	0.30	-	-	0.44	-	0.44
As at 31 March 2015	0.03	0.20	-	-	0.23	-	0.23
As at 31 March 2016	0.05	0.11	-	-	0.16	-	0.16
As at 31 March 2017	0.03	0.04	-	-	0.07	-	0.07
As at 31 March 2018	101.71	20.92	23.59	8.88	155.10	307.47	462.57

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Note - 21					
Revenue from operations					
Interest from financing activities	3,362.17	78.70	111.06	58.54	289.87
Bad debts recovered	-	89.40	30.00	-	-
Consultancy income	-	-	-	-	-
Financial and other service fees	1,573.51	400.00	-	-	-
Foreclosure fees and other related income	39.22	-	-	-	-
Other operating income *	2,025.54	4.13	1.83	3.28	10.28
	7,000.44	572.23	142.89	61.82	300.15
* Other operating income includes:					
Dividend income on current investments	1,969.24	0.47	1.83	3.28	4.87
Profit on redemption of mutual funds	-	3.66	-	-	-
Interest on fixed deposits	26.34	-	-	-	5.41
Interest on bonds investments	23.70	-	-	-	-
Interest on commercial paper investments	6.26	-	-	-	-
Note - 22					
Other income					
Interest on income tax refund	0.26	0.18	-	-	-
Miscellaneous income	-	0.03	-	-	0.33
	0.26	0.21	-	-	0.33
Note - 23					
Employee benefits expense					
Salaries	412.61	4.44	3.95	4.09	13.60
Contribution to provident funds and other funds	5.55	-	-	-	-
Staff welfare expenses	3.84	-	-	-	0.02
	422.00	4.44	3.95	4.09	13.62
Note - 24					
Finance costs					
Interest on intercorporate deposits	23.36	-	-	-	111.55
Interest on term loans	1,262.89	-	-	-	-
Interest on commercial papers	20.22	-	-	-	-
Interest on bank overdrafts	0.79	-	-	-	-
Interest on vehicle loans	0.27	-	-	-	-
Interest on non convertible debentures	0.93	-	-	-	-
Interest on taxes	0.70	-	-	-	-
Other borrowing costs	58.78	0.05	-	-	-
	1,367.94	0.05	-	-	111.55
Note - 25					
Other expenses					
Lease rent (refer note 29)	85.56	0.05	0.36	0.41	0.42
Rates and taxes	6.54	0.03	0.01	0.01	0.01
Professional charges	267.93	76.28	55.30	1.66	1.05
Membership fees	0.19	-	-	-	-
Electricity expenses	6.22	-	-	0.01	0.08
Business promotion	138.36	-	-	-	-
Commission expense	249.79	-	-	-	-
Loss on sale of investments	1,518.96	-	-	-	-
Communication expenses	23.33	-	-	0.01	0.20
Office maintenance	34.41	-	-	0.02	0.12
Printing and stationery	3.94	0.02	-	-	-
Stamp paper expenses	28.63	-	-	-	0.12
Auditors' remuneration*	1.00	0.03	0.03	0.03	0.03
Travelling expenses	5.07	-	-	0.01	0.09
Provision for loan assets	262.55	414.43	66.69	49.30	132.25
Repair and maintenance	6.63	0.13	-	-	-
Software expenses	13.33	-	-	-	-
Corporate social responsibility expenses (refer note 38)	0.66	-	-	-	-
Donations	0.15	-	-	1.07	-
Web hosting charges	2.89	-	-	-	-
Miscellaneous	0.71	0.01	0.02	0.04	0.03
	2,656.85	490.98	122.41	52.57	134.40
* Auditor's remuneration					
As auditor					
Statutory audit	1.00	0.03	0.03	0.03	0.03

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 26

Segment reporting:

The Company operates in one reportable business segment namely – financing and investing related activities and one reportable geographical segment, i.e. “within India”. Hence, no separate information for segment wise disclosure is required primary segment information (by business segments) as per AS- 17 “Segment Reporting”.

Note - 27

Related party disclosures:

Disclosures in respect of AS - 18 ‘Related Party Disclosures’ as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014,

(a) Details of related parties:

Description of relationship

Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Ultimate holding company	Indiabulls Ventures Limited (upto 18 May 2017)	Indiabulls Ventures Limited	Indiabulls Ventures Limited	Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited)	Indiabulls Securities Limited (w.e.f. June 28, 2013)
Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Holding Company	Indiabulls Distribution Services Limited (upto 18 May 2017)	Indiabulls Distribution Services Limited	Indiabulls Distribution Services Limited	Indiabulls Distribution Services Limited	Indiabulls Distribution Services Limited (w.e.f. June 28, 2013)
	Indiabulls Ventures Limited (w.e.f. 19 May 2017)	-	-	-	-
Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Fellow subsidiary companies (with whom transactions took place)	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited	Pushpanjli Finsolutions Limited (formerly known as Pushpanjli Finsolutions Private Limited)	Pushpanjli Finsolutions Private Limited
	Astilbe Builders Limited	Astilbe Builders Limited	Astilbe Builders Limited	Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited)	-
	Astraea Constructions Limited	Astraea Constructions Limited	Astraea Constructions Limited	Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited)	-
	Silenus Buildtech Limited	Silenus Buildtech Limited	Silenus Buildtech Limited	Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited)	-
	Arbutus Constructions Limited	Arbutus Constructions Limited	Arbutus Constructions Limited	Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited)	Arbutus Constructions Private Limited
	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited	Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited)	Gyansagar Buildtech Private Limited
	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited	Pushpanjli Fincon Limited (formerly known as Pushpanjli Fincon Private Limited)	Pushpanjli Fincon Private Limited
	-	India Land And Properties Limited (upto March 16, 2017)	-	-	-
	Indiabulls Distribution Services Limited (w.e.f. May 19, 2017)	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

Relationships	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
	Mr. Sameer Gehlaut, Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence	Mr. Sameer Gehlaut , Individual exercising significant influence
	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Securities Limited
	Mr. Pinank Jayant Shah, Whole Time Director (w.e.f. 14 September 2017) and Chief Executive Officer	-	-	-	-
	Mr. Gagan Banga, Director (w.e.f. 22 March 2018)	-	-	-	-
	Mr. Alok Kumar Mishra, Director (w.e.f. 22 March 2018)	-	-	-	-
	-	Mr. Vijay Babbar, Director (upto 19 September 2016)	Mr. Vijay Babbar, Director	Mr. Vijay Babbar, Director	Mr. Vijay Babbar, Director
	Mr. Aishwarya Katoch, Director (upto September 14, 2017)	Mr. Aishwarya Katoch, Director (w.e.f. 6 May 2016)	-	-	-
Key management personnel	-	-	-	Mr. Saurabh Mittal , Individual exercising significant influence (upto July 9, 2014)	Mr. Saurabh Mittal , Individual exercising significant influence
	-	-	-	Mr. Rajiv Rattan , Individual exercising significant influence (upto July 9, 2014)	Mr. Rajiv Rattan , Individual exercising significant influence
	Mr. Nafees Ahmed, Director (w.e.f. 14 September 2017)	-	-	-	-
	Mr. Ajit Kumar Mittal, Director (w.e.f. 14 September 2017)	-	-	-	-
	Mr. Ravinder, Whole Time Director (upto 14 September 2017)	Mr. Ravinder, Whole Time Director	Mr. Ravinder, Whole Time Director	Mr. Ravinder, Whole Time Director	Mr. Ravinder, Whole Time Director
	Mr. Jogender Singh, Whole Time Director (upto 14 September 2017)	Mr. Jogender Singh, Whole Time Director	Mr. Jogender Singh, Whole Time Director	Mr. Jogender Singh, Whole Time Director	Mr. Jogender Singh, Whole Time Director
	Mr. Sanjeev Kasyap, Director (upto 14 September 2017)	Mr. Sanjeev Kasyap, Director	Mr. Sanjeev Kasyap, Director	Mr. Sanjeev Kasyap, Director	Mr. Sanjeev Kasyap, Director

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

(b) Statement of transactions with related parties during the year ended 31 March 2018:
Transactions with holding company

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Finance					
Loans given					
(Maximum balance outstanding during the year):					
- Indiabulls Distribution Services Limited	130.00	130.00	-	-	-
Loans taken					
(Maximum balance outstanding during the year):					
- Indiabulls Ventures Limited	2,449.50	-	-	-	-
- Indiabulls Distribution Services Limited	2,625.00	-	-	-	-
Share Capital					
Issue of equity shares					
- Indiabulls Ventures Limited	10,027.66	-	-	-	-
- Indiabulls Distribution Services Limited	-	1,100.01	-	-	-
Redemption of Preference Share Capital					
- Indiabulls Distribution Services Limited	-	-	-	-	330.00
Contingent liabilities					
Fixed deposits pledged					
- Indiabulls Ventures Limited	120.00	-	-	-	-
Corporate guarantees taken					
- Indiabulls Ventures Limited	31,000.00	-	-	-	-
Interest income					
- Indiabulls Distribution Services Limited	0.87	0.03	-	-	-
Expenses					
Brokerage paid					
- Indiabulls Ventures Limited	3.55	-	-	-	-
Interest expense					
- Indiabulls Ventures Limited	17.53	-	-	-	-
- Indiabulls Distribution Services Limited	5.83	-	-	-	-
Professional / consultancy fees					
- Indiabulls Distribution Services Limited	-	-	47.00	-	-
Reimbursement of expenses paid					
- Indiabulls Ventures Limited	4.09	-	-	-	-
Transaction with fellow subsidiaries					
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Loans given					
(Maximum balance outstanding during the year):					
- Pushpanjali Fincon Limited	-	87.82	87.02	81.94	70.00
- Gyansagar Buildtech Limited	80.33	194.19	128.50	129.50	129.50
- Pushpanjali Finsolutions Private Limited	-	-	-	-	20.00
- Arbutus Constructions Limited	-	-	-	21.50	26.50
Loans taken					
(Maximum balance outstanding during the year):					
- Pushpanjali Fincon Private Limited	-	-	-	-	3,615.08
- Pushpanjali Finsolutions Private Limited	-	-	-	-	-
Share capital					
Issue of preference shares					
- Pushpanjali Finsolutions Private Limited	-	-	-	-	1,000.00
- Indiabulls Distribution Services Limited	2,750.00	-	-	-	-
Redemption of preference share capital					
- Pushpanjali Fincon Private Limited	-	-	-	-	2,000.00
- Pushpanjali Finsolutions Private Limited	-	-	-	-	2,670.00
Interest income					
- Pushpanjali Fincon Limited	-	7.74	7.69	0.02	2.62
- Gyansagar Buildtech Limited	0.48	10.62	15.43	15.44	2.67
- Arbutus Constructions Limited	-	-	-	1.54	1.01
- Pushpanjali Finsolutions Private Limited	-	-	-	-	0.57

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 27 (continued)

Expenses

Interest expense

- Pushpanjli Fincon Private Limited 111.55

Professional / consultancy fees

- Pushpanjli Fincon Limited	-	7.50	-	-	-
- India Land and Properties Limited	-	62.50	-	-	-
- Astilbe Builders Limited	-	-	-	0.25	-
- Silenus Buildtech Limited	-	-	-	0.15	-
- Astraea Constructions Limited	-	-	-	0.85	-

Transaction with key management personnel

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Remuneration					
- Pinank Jayant Shah	20.02	-	-	-	-
- Joginder Singh	0.34	0.77	0.61	0.50	0.46
- Ravinder	0.34	0.77	0.61	0.50	0.46

(c) Outstanding balances with related parties

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Holding company					
Loans given	-	130.00	-	-	-
Deposits	26.66	-	-	-	-
Corporate guarantees taken	31,000.00	-	-	-	-
Fixed deposits pledged	120.00	-	-	-	-
Fellow subsidiaries					
Loans given	-	272.34	215.52	208.34	151.00

In accordance with AS 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships are given above as identified by the Company and relied upon by the Auditors.

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 28
Earnings per share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of employee stock option plan as appropriate.

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Net profit available for equity shareholders (Rs.)	1,915.22	66.94	13.77	4.35	9.12
Weighted average number of equity shares used for computing basic earnings per equity share	15.25	2.41	2.32	2.32	2.12
Weighted average number of equity shares used for computing diluted earnings per equity share	19.74	2.41	2.32	2.32	2.12
Face value of equity shares – (Rs.)	10.00	10.00	10.00	10.00	10.00
Earnings per equity share – basic (Rs.)	125.57	27.75	5.94	1.88	4.29
Earnings per equity share – diluted (Rs.)	97.01	27.75	5.94	1.88	4.29

Note - 29

The Company has taken office premises on operating lease at various locations and lease rent amounting to Rs. 85.56 millions (31 March 2017: Rs. 0.05 millions; 31 March 2016: Rs 0.36 millions; 31 March 2015: Rs 0.41 millions and 31 March 2014: Rs. 0.42 millions) in respect of the same have been charged to Statement of Profit and Loss. The agreements have been executed for a period ranging from 5 years to 9 years with a renewable clause and also provide for termination at will by either party giving a prior notice period of 30 to 90 days. The minimum lease rental outstanding are as under:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Within one year	138.98	-	-	0.39	0.35
One to five years	547.72	-	-	-	0.35
More than five years	303.03	-	-	-	-

Note - 30
Expenditure in foreign currency:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Software charges	2.12	-	-	-	-

Note - 31

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) - Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

Capital commitments at the balance sheet date as follows:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Capital commitments	12.60	-	-	-	-

Note - 32
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.72	-	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 33

Employee benefits

Defined contribution plans:

Contribution are made to Government Provident Fund, National pension scheme, ESIC and other statutory funds which cover all eligible employees under applicable acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 5.55 millions (31 March 2017: Rs. 0.00 millions; 31 March 2016: Rs 0.00 millions; 31 March 2015: Rs.0.00 millions and 31 March 2014: Rs 0.00 millions) in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Defined benefits plan:

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 (Revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosures in respect of defined benefit plan i.e. unfunded gratuity:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Reconciliation of liability recognized in the balance sheet:					
Present value of commitments (as per actuarial valuation)	15.89	0.75	0.52	0.49	0.16
Fair value of plans	-	-	-	-	-
Net liability in the balance sheet (actuals)	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>	<u>0.16</u>
Movement in net liability recognized in the balance sheet:					
Net liability as at beginning of the year	0.75	0.52	0.49	0.16	-
Net expense recognized in the statement of profit and loss	10.17	0.23	0.11	0.33	0.16
Acquisition adjustments (on account of transfer of employees)	5.97	-	-	-	-
Benefits paid during the year	(1.00)	-	(0.08)	-	-
Contribution during the year	-	-	-	-	-
Net liability as at end of the year	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>	<u>0.16</u>
Expense recognized in the statement of profit and loss:					
Current service cost	3.56	0.07	0.05	0.06	-
Interest cost	0.18	0.04	0.04	0.01	-
Past service cost	2.34	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Actuarial losses	4.09	0.12	0.02	0.26	0.16
Expense charged to the statement of profit and loss	<u>10.17</u>	<u>0.23</u>	<u>0.11</u>	<u>0.33</u>	<u>0.16</u>
Reconciliation of defined-benefit commitments					
As at beginning of the year	0.75	0.52	0.49	0.16	-
Current service cost	3.56	0.07	0.05	0.06	-
Interest cost	0.18	0.04	0.04	0.01	-
Past service cost	2.34	-	-	-	-
Actuarial losses	4.09	0.12	0.02	0.26	0.16
Acquisition adjustments (on account of transfer of employees)	5.97	-	-	-	-
Benefits paid during the year	(1.00)	-	(0.08)	-	-
Commitments as at end of the year	<u>15.89</u>	<u>0.75</u>	<u>0.52</u>	<u>0.49</u>	<u>0.16</u>

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

(All amounts in Rupees millions, unless otherwise stated)

Note - 33

Employee benefits (continued)

Disclosures in respect of other long-term benefits i.e. compensated absences:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Reconciliation of liability recognized in the balance sheet					
Present value of commitments (as per actuarial valuation)	6.21	0.19	0.13	0.12	0.11
Fair value of plans	-	-	-	-	-
Net liability in the balance sheet (actuals)	6.21	0.19	0.13	0.12	0.11
Movement in net liability recognized in the balance sheet					
Net liability as at beginning of the year	0.19	0.13	0.12	0.11	-
Net expense recognized in the statement of profit and loss	4.86	0.06	0.01	0.01	0.11
Acquisition adjustments (on account of transfer of employees)	1.17	-	-	-	-
Benefits paid during the year	(0.01)	-	-	-	-
Contribution during the year	-	-	-	-	-
Net liability as at end of the year	6.21	0.19	0.13	0.12	0.11
Expense recognized in the statement of profit and loss					
Current service cost	1.55	0.02	0.01	0.02	-
Interest cost	0.05	0.01	0.01	0.01	-
Past service cost	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Actuarial losses	3.26	0.03	(0.01)	(0.02)	0.11
Expense charged to the statement of profit and loss	4.86	0.06	0.01	0.01	0.11
Reconciliation of other long term benefits					
As at beginning of the year	0.19	0.13	0.12	0.11	-
Current service cost	1.55	0.02	0.01	0.02	-
Interest cost	0.05	0.01	0.01	0.01	-
Past service cost	-	-	-	-	-
Actuarial losses	3.26	0.03	(0.01)	(0.02)	0.11
Acquisition adjustments (on account of transfer of employees)	1.17	-	-	-	-
Benefits paid during the year	(0.01)	-	-	-	-
Commitments as at end of the year	6.21	0.19	0.13	0.12	0.11
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Discount rate - gratuity and	7.80%	7.35%	8.00%	8.25%	8.50%
Expected rate of salary	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Experience adjustment:					
	31 March 2018	31 March 2017	Gratuity (unfunded)		31 March 2014
			31 March 2016	31 March 2015	
On plan liabilities (gain)	(8.37)	(0.05)	0.00	(0.24)	-
On plan assets (gain/ (loss))	-	-	-	-	-
Present value of benefit obligation	15.89	0.75	0.52	0.49	0.16
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	15.89	0.75	0.52	0.49	0.16
Experience adjustment:					
	31 March 2018	31 March 2017	Compensated absences		31 March 2014
			31 March 2016	31 March 2015	
On plan liabilities (gain)	(3.90)	(0.00)	0.02	0.02	(0.07)
On plan assets (gain/ (loss))	-	-	-	-	-
Present value of benefit obligation	6.21	0.19	0.13	0.12	0.11
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	6.21	0.19	0.13	0.12	0.11

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 34

In terms of RBI/2014-15/299 DNBR (PD) CC.No. 002/03.10.001/2014-15 dated 10 November 2014 as amended, every Non Banking Financial Company ("NBFC") is required to make a general provision on standard assets at 0.40 percent (31 March 2017: 0.30 percent) of the outstanding standard assets as at the year end. Accordingly, the Company has recognized contingent provisions against standard assets of Rs. 163.31 millions as at 31 March 2018 (31 March 2017: Rs. 3.68 millions; 31 March 2016:Rs 2.00 millions; 31 March 2015: Rs.1.81 millions ; 31 March 2014: Rs 1.94 millions) in the Statement of Profit and Loss.

Note - 35

Schedule in terms of Annexure I of Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015;

Liabilities side:	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:										
(a) Debentures : Secured	1,000.93	-	-	-	-	-	-	-	-	-
(other than falling within the meaning of public deposits) : Unsecured	-	-	-	-	-	-	-	-	-	-
(b) Deferred credits	-	-	-	-	-	-	-	-	-	-
(c) Term loans	27,904.33	-	-	-	-	-	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-	-	-	-	-
(e) Commercial paper	2,500.00	-	-	-	-	-	-	-	-	-
(f) Other loans - vehicle loan	5.87	-	-	-	-	-	-	-	-	-

Assets side:

(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:

	Amount outstanding				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
(a) Secured	18,792.65	-	-	-	-
(b) Unsecured	21,225.67	919.10	665.55	722.90	778.12

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities

(i) Lease assets including lease rentals under sundry debtors					
(a) Financial lease	-	-	-	-	-
(b) Operating lease	-	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors					
(a) Assets on hire	-	-	-	-	-
(b) Repossessed Assets	-	-	-	-	-
(iii) Other loans counting towards AFC activities					
(a) Loans where assets have been repossessed	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

(4) Break-up of Investments :

		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Current investments:						
1. Quoted:						
(i) Shares:	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
(ii) Debentures and bonds		-	-	-	-	-
(iii) Units of mutual funds		-	-	-	-	-
(iv) Government securities		-	-	-	-	-
(v) Others (please specify)		-	-	-	-	-
2. Unquoted:						
(i) Shares:	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
(ii) Debentures and bonds		-	-	-	-	-
(iii) Units of mutual funds		3,764.45	1,125.00	-	-	-
(iv) Government securities		-	-	-	-	-
(v) Others (please specify)		-	-	-	-	-
Long-term investments:						
1. Quoted:						
(i) Shares:	(a) Equity	677.23	-	-	-	-
	(b) Preference	-	-	-	-	-
(ii) Debentures and bonds		-	-	-	-	-
(iii) Units of mutual funds		-	-	-	-	-
(iv) Government securities		-	-	-	-	-
(v) Others (please specify)		-	-	-	-	-
2. Unquoted:						
(i) Shares:	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
(ii) Debentures and bonds		-	-	-	-	-
(iii) Units of mutual funds		-	-	-	-	-
(iv) Government securities		-	-	-	-	-
(v) Others (please specify)		-	-	-	-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

	Amount net of provisions as at 31 March 2018		Amount net of provisions as at 31 March 2017		Amount net of provisions as at 31 March 2016		Amount net of provisions as at 31 March 2015		Amount net of provisions as at 31 March 2014	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1. Related parties										
(a) Holding company	-	-	-	130.00	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	272.34	-	215.52	-	208.34	-	151.00
(c) Other related parties	-	-	-	-	-	-	-	-	-	-
2. Other than related parties	18,792.65	21,225.67	-	516.76	-	450.03	-	514.56	-	627.12
Total	18,792.65	21,225.67	-	919.10	-	665.55	-	722.90	-	778.12

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)
1. Related parties										
(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-	-	-
2. Other than related parties	4,488.26	4,441.68	1,125.00	1,125.00	-	-	-	-	-	-
Total	4,488.26	4,441.68	1,125.00	1,125.00	-	-	-	-	-	-

(7) Other information:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
(I) Gross non-performing assets					
(a) Related parties	-	-	-	-	-
(b) Other than related parties	20.80	-	-	-	-
(II) Net non-performing assets					
(a) Related parties	-	-	-	-	-
(b) Other than related parties	18.72	-	-	-	-

(III) Assets acquired in satisfaction of debt

Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated 10 November 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

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

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
(i) CRAR (%)	36.67%	90.04%	108.51%	108.70%	105.44%
(ii) CRAR - Tier I Capital (%)	36.31%	88.92%	108.20%	107.48%	104.28%
(iii) CRAR - Tier II Capital (%)	0.36%	1.11%	0.31%	1.22%	1.16%

(ii) Exposure to real estate sector:-

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Direct exposure					
(i) Residential mortgages:					
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-	-	-	-
(ii) Commercial real estate:					
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	18,620.60	-	-	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:					
a. Residential	-	-	-	-	-
b. Commercial real estate	-	-	-	-	-

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the management for its regulatory submission which have been relied upon by the auditors.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 35 (continued)

Maturity pattern of assets and liabilities as at 31 March 2014:

	<u>1 day to 30/31 days (1 month)</u>	<u>Over 1 month to 2 months</u>	<u>Over 2 months to 3 months</u>	<u>Over 3 to 6 months</u>	<u>Over 6 months to 1 year</u>	<u>Over 1 to 3 years</u>	<u>Over 3 to 5 years</u>	<u>Over 5 years</u>
Liabilities								
Borrowings from banks	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-
Assets								
Advances	0.50	0.60	0.80	1.90	475.10	299.22	-	-
Investments	-	-	-	-	-	-	-	-

The Company has complied with the Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated 1 September 2016.

(iv) Capital to Risk Assets Ratio (CRAR)(Proforma)

CRAR (Proforma) (considering NIL risk weightage on Mutual fund investments):

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>	<u>As at 31 March 2014</u>
(i) Adjusted CRAR (%) - Proforma	40.00%	198.18%	108.51%	108.70%	105.44%
(ii) Adjusted CRAR - Tier I Capital (%) - Proforma	39.61%	195.73%	108.20%	107.48%	104.28%
(iii) Adjusted CRAR - Tier II Capital (%) - Proforma	0.39%	2.45%	0.31%	1.22%	1.16%

Note - 36

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014 :

i. Investments

Particulars	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>	<u>As at 31 March 2014</u>
Value of investments					
A. Gross value of investments					
a) In India	4,441.68	1,125.00	-	-	-
b) Outside India	-	-	-	-	-
Provision for depreciation					
a) In India	-	-	-	-	-
b) Outside India	-	-	-	-	-
Net value of investments					
a) In India	4,441.68	1,125.00	-	-	-
b) Outside India	-	-	-	-	-
B. Movement of provisions held towards depreciation on investments.	-	-	-	-	-

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION**

Note - 36 (continued)

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil)

iii. Disclosures relating to Securitisation:

The Company has no securitisation during the year. (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil)

iv. Exposure to capital markets

	<u>As at 31 March 2018</u>	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>	<u>As at 31 March 2014</u>
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,975.71	-	-	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	172.15	-	-	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-	-	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-	-	-	-
Total exposure to capital market	<u>2,147.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

v. Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

vi. Penalties imposed by RBI and other Regulators

No penalties have been imposed by RBI during the financial year 2017-18 (FY 2016-17 - Nil; FY 2015-16 - Nil; FY 2014-15: Nil; FY 2013-14: Nil).

vii. Details of financing of parent company products

There is no financing during the preceeding five years.

viii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

ix. Advance against intangible securities

The Company has not given any loans against intangible securities.

x. Draw down from reserves

The Company has made no drawdown from reserves.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION****Note - 36 (continued)****xi. Concentration of advances, exposures & NPA's *****a. Concentration of advances**

	As at 31 March 2018
Total advances to twenty largest borrowers	4,017.95
Percentage of advances to twenty largest borrowers to total advances of the NBFC	10.04%

b. Concentration of exposures

	As at 31 March 2018
Total exposures to twenty largest borrowers	4,017.95
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	10.04%

c. Concentration of NPA's

	As at 31 March 2018
Total exposure to top four NPA accounts	16.13

d. Sector-wise distribution of NPA's**Particulars**

	Percentage of NPA's to total advances in that sector
	As at 31 March 2018
Agriculture and allied activities	0.00%
MSME	0.00%
Corporate borrowers	0.02%
Services	0.03%
Unsecured personal loans	0.00%
Auto loans	0.00%
Other personal loans	0.00%

* The Company is not required to state disclosures pertaining to earlier years since the Company become systematically important as per RBI Prudential Norms in financial year 2017-18.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 36 (continued)

xii. Movement of NPAs

Particulars	As at	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
a. Net NPAs to Net Advances (%)	0.05%	-	-	-	-
b. Opening gross NPA	-	-	-	-	-
Add : Addition during the year	20.80	-	-	-	-
Less: Upgraded during the year	-	-	-	-	-
Less: Recoveries during the year	-	-	-	-	-
Less: Write off	-	-	-	-	-
Closing Gross NPA	20.80	-	-	-	-
c. Opening Net NPAs	-	-	-	-	-
Add: Addition during the year	18.72	-	-	-	-
Less: Upgraded during the year	-	-	-	-	-
Less: Recoveries during the year	-	-	-	-	-
Less: Write off	-	-	-	-	-
Closing Net NPAs	18.72	-	-	-	-
d. Movement of provisions for NPA (excluding provisions on standard assets)					
Opening balance	-	-	-	-	-
Provision made during the year	122.33	-	-	-	-
Write off/write back of excess provisions	-	-	-	-	-
Less: Write off	119.96	-	-	-	-
Closing balance	2.37	-	-	-	-

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

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

Instruments	As at	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2017	31 March 2017	31 March 2017
Non- convertible debentures of Rs. 1,500 crores	CARE AA; Stable	-	-	-	-
	[Double A; Outlook: Stable]				-
Commercial paper facility of Rs. 750 crores	CARE A1+ (A One plus)	-	-	-	-
	CARE AA; Stable/ Care A1+				
Bank loan facilities (Short-term and long-term) of Rs. 5,250 crores	[Double A; Outlook: Stable/ A One Plus]	-	-	-	-
Commercial paper facility of Rs. 350 crores	BWR A1+	-	-	-	-

xvi. Customer complaints

	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
No. of complaints pending at the beginning of the year	-	-	-	-	-
No. of complaints received during the year	59	-	-	-	-
No. of complaints redressed during the year	58	-	-	-	-
No. of complaints pending at the end of the year	1	-	-	-	-

Note - 37

Employee stock options

31 March 2018

Employee Stock Option Scheme of Indiabulls Ventures Limited (IVL) "the holding Company":

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, IVL had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, IVL was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of IVL. Employees covered by the plan were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IVL ESOP - 2008			
	20,000,000	9,700,000	500,000	880,600
	Options	Options	Options	Options
		Regranted	Regranted	Regranted
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Expected volatility *	79.00%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
Option Life (Weighted Average) (in years)	11	6	6	6
Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended March 31, 2010, IVL had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IVL ESOP - 2009"). Under the Scheme, IVL was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of IVL and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Limited, as on 9 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2016, the Compensation Committee had regranted under the IVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in IVL, at an exercise price of Rs. 27.45, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 16.00 and Rs. 24.15 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 2 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL has received request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
ANNEXURE-IV
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION
Note - 37 (continued)

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars

	IVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The other disclosures in respect of the above stock option schemes are as under:

Options granted (Nos.)	IVL ESOP - 2008			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1st yr. - 15% 2nd yr. to 9th yr. - 10% each yr. 10th yr. -	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Jan 25 th each year, commencing 25 January 2010	Jul 2 nd each yr., commencing 2 July 2017	Sept 2 nd each yr., commencing 2 September 2018	Mar 25 th each yr., commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding at the end of the year (Nos.)	1,277,866	9,700,000	500,000	880,600
Vested and exercisable at the end of the year (Nos.)	922,314	1,940,000	-	-
Remaining contractual life (weighted months)	56	75	89	96

Options granted (Nos.)	IVL ESOP - 2009						
	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Uniformly over a period of ten yrs.	Uniformly over a period of ten yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Dec 2 nd each yr, commencing 2 Dec 2010	Apr 13 th each yr, commencing 13 Apr 2011	Aug 26 th each yr, commencing 26 Aug 2016	May 13 th each yr, commencing 13 May 2017	Jul 2 nd each yr, commencing 2 July 2017	Sept 2 nd each yr, commencing 2 Sept 2018	Mar 25 th each yr, commencing 25 Mar 2018
Exercise price (Rs.)	35.35	31.25	27.45	16.00	24.15	219.65	254.85
Outstanding at the beginning of the year	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding at the end of the year	-	150,000	-	7,152,500	-	9,970,000	669,400
Exercisable at the end of the year (Nos.)	-	-	-	72,500	-	-	-
Remaining contractual life (Weighted)	-	72	-	79	-	89	96

* Net of options surrendered before vesting.

Note - 37 (continued)

31 March 2017

Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the ultimate holding Company":

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" ("Scheme") in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies (including step down subsidiaries) including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries (including step down subsidiaries) covered by the Scheme were granted an option to purchase shares of IVL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IVL administered the plan.

The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries), at an exercise price of Rs 17.40, which was the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009, following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidance Note"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2008 9,700,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2008	
	20,000,000 Options	9,700,000 Options Regranted
(1) Exercise price	Rs. 17.40	Rs. 24.15
(2) Expected volatility *	79%	42.97%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil
(4) Option Life (Weighted Average)	11 Years	6 Years
(5) Expected Dividends yield	22.99%	10.82%
(6) Risk Free Interest rate	6.50%	7.45%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters	Re. 0.84	Rs. 4.31

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 had authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009"). The options covered thereunder would be granted, at market price on the day of prior to the date of grant and on such terms and conditions as may be decided by the Board of Directors of IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries). The Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on December 1, 2009, granted, under the "IBVL ESOP - 2009" 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on May 12, 2016, has regranted under the IBVL ESOP - 2009 9,500,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 16.00, being the latest available closing market price on the National Stock Exchange of India Ltd., as on May 11, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from May 13, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2009 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

No. of Shares	IBVL ESOP - 2009				
	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45	Rs. 16.00	Rs. 24.15
(2) Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%
(3) Expected forfeiture percentage on	Nil	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years	6 Years	6 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%	7.45%	7.45%
The fair value of the options under the	Rs. 6.48	Rs. 9.39	Rs. 4.77	Rs. 1.38	Rs. 4.31

* The expected volatility was determined based on historical volatility data.

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 37 (continued)

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes are as under:-

	IBVL ESOP - 2008		IBVL ESOP - 2009				
	20,000,000	9,700,000 (Regrant)	10,000,000	2,050,000	1,00,00,000 (Regrant & Surrendered)	9,50,00,000 (Regrant)	1,00,00,000 (Regrant & Surrendered)
Options granted (Nos.)							
Vesting Period and Percentage	Ten years, 1st Year - 15% , 2nd year to 9th year - 10% each year, 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13th , 2011	August 26th each year, commencing August 26, 2016	May 13 th each year, commencing May 13, 2017	July 2 nd each year, commencing July 2, 2017
Exercise Price (Rs.)	17.40	24.15	35.25	31.35	27.45	16.00	24.15
Outstanding at the beginning of the year	4,884,894	-	-	500,000	10,000,000	-	-
Regrant Addition	-	9,700,000	NA	NA	NA	9,500,000	10,000,000
Options vested during the year #	708,808	-	-	50,000	-	-	-
Exercised during the year	2,687,378	-	-	-	-	-	-
Expired during the year	57,050	-	-	50,000	-	-	-
Surrendered and eligible for re-grant during the year	614,150	-	-	-	10,000,000	347,000	10,000,000
Outstanding at the end of the year	1,526,316	9,700,000	-	450,000	-	9,153,000	-
Exercisable at the end of the year	463,107	-	-	250,000	-	-	-
Remaining contractual Life (Weighted Months)	64	88	-	48	-	86	-

#Net of options surrendered before vesting

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 37 (continued)

31 March 2016

Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the ultimate holding Company":

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" ("Scheme") in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies (including step down subsidiaries) including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries (including step down subsidiaries) covered by the Scheme were granted an option to purchase shares of IVL subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of IVL administered the plan.

The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries), at an exercise price of Rs 17.40, which was the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009, following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidance Note"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

	IBVL ESOP - 2008
(1) Exercise price	Rs. 17.40
(2) Expected volatility *	79%
(3) Expected forfeiture percentage on each vesting date	Nil
(4) Option Life (Weighted Average)	11 Years
(5) Expected Dividends yield	22.99%
(6) Risk Free Interest rate	6.50%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Re. 0.84

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 had authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009"). The options covered thereunder would be granted, at market price on the day of prior to the date of grant and on such terms and conditions as may be decided by the Board of Directors of IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries). The Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on December 1, 2009, granted, under the "IBVL ESOP - 2009" 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on April 12, 2010, granted, under the "IBVL ESOP - 2009" 2,050,000 Stock Options representing an equal number of equity shares of face value Rs.2/- each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., as on April 9, 2010. The Stock Options so granted, vest uniformly within 10 years beginning from April 13, 2011 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date. Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on August 25, 2015, regranted surrendered and lapsed options eligible for regrant under the IBVL ESOP - 2009 1,00,00,000 (one Crore) Stock Options representing an equal number of equity shares of face value of Rs. 2/-each in the Company, at an exercise price of Rs.27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

No. of Shares	IBVL ESOP - 2009		
	10,000,000	2,050,000	10,000,000 (Regrant)
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45
(2) Expected volatility *	77%	48.96%	38.59%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Rs.6.48	Rs.9.39	Rs.4.77

* The expected volatility was determined based on historical volatility data.

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes are as under:-

	IBVL ESOP - 2008	IBVL ESOP - 2009	
	20,000,000	20,000,000	
	20,000,000	10,000,000	2,050,000 1,00,00,000 (Regrant)
Options granted (Nos.)	Ten yrs,	Uniformly over a	Uniformly over a
Vesting Period and Percentage	1st Yr - 15% , 2nd yr to 9th yr - 10% each yr, 10th yr - 5%	period of Ten yrs	period of Ten yrs
Vesting Date	Jan 25th each yr, commencing Jan 25, 2010	Dec 2nd each yr, commencing Dec 2, 2010	Apr 13th each yr, commencing Apr 13th, 2011
Exercise Price (Rs.)	17.40	35.25	31.35
Outstanding at the beginning of the year (Nos.)	6,213,404	--	500,000
Options vested during the year (Nos.)#	915,808	--	50,000
Exercised during the year (Nos.)	706,460	--	--
Expired during the year (Nos.)	281,900	--	--
Surrendered and eligible for re-grant during the year(Nos.)	340,150	--	--
Outstanding at the end of the year (Nos.)	4,884,894	--	500,000
Exercisable at the end of the year (Nos.)	2,599,127	--	100,000
Remaining contractual Life (Weighted Months)	58	Nil	78
#Net of options surrendered before vesting			89

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 37 (continued)

31 March 2015

Employee Stock Option Scheme of Indiabulls Ventures Limited (Formerly known as Indiabulls Securities Limited) ('IVL');

Employees Stock Option Scheme - 2008

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL has cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and establish a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, IVL was authorised to grant 20,000,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries covered by the scheme were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee at its meeting held on January 24, 2009, has granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme - 2008" ("IBSL ESOP - 2008"), 20,000,000 Stock Options representing an equal number of equity shares of face value Rs 2 each in the Company, to the Eligible Employees, at an exercise price of Rs 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Particulars	IBSL ESOP - 2008
(1) Exercise price	Rs. 17.40
(2) Expected volatility *	79%
(3) Expected forfeiture percentage on	Nil
(4) Option Life (Weighted Average)	11 Years
(5) Expected Dividends yield	22.99%
(6) Risk Free Interest rate	6.50%
The fair value of the options under the	Re. 0.84

* The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 have authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Securities Limited Employees Stock Option Scheme - 2009' ("IBSL ESOP - 2009"). The options covered under the Scheme would be granted, at market price on the day of grant and on such terms and conditions as may be decided by the Board of IVL, to the eligible employees of IVL and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of IVL has, at its meeting held on December 1, 2009, granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme- 2009" ("IBSL ESOP - 2009") 10,000,000 Stock Options representing an equal number of equity shares of face value Rs.2 each in IVL, at an exercise price of Rs.35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, The Compensation Committee constituted by the Board of Directors of IVL has, at its meeting held on April 12, 2010, granted, under the "Indiabulls Securities Limited Employees Stock Option Scheme- 2009" ("IBSL ESOP - 2009") 2,050,000 Stock Options representing an equal number of equity shares of face value Rs.2/- each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., as on April 9, 2010. The Stock Options so granted, shall vest uniformly within 10 years beginning from April 13, 2011 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars No. of Shares	IBSL ESOP -2009	
	10,000,000	2,050,000
(1) Exercise price	Rs. 35.25	Rs. 31.35
(2) Expected volatility *	77%	48.96%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years
(5) Expected Dividends yield	13.48%	6.86%
(6) Risk Free Interest rate	7.50%	8.05%
The fair value of the options under the plans using the Black-Scholes model based on the above parameters:	Rs.6.48	Rs.9.39

* The expected volatility was determined based on historical volatility data.

There is no impact on the Company's net loss after taxes and earnings per share in respect of IBSL ESOS 2008 and IBSL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

The other disclosures in respect of the above Schemes

	IBSL ESOP - 2008		IBSL ESOP - 2009	
	20,000,000	20,000,000	10,000,000	2,050,000
Total Options under the Scheme				
Options granted (Nos.)	20,000,000	20,000,000	10,000,000	2,050,000
Vesting Period and Percentage	Ten years, 1st Year - 15% ,		Uniformly over a period of Ten	
Vesting Date	January 25th each year, commencing January 25, 2010		December 2 nd each year, commencing December 2, 2010	
				April 13 th each year, commencing April 13th , 2011
Exercise Price (Rs.)	17.40	35.25	35.25	31.35
Outstanding at the beginning of the year (Nos.)	9,935,525	--	--	500,000
Options vested during the year (Nos.)#	1,003,708	--	--	50,000
Exercised during the year (Nos.)	2,840,571	--	--	--
Expired during the year (Nos.)	406,800	--	--	--
Surrendered and eligible for re-grant (Nos.)	474,750	--	--	--
Outstanding at the end of the year (Nos.)	6,213,404	--	--	500,000
Exercisable at the end of the year (Nos.)	2,700,429	--	--	150,000
Remaining contractual Life (Weighted Months)	49	--	--	78
#Net of options surrendered before vesting				

INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 38

Corporate social responsibility

In terms of section 135 of the Companies Act, 2013, the Company was to spend a sum of Rs. 0.66 million (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil) towards CSR activities during the year ended 31 March 2018. The details of amount actually spent by the Company are:

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
a) Gross amount required to be spent by the Company	0.66	-	-	-	-
(b) Amount spent on					
- Construction/acquisition of any asset	-	-	-	-	-
- Any other purpose other than above*	0.66	-	-	-	-
- Yet to be paid	-	-	-	-	-
	<u>0.66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 39

31 March 2018

Financial risk management

Market risk- Price risk

a) Exposure

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the balance sheet.

The Company's risk management policy is to hedge 100% of its market price fluctuation in respect of equity securities. The Company hedges its exposure to variability of expected fair value of the investments by entering into equity futures contract on a recognised stock exchange as part of its risk management policies with a maturity of less than one year from the reporting date. Such contracts are generally designated as fair value hedges.

The Company's equity investment are publicly traded and are included in the NSE Nifty 50 index.

Valuation techniques used to measure fair values

Specific valuation technique used to arrive at fair value of derivative contracts include the use of quoted market prices or dealer quotes or similar instruments.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risk	Changes in fair value of hedging	Maturity date	Hedge ratio	Change in the value of hedged item used as the
Fair value hedge				
Market price risk				
Equity futures (loss)/gain	(44.03)	24 April 2018	1:1	46.59

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in fair value of hedging instrument	Change in fair value of hedged item	Hedge ineffectiveness recognised in Statement of Profit and Loss
Fair value hedge			
Equity futures (loss)/gain	(44.03)	46.59	2.56

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed.

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INDIABULLS CONSUMER FINANCE LIMITED

(Formerly known as IVL Finance Limited)

ANNEXURE-IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO REFORMATTED FINANCIAL INFORMATION

Note - 40

In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018 (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs Nil; 31 March 2014: Rs Nil).

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No. 095256

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer

Nafees Ahmed
Director

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 21 January 2019

Place: Mumbai
Date: 21 January 2019

Place: Mumbai
Date: 21 January 2019

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
7th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

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Review Report on Half Yearly Results of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Indiabulls Consumer Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ("the Company") for the half year ended 30 September 2018, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 ('Ind AS'), read with SEBI Circulars CIR/IMD/DF1/9/2015 dated 27 November 2015 and CIR/IMD/DF1/69/2016 dated 10 August 2016 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for debt securities, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

Review Report on Half Yearly Results of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. The comparative financial information for the corresponding half year ended 30 September 2017 included in the Statement is based on the financial results prepared in accordance with Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have not reviewed the financial information for the corresponding half year ended 30 September 2017.

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

Lalit Kumar

Lalit Kumar
Partner
Membership No.: 095256



Place: Gurugram
Date: 10 October 2018

Indiabulls

CONSUMER FINANCE

Indiabulls Consumer Finance Limited

(Formerly known as IVL Finance Limited and Shivshakti Financial Services Limited)

(CIN: U74899DL1994PLC062407)

Statement of unaudited financial results for the six months ended 30 September 2018

(Amount in Rs. Lakh)		
Statement of Profit and Loss for the six months ended 30 September 2018		
Particulars	For six months ended	
	30 September 2018 (Unaudited)	30 September 2017 (Refer note 3)
Income		
1 Revenue from operations	65,787.38	15,699.26
2 Total income	65,787.38	15,699.26
Expenses		
a) Employee benefits expense	8,452.42	1,211.79
b) Finance costs	18,310.10	755.21
c) Depreciation and amortisation expense	788.18	48.71
d) Impairment losses on financial assets	3,755.37	2,030.29
e) Other expenses	7,863.39	1,274.11
Total expenses	39,169.46	5,320.11
4 Profit before tax (2-3)	26,617.92	10,379.15
5 Tax expense:		
a) Current tax	7,550.43	3,032.94
b) Deferred tax credit	(861.13)	(223.01)
Total tax expense	6,689.30	2,809.93
6 Net profit after tax (4-5)	19,928.62	7,569.22
7 Other comprehensive income		
i. Items that will not be reclassified to profit or loss	37.12	0.45
ii. Income tax relating to items that will not be reclassified to profit or loss	(12.85)	(0.16)
Total other comprehensive income	24.27	0.29
8 Total comprehensive income (6+7)	19,952.89	7,569.51
9 Paid-up equity share capital (face value of Rs. 10 each per equity share)	5,759.30	1,710.00
10 Earnings per share (EPS) (face value of Rs. 10 each per equity share) *(EPS for the six months not annualised)		
- Basic (amount in Rs.)	41.25	45.11
- Diluted (amount in Rs.)	41.25	45.11

Statement of Assets and Liabilities as at 30 September 2018		As at
Particulars		30 September 2018
		(Unaudited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment		2,021.15
Intangible assets		3,602.70
Intangible assets under development		359.07
Financial assets		
Loans		774,025.53
Other financial assets		5,767.65
Deferred tax assets (net)		2,025.24
Other non-current assets		1,195.93
Total non-current assets		788,997.27
2 Current assets		
Financial assets		
Investments		13,541.43
Cash and cash equivalents		55,370.73
Other bank balances		3,158.97
Loans		235,390.47
Other financial assets		297.00
Current tax assets (net)		837.00
Other current assets		6,861.18
Total current assets		315,456.78
Total assets		1,104,454.05
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital		5,759.30
Instruments entirely equity in nature		550.00
Other equity		408,950.86
Total equity		415,260.16
2 Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings		159,447.46
Provisions		403.79
Other non-current liabilities		36.54
Total non-current liabilities		159,887.79
3 Current liabilities		
Financial liabilities		
Borrowings		312,292.11
Trade payables		6,544.29
Other financial liabilities		202,504.16
Other current liabilities		7,096.84
Provisions		10.45
Current tax liabilities (net)		858.25
Total current liabilities		529,306.10
Total equity and liabilities		1,104,454.05



Notes to the unaudited financial results:

- 1 These financial results of Indiabulls Consumer Finance Limited ('ICFL', 'the Company') for the six months ended 30 September 2018 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 10 October 2018.
- 2 The Company has adopted Indian Accounting Standards ("Ind AS") effective 1 April 2018 (transition date being 1 April 2017) and accordingly, these financial results for the six months ended 30 September 2018 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and the other relevant provisions of the Act.
- 3 The financial results for the six months ended 30 September 2017 are based on management certified accounts prepared in accordance with the accounting standards specified under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India ("previous GAAP") and are adjusted for differences in the accounting principles adopted by the Company on transition to the Ind AS. These financial results have not been subjected to a limited review by the statutory auditors. The management of the Company has exercised necessary due diligence to ensure that the said comparative financial information provide true and fair view of its affairs. The opening balance sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 would be finalised and subjected to audit at the time of annual financial statements for the year ending 31 March 2019.
- 4 The changes in financial reporting requirements arising from new standards, modification to the existing standards, guidelines issued by the Ministry of Corporate Affairs and the Reserve Bank of India, if any, may result in adjustments to these financial results for the current and previous period.
- 5 The Company completed its public listing of debt securities in terms of Securities and Exchange Board of India ('SEBI') (Issue and Listing of Debt Securities) Regulations, 2008 on 16 April 2018 and accordingly, this is the first financial results for the six months ended 30 September 2018 under regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/IMD/DF1/9/2015 dated 27 November 2015 and SEBI Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016.
- 6 During the six months ended 30 September 2018, the name of the Company is changed from IVL Finance Limited to Indiabulls Consumer Finance Limited. A fresh certificate of incorporation dated 18 September 2018 has been obtained from the Registrar of Companies, National Capital Territory of Delhi & Haryana in this respect.
- 7 The Company is engaged in financing and allied activities and the Company is registered under section 45-IA of Reserve Bank of India Act, 1934 to carry on the business of financing and allied activities. Hence, no separate information for segment wise disclosure is required to be presented in accordance with the requirements of Ind AS 108 - Operating Segments.
- 8 The Company has issued Non Convertible Debentures ('NCDs') amounting to Rs. 10,000 lakh on 28 March 2018 (listed on NSE and BSE on 16 April 2018) and these debenture are repayable in 1 year 1 day with bullet repayment of Rs. 10,852.33 lakh. Interest is also payable on maturity. These NCDs are secured by way of first ranking pari passu charges on current assets (including investments of the Company), owned by the Company.
- 9 During the six months ended 30 September 2018, the Company had allotted 28,901,735 and 4,139,700 fully paid up equity shares, of face value of Rs. 10 each at a price of Rs. 692 per equity share (including a premium of Rs. 682 per equity share) and Rs. 718 per equity share (including a premium of Rs.708 per equity share) respectively.

Ratios	For six months ended	
	30 September 2018	30 September 2017
a) Gross non-performing assets (Rs. in lakh)	1,341.59	152.23
b) Net non-performing assets (Rs. in lakh)	335.40	38.06
c) Gross non-performing assets (%)	0.13%	0.10%
d) Net non-performing assets (%)	0.03%	0.03%
e) Return on assets (%) (RoA for the six months)	2.41%	3.45%
f) Capital adequacy ratio (%)	39.83%	40.51%

- 11 Reconciliation of net profit after tax reported in accordance with the previous GAAP to total comprehensive income reported in accordance with Ind AS is given below for the six months ended 30 September 2017:

Particulars	(Amount in Rs. lakh)	
	As at	
	30 September 2017	
	(Unaudited)	
	(Refer Note 3)	
Not profit under the previous GAAP	7,921.77	
Actuarial loss on employee benefit recognised in other comprehensive income	(0.45)	
Measurement of employee share based payments at fair value	(350.82)	
Straight lining of rental expense	(48.62)	
Financial assets carried at amortised cost	(254.81)	
Financial liabilities carried at amortised cost	571.72	
Allowance for expected credit losses	(449.92)	
Other adjustments	(5.69)	
Tax impact on above	186.04	
Net profit as per Ind AS	7,569.22	
Other comprehensive income (net of tax)	0.29	
Total comprehensive income as per Ind AS	7,569.51	

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110001
(CIN: U74899DL1994PLC062407)

Place : Mumbai
Date : 10 October 2018

For and on behalf of Board of Directors



Pinank Shah
CEO & Whole Time Director



A Credit Rating of the Debentures and change in Credit Rating (if any):

CARE Ratings Limited	CARE AA; Stable [Double A; Outlook: Stable]
----------------------	--

B Asset Cover available, in case of non-convertible debt securities:

Not Applicable being a Non-Banking Financial Company registered with Reserve Bank of India.

C Debt-Equity Ratio as on 30 September 2018: 1.62 times

D Previous due date for the payment of interest and whether the same has been paid or not for the six months ended on 30 September 2018 are as under:

Details of Non-Convertible Debenture	Due Date for Payment of Interest	Date of Payment of Interest
8.50 % Secured Redeemable Non convertible debenture (ISIN- INE614X07019)	Not applicable during six months ended 30 September 2018	Not applicable during six months ended 30 September 2018

E Previous due date for the payment of principal and whether the same has been paid or not for the six months ended 30 September 2018 are as under:

Details of Non-Convertible Debenture	Principal amount (Rs. in lakh)	Due Date for Payment of Interest	Date of Payment of Interest
8.50 % Secured Redeemable Non convertible debenture (ISIN- INE614X07019)	10,000.00	Not applicable during six months ended 30 September 2018	Not applicable during six months ended 30 September 2018

F Next due date and amount for the payment of interest/ Principal along with the amount of interest and the redemption amount of non-convertible debentures:

Details of Non-Convertible Debenture	Principal amount/ Interest amount (Rs. in lakh)	Due Date for Payment	Type (Principal / Interest)
8.50 % Secured Redeemable Non convertible debenture (ISIN- INE614X07019)	10,000.00	29 March 2019	Principal
	852.33	29 March 2019	Interest

G Debt service coverage ratio:

Not Applicable being a Non-Banking Financial Company registered with Reserve Bank of India.

H Interest service coverage ratio:

Not Applicable being a Non-Banking Financial Company registered with Reserve Bank of India.

I Outstanding redeemable preference share (Quantity and Value)

Not applicable.

J Capital redemption reserve/debenture redemption reserve:

Not Applicable being a Non-Banking Financial Company registered with Reserve Bank of India.

K Net Worth for the six months ended on 30 September 2018: Rs. 415,260.16 lakh

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110001
(CIN: U70102DL2007PLC157384)

For and on behalf of Board of Directors



Pinank Shah
CEO & Whole Time Director

Place : Mumbai

Date : 10 October 2018



Walker ChandioK & Co LLP

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Independent Auditor's Review Report on Unaudited Special Purpose Interim Financial Information

To the Board of Directors of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)

Introduction

1. We have reviewed the accompanying statement of unaudited special purpose interim financial information of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ('the Company'), which comprises the interim Statement of Profit and Loss for the nine months period ended 31 December 2018 and related notes (hereinafter referred to as 'the Statement'). The preparation and presentation of the Statement in accordance with the basis of accounting described in note 2 to the Statement is the responsibility of the Company's management. The Statement has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ('the ICAI'). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement is not prepared, in all material respects, in accordance with the basis of accounting set forth in note 2 to the Statement.

Basis of Accounting

4. We draw attention to note 2 to the Statement, which describes the basis of accounting. The Statement has been prepared and presented by the Company's Management in accordance with a special purpose framework, solely for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus in connection with the proposed listing of debt securities through public issue on recognised stock exchange in accordance with the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Accordingly, the Statement may not be suitable for any other purpose.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

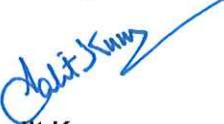
Restriction on distribution or use

5. The Statement has been prepared by the management for the purpose stated in paragraph 4 above. This report is issued solely for the aforementioned purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Other Matter

6. The financial information for the corresponding nine months period ended 31 December 2017 including in the Statement is based on the financial results prepared in accordance with Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have not reviewed the financial information for the corresponding nine months period ended 31 December 2017.

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


Lalit Kumar
Partner
Membership No.: 095256



Place: Gurugram
Date: 21 January 2019

Indiabulls CONSUMER FINANCE

Indiabulls Consumer Finance Limited
(Formerly known as IVL Finance Limited)
(CIN: U74899DL1994PLC062407)

Statement of Unaudited Special Purpose Interim Financial Information for the nine months period ended 31 December 2018

Statement of Unaudited Special Purpose Interim Financial Information for the nine months period ended 31 December 2018		(Amount in Rs. million)	
Particulars	For nine months ended		
	31 December 2018 (Unaudited)	31 December 2017 (Unaudited) (Refer note 3)	
Income			
1 Revenue from operations	11,486.72	3,393.61	
2 Total income	11,486.72	3,393.61	
Expenses			
a) Employee benefits expense	1,392.40	354.64	
b) Finance costs	3,607.62	740.61	
c) Depreciation and amortisation expense	126.35	21.60	
d) Impairment losses on financial assets	665.40	356.73	
e) Other expenses	1,390.80	383.54	
Total expenses	7,182.77	1,859.12	
4 Profit before tax (2-3)	4,303.95	1,534.49	
Tax expense:			
a) Current tax	1,166.40	398.06	
b) Deferred tax credit	(57.24)	(62.55)	
Total tax expense	1,109.16	333.51	
6 Net profit after tax (4-5)	3,194.79	1,200.98	
7 Other comprehensive income			
i. Items that will not be reclassified to profit or loss	5.57	(3.16)	
ii. Income tax relating to items that will not be reclassified to profit or loss	(1.62)	0.91	
Total other comprehensive income	3.95	(2.25)	
8 Total comprehensive income (6+7)	3,198.74	1,198.73	
9 Paid-up equity share capital (face value of Rs. 10 each per equity share)	575.93	171.00	
10 Earnings per share (EPS) (face value of Rs. 10 each per equity share)			
(EPS for the nine months not annualised)			
- Basic (amount in Rs.)	60.01	64.13	
- Diluted (amount in Rs.)	60.01	64.13	

Notes to the Statement of Unaudited Special Purpose Interim Financial Information for the nine months period ended 31 December 2018:

- These results have been approved at the meeting of the Bond Issue Committee held on 21 January 2019.
- Basis of accounting:

The Company has adopted Indian Accounting Standards ("Ind AS") effective 1 April 2018 (transition date being 1 April 2017). Accordingly, this Statement of Unaudited Special Purpose Interim Financial Information for the nine months period ended 31 December 2018 (the "Statement") have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the relevant rules issued thereunder and the other relevant provisions of the Act.

This Statement has been prepared by the Company's Management in accordance with a special purpose framework (as described herein), solely for the purpose of inclusion in the Draft Shelf Prospectus. Shelf Prospectus and Tranche Prospectus (collectively, the "Offer Documents") to be filed with Securities and Exchange Board of India (SEBI) and BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in connection with the proposed listing of non-convertible debentures through public issue on the Stock Exchanges in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008, ("SEBI Debt Regulations") issued by the SEBI, as amended from time to time.

Accordingly, the balance sheet, statement of changes in equity, statement of cash flows and other disclosure and presentation requirements as required under Ind AS 34 'Interim Financial Reporting' has not been included in this Statement. The Board of Directors of the Company has chosen to present this Statement in the Offer Documents in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except in so far as this information does not include disclosures required under Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and non performing asset ratios.

- The financial information for the corresponding nine months period ended 31 December 2017 are based on the unaudited financial results, prepared in accordance with the accounting standards specified under Section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India (the previous GAAP) and are as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have not been subjected to limited review by the statutory auditors.
- Reconciliation of net profit after tax reported in accordance with previous GAAP to total comprehensive income in accordance with Ind AS is given below for the quarter ended 31 December 2017:

Particulars	(Amount in Rs. million)	
	(Unaudited)	(Refer note 3)
Net profit under the previous GAAP	1,396.39	
Actuarial gain on employee benefit recognised in other comprehensive income	3.18	
Measurement of employee share based payments at fair value	(136.31)	
Straight lining of rental expense	8.43	
Financial assets carried at amortised cost	(42.80)	
Financial liabilities carried at amortised cost	47.22	
Allowance for expected credit losses	(151.10)	
Tax impact on above	75.99	
Net profit as per Ind AS	1,200.98	
Other comprehensive income (net of tax)	(2.25)	
Total comprehensive income as per Ind AS	1,198.73	

Registered Office: M - 62 & 63, 1st Floor, Connaught Place, New Delhi 110 001.
Corporate Identification Number: U74899DL1994PLC062407

For and on behalf of Board of Directors

Place: Mumbai
Date: 21 January 2019




Pankaj Jayant Shah
CEO & Whole-time Director

MATERIAL DEVELOPMENTS

There have been no material developments since March 31, 2018 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of the Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the section “*Financial Information*” beginning on page 129.

There has been no material indebtedness incurred by our Company and no Equity Shares has been allotted by our Company since March 31, 2018, except as stated below:

1. Our Company has allotted 28,901,735 Equity Shares to IVL pursuant to a rights issue on June 12, 2018 at an issue price of ₹ 692 per Equity Share.
2. Our Company has allotted 4,139,700 Equity Shares to IVL pursuant to a rights issue on August 30, 2018 at an issue price of ₹ 718 per Equity Share.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDAS

The Reformatted Financial Information of the Issuer included in this Draft Shelf Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards (“**Ind AS**”) in certain respects.

The Ministry of Corporate Affairs (“**MCA**”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

“Summary of Significant Differences among Indian GAAP and Ind AS”, does not present all differences between Indian GAAP and Ind AS which are relevant to the Issuer.

Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus.

Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of the Issuer’s business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus.

Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information included in this Draft Shelf Prospectus.

The Issuer cannot assure that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on the Issuer’s future financial information.

Topic	Indian GAAP	Ind AS
Presentation of Financial Statements	<p><u>Other Comprehensive Income:</u> There is no concept of ‘Other Comprehensive Income’ under Indian GAAP.</p>	<p><u>Other Comprehensive Income:</u> Under Ind AS 1 there is a concept of Other Comprehensive Income (“OCI”). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as “Fair Value through OCI”.</p>
	<p><u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.</p> <p>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.</p>	<p><u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p>
	<p><u>Change in Accounting Policies:</u> Indian GAAP requires changes in accounting policies to be presented in the financial</p>	<p><u>Change in Accounting Policies:</u> Ind AS requires retrospective application of changes in accounting policies by adjusting</p>

Topic	Indian GAAP	Ind AS
	<p>statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.</p> <p>If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.</p>	<p>the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p>
Deferred Taxes	<p>Under Indian GAAP, the Company determines deferred tax to be recognised in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.</p>	<p>As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/liabilities and their respective tax base.</p> <p>Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments.</p>
Property, plant and equipment – reviewing depreciation and residual value	<p>Under Indian GAAP, the Company currently provides depreciation over the useful lives of the assets estimated by the Management.</p>	<p>Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively.</p> <p>Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.</p>
Accounting for Employee benefits	<p>Currently, under Indian GAAP the Company recognises all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.</p>	<p>Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and remeasurements.</p> <p>Changes due to service cost and net interest cost/ income need to be recognised in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are to be recognised directly in OCI and not reclassified to profit and loss in the subsequent period.</p>
Separate Financial Statements	<p>Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term</p>	<p>Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109</p>
Provisions, contingent liabilities and contingent assets	<p>Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted</p>	<p>Under Ind AS, provisions are recognised for legal as well as constructive obligations. Ind AS requires discounting the provisions to present value, if the effect of time value of money is material.</p>

Topic	Indian GAAP	Ind AS
Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation. The intrinsic value for the company was nil.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit and Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings.
Presentation and classification of Financial Instruments and subsequent measurement	<p>Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any diminution other than temporary in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.</p> <p>Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited.</p> <p>Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognised upfront in the Statement of Profit and Loss.</p>	<p>Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortised cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, (FVTPL), or recognised in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortised cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan.</p> <p>There are two measurement categories for financial liabilities – FVTPL and amortised cost.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.</p>
Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
Financial Instruments - Disclosure	<p>Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements:</p> <ul style="list-style-type: none"> • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and 	<p>Requires disclosure of information about the nature and extent of risks arising from financial instruments:</p> <ul style="list-style-type: none"> • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).

Topic	Indian GAAP	Ind AS
	The foreign currency exposures that are not hedged by a derivative instrument or otherwise.	
Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Consolidated Financial Statements	<p>Under Indian GAAP the consolidation is driven by the reporting entity's control over its investees namely subsidiaries, associates and joint ventures.</p> <p>Control is:</p> <ul style="list-style-type: none"> (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or (b) (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities. <p>Therefore, a mere ownership of more than 50% of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.</p>	Control is based on whether an investor has: <ul style="list-style-type: none"> (a) power over the investee; (b) exposure, or rights, to variable return from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amounts of the returns.
Consolidation - Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/investment/interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/investor/venturer.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for "temporary control", "different lines of business" or "subsidiary / associate / joint venture that operates under severe long- term funds transfer restrictions".
Consolidation – Joint Ventures	Under Indian GAAP, Proportionate consolidation method is applied when the entity prepares consolidated financial statements.	The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.

FINANCIAL INDEBTEDNESS

Details of the borrowings of our Company as on December 31, 2018:

Sr. No.	Nature of Borrowing	Amount (₹ in million)
1.	Secured Borrowings*	49,808.73
2.	Unsecured Borrowings*	23,392.00

* Represents actual outstanding balance of loans and does not include impact of adjustments to outstanding balances on account of Ind AS, if any.

Set forth below, is a brief summary of the borrowings by our Company as at December 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

Our Company's secured term loans from banks as on December 31, 2018 amount to ₹ 48,803.71 million. The details of the borrowings are set out below:

Term Loans

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
1.	Axis Bank	OD-FD	571.43	305.36	-	On demand	-	<ul style="list-style-type: none"> • 2% - In the event of non-payment of overdraft/ interest
2.	HDFC Bank	OD-FD	250.00	0.00	-	On demand	-	<ul style="list-style-type: none"> • 2% - Over and above the agreed rate of interest on the overdue amount for the period account remains overdrawn due to irregularities • 1% - Any default in complying with terms of sanction within the stipulated time
3.	Indian Overseas Bank	TL	3,000	3,000	September 29, 2022	Equal annual instalments at the end of 48 th and 60 th months after a moratorium of 36 months	Concessional interest rate to be withdrawn and 1% will be levied in case of takeover by another bank	<ul style="list-style-type: none"> • 1% - If audited financials and certified stock statement are not submitted within stipulated time • 2% - Any non-compliance of sanction terms and conditions • 1% - Non-submission of monthly receivable statements on or before the 15th day

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
								<ul style="list-style-type: none"> 2% - Non-perfection of security and obtention of NOC from all other lenders within stipulated time
4.	IndusInd Bank	TL	3,000	3,000	September 27, 2019	Bullet repayment	Nil prepayment charges with 30 days' notice	<ul style="list-style-type: none"> 2% - In the event of irregularities in the account 1% - In the event of non-compliance with sanction terms
5.	IndusInd Bank	TL	2,000	1,833.33	September 28, 2021	Repayment in 12 equal quarterly instalments which shall commence from the quarter end during which the limit is disbursed.	Nil prepayment charges with 30 days' notice	<ul style="list-style-type: none"> 2% - In the event of irregularities in the account 1% - In the event of non-compliance with sanction terms
6.	Lakshmi Vilas Bank	TL	1,500	1,500	April 29, 2019	Bullet repayment at the end of 19 th month from the date of first drawdown	Nil prepayment charges subject to notice period of 30 days	<ul style="list-style-type: none"> 2% - For non-payment of interest, non-compliance of sanction order conditions, arrears of instalments
7.	NABARD	TL	5,000	5,000	November 31, 2024	Repayable in five years at half yearly rests with instalments of ₹ 750 million to be paid for the first six instalments and instalments of ₹ 100 million to be paid for the last five instalments	Prepayment may be done by giving 3 days clear notice and the same will attract pre-payment charges as per the rate prevailing on the date of payment.	<ul style="list-style-type: none"> 1% - For non-submission of NOC from existing lenders for creating charge within 90 days from the date of release of refinance
8.	Punjab & Sind Bank	TL	5,000	5,000	September 12, 2022	Equal annual instalments at the end of 48 th and 60 th	Nil prepayment charges subject to notice	-

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
						months after a moratorium of 36 months	period of 30 days	
9.	RBL Bank Limited	TL	1750	942.31	December 18, 2020	13 equal quarterly instalments	No prepayment allowed up to April 1, 2018 after which there shall be no prepayment charges if 60 business days prior notice is given. However, 2% shall be charged if 60 days' notice is not given	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion • 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
10.	RBL Bank Limited	TL	500	269.23	December 27, 2020	13 equal quarterly instalments	No prepayment allowed up to April 1, 2018 after which there shall be no prepayment charges if 60 business days prior notice is given. However, 2% shall be charged if 60 days' notice is not given	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion • 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
11.	RBL Bank Limited	CC	250	Nil	-	Repayable on demand	-	<ul style="list-style-type: none"> • 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion • 2% - Non submission of stock statement,

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
								non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
12.	RBL Bank Limited	TL	1,000	769.23	September 29, 2021	Repayable in 13 equal quarterly instalments with first instalment due at the end of 3 months from the date of disbursement	Nil prepayment charges if 30 days prior notice is given else a prepayment charge of 2% will be levied	<ul style="list-style-type: none"> 2% - On occurrence of such events as specified in the agreement or as may be deemed necessary in the bank's sole discretion 2% - Non submission of stock statement, non-submission of financials, non-perfection of security within permitted timelines, irregularity or any other non-compliance
13.	South Indian Bank	TL	750	750	December 13, 2023	Principal to be repaid in 3 equal instalments of ₹ 250 million at the end of 3 rd , 4 th and 5 th year after a repayment holiday of 2 years	Prepayment is not allowed during the holiday period of two years after which prepayment charges would be nil if prepaid with 30 days' notice, else 1% penal charges will be applicable on the entire outstanding loan amount at the time of prepayment/pre-closure	<ul style="list-style-type: none"> 2% - defaults and non-compliances of any of the sanction stipulations
14.	Syndicate Bank	TL	1,000	937.50	September 18, 2022	Repayable in 16 equal	Nil prepayment	<ul style="list-style-type: none"> 2% - In case of delay/default in

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
						quarterly instalments after a moratorium of 1 year from the date of first release	charges if prior written notice of 30 days is given else, prepayment penalty of 1% is levied	payment of instalment of interest/ other monies on their respective due dates
15.	Union Bank of India	TL	1,500	1,500	June 18, 2023	Repayable in two yearly instalment after moratorium of 3 years from 1 st disbursement	Nil prepayment charges if paid within 30 days after each reset date else prepayment charge of 1% in case the prepayment is done on any other dates	<ul style="list-style-type: none"> 2% - In case of any delay/default in payment of instalment of principal/ interest/ other monies on their respective due dates
16.	Vijaya Bank	TL	3,000	3,000	September 28, 2022	Repayable in 2 equal annual instalments after moratorium of 3 years from 1 st disbursement	-	<ul style="list-style-type: none"> Penal interest at applicable rates for the following <ul style="list-style-type: none"> i. Delay in submission of stock statements ii. Non-submission of audited balance sheet, FFR, review/renewal data within stipulated time iii. Non-obtention of external credit risk rating from agency approved by RBI
17.	YES Bank	TL	10,000	10,000	September 29, 2019	Bullet repayment	2% plus applicable taxes and nil in case the lender exercises put option	-
18.	YES Bank	TL	10,000	10,000	October 5, 2020	Repayable in 18 equated	-	<ul style="list-style-type: none"> 2% - If facilities are not rated annually or at

Sr. No.	Lender Name	Facility	Sanctioned Amount (₹ in million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Final Maturity Date	Repayment Terms	Prepayment Clause	Penalty Clause
						monthly instalments after moratorium of 6 months		such intervals as may be decided by the bank <ul style="list-style-type: none"> • 2% - Default in creation and perfection of security within 90 days from the date of disbursement • 2% - Breach of any covenant or provision of the agreement or any
19.	YES Bank	CC	1,000	996.75	-	Repayable on demand	-	-

Security for above loans:

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

Secured Non-Convertible Debentures

Our Company has issued a secured redeemable non-convertible debenture of the face value of ₹ 1,000,000, of which ₹ 1,000 million is outstanding as of December 31, 2018, the details of which are set forth further below:

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

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

Sr. No.	Description *(ISIN)	Tenor (In Years)	Coupon Rate	Amount (In ₹ million)	Date of Allotment	Date of Redemption	Latest Credit Rating
1.	INE614X07019	1.0	8.50%	1,000.0	March 28, 2018	March 29, 2019	CARE AA

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

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

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

Secured Vehicle Loans

Sr. No.	Lender Name	Sanctioned Amount (In ₹ million)	Amount outstanding (as on December 31, 2018) (in ₹ million)	Maturity Date
1.	HDFC Bank	3.20	2.51	September 7, 2022
2.	HDFC Bank	3.20	2.51	September 7, 2022
TOTAL		6.40	5.02	

Subordinated Debt

Nil

Perpetual Debt

Nil

List of top 10 Debenture Holders (secured and unsecured) as on December 31, 2018

Sr. No.	Name of Debenture Holder	Amount (In ₹ million)
1.	JM Financial Mutual Fund	1,000

Commercial Papers

The total face value of commercial papers outstanding as on December 31, 2018 is:

Sr. No.	Maturity Date	Amount Outstanding (In ₹ million)
1.	January 4, 2019	750.00
2.	January 18, 2019	1,000.00
3.	January 25, 2019	1,250.00
4.	January 28, 2019	1,250.00
5.	February 15, 2019	500.00
6.	February 18, 2019	4,500.00
7.	March 1, 2019	500.00
8.	March 14, 2019	1,000.00
9.	March 15, 2019	2,000.00
10.	March 18, 2019	250.00
11.	June 14, 2019	500.00

Details of corporate guarantees:

The amount of corporate guarantees issued by our Company for securitization transactions/ assignment with different assignee as on December 31, 2018 is nil.

As on December 31, 2018, the amount of corporate guarantee issued by our Company in favour of its subsidiaries, joint venture entity, group companies, etc. is nil.

Restrictive Covenants under our Financing Arrangements:

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

- i. To create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/person;
- ii. To transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loans;

- iii. To change or in way alter the capital structure of the borrowing concern;
- iv. Effect any scheme of amalgamation or reconstitution;
- v. Implement a new scheme or expansion or take up an allied line of business or manufacture;
- vi. Enlarge the scope of the other manufacturing/trading activities, if any;
- vii. Withdraw or allow to be withdrawn any moneys brought in by the promoters and directors or relatives and friends of the promoters or directors;
- viii. Invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due;
- ix. To change its constitution, more particularly change in promoter, directors or in the core management team or any merger/acquisition/amalgamation;
- x. To undertake any new project/ any further expansion or acquire fixed assets;
- xi. To obtain any fund bases/non fund bases credit facility from any financial institution or any other source;
- xii. To effect any change in Company's capital structure;
- xiii. To undertake any investment activity within group companies;
- xiv. To enter into any scheme of expansion programme or take up any new activities;
- xv. To invest or lend money except in the ordinary course of business or act as surety or guarantor;
- xvi. To lease out or dispose of the building/ machinery/ vehicle/ other assets or any part of the building/ machinery/ vehicle/ other assets mortgaged/ hypothecated or shift of plant and machinery/ vehicle/ other assets to any other place;
- xvii. To transfer, encumber, charge, alienate its movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money, etc.;
- xviii. To enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit;
- xix. To permit any merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- xx. Implement any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;
- xxi. Make any investments by way of share capital, or debentures or loan or to place deposits with any concern except giving trade credits;
- xxii. Revalue its assets at any time;
- xxiii. Permit any transfer of the controlling interest of promoters/ directors/ partners or make drastic change in the management set up;
- xxiv. Enter into contractual obligations of long term nature or affecting the borrower's financial position to any significant extent;
- xxv. Carry on general trading activity other than the sale of its own products;
- xxvi. Purchase or sell capital goods on hire purchase basis or lease basis;
- xxvii. Increase the remuneration of directors/ partners whether by way of salary, commission, perquisite, sitting fees, etc. or make any change in the existing practice with regard to payment of remuneration, salary, perquisite, sitting fees, etc.;
- xxviii. To pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
- xxix. To give guarantee on behalf of third parties except in the ordinary course of business;
- xxx. To make any amendment in our Company's memorandum and articles of association;
- xxxi. To enter into partnership, profit sharing or royalty agreement or other similar arrangement whereby its income or profits are or might be shared with any other person, firm or company or enter into any management contract or similar arrangement whereby the business and operations of the borrower are managed by any person, firm or company; and
- xxxii. To change the registered office or the location of the borrower.

Events of Default under our Financing Arrangements:

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

- i. Default in the repayments of the loans by our Company;
- ii. Entering into a composition with its creditors;
- iii. If our Company becomes bankrupt or is adjudicated as insolvent or any insolvency petition is filed against our Company;
- iv. Order or resolution passed for the winding up of our Company, or if a petition or a notice of a meeting to pass such a resolution has been initiated;

- v. If any of the representations made by our Company in the application for granting credit facilities is found to be untrue or false;
- vi. If any instalments of the principal money, due in respect of the loans, whether payment is demanded or not, remain unpaid on the due date for payment by our Company;
- vii. Any interest due in respect of the loan remaining unpaid and in arrears after the same have become due;
- viii. Any execution, attachment or distraint being enforced or levied against the whole or any part of our Company's property;
- ix. A received being appointed in respect of the whole or any part of the property of our Company;
- x. Ceasing or threatening to cease, to carry on the activity/ activities for the purpose for which loans are borrowed or availed;
- xi. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to depreciate the value of the security given to the bank by our Company;
- xii. The occurrence of any event or circumstances which would likely or prejudicially or adversely affect in any manner the capacity of our Company to repay our loans;
- xiii. Going into liquidation, except for the purpose of amalgamation or reconstruction;
- xiv. Cross default;
- xv. Failure on our Company's part to create the security as provided in the respective facility agreement;
- xvi. Default in perfection of securities;
- xvii. Inadequate insurance;
- xviii. Invalidity or unenforceability of the documents of our Company;
- xix. Nationalisation or expropriation of our Company's assets or operations;
- xx. Downgrade in rating below present rating;
- xxi. Non-compliance with RBI norms;
- xxii. Change in ownership or management control of our Company; and
- xxiii. Diversion of funds apart from the purpose for which the respective facilities are sanctioned by the banks.

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

There are no outstanding borrowings taken/debt securities issued were taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on December 31, 2018.

Details of rest of the borrowings (if any, including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on December 31, 2018:

Nil

The total amount of loans and advances from related parties (ICDs) outstanding as on December 31, 2018 is ₹ 9,892 million.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and our group companies are subject to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) petitions pending before appellate authorities, (c) criminal complaints, (d) civil suits and (e) tax matters. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and group companies that would have a material adverse effect on our operations or financial position.

As on the date of this Draft Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, and fixed deposits and etc., by our Company.

For the purpose of disclosures in this Draft Shelf Prospectus, our Company has considered the following litigation as 'material; litigation:

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise (other than proceedings involving IVL), of value exceeding more than ₹ 40 crores;*
- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of IVL, of value exceeding more than ₹ 60 crores; and*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

For the purposes of disclosure, all other pending litigation involving our Company, group companies or any other person other than criminal proceedings, statutory or regulatory actions, would be considered 'material' if the monetary amount of claim is more than ₹40 crores of the net worth of the Company for Fiscal 2018.

Save as disclosed below, there are no:

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
2. *inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company (irrespective of whether any prosecutions were filed); fines imposed or compounding of offences done by our Company in the last five years immediately preceding the year of this Draft Shelf Prospectus;*
3. *outstanding litigation involving our Company, our Promoter, Directors, group companies or any other person, whose outcome could have material adverse effect on the position of our Company; and*
4. *pending proceedings initiated against our Company for economic offences.*

I. Involving our Company

A. Civil cases

Nil

B. Consumer cases

Nil

C. Criminal Cases

Cases instituted by our Company

1. Our Company has filed an application under Section 340(1) of the CRPC for holding inquiry against Pankti Mehta before the Punjab and Haryana high court at Chandigarh. Our Company was dishonestly induced to advance various loan amounts by Pankti Mehta and certain other individuals and therefore, an FIR was registered against her and certain other individuals under the Indian Penal Code. A petition was filed by Pankti Mehta under Section 482 of the Code of Criminal Procedure, 1973 for quashing the FIR (“**Quashing Petition**”). Pankti Mehta had intentionally provided her false address in the Quashing Petition as well as in the affidavit under solemn affirmation, thereby committing prima facie offence under section 191/193 of the Indian Penal Code, 1860 which falls within the ambit of Section 195(1)(B) of the CRPC. Our Company has thus alleged that she had intentionally misled and misrepresented the court which requires enquiry to be conducted under Section 340 of CRPC. The case is now listed for arguments on February 19, 2019.
2. Our Company has filed a Complaint under Section 200 of the CRPC read with Section 156(3) of the CRPC against Nav Durga Roadlines and certain other persons (“**Accused**”) in the court of Chief Metropolitan Magistrate, Patiala House, New Delhi. The complaint was filed for cheating, forgery, criminal breach of trust, causing wrongful loss through conspiracy and criminal intimidation and for registration of First Information Report (“**FIR**”) under sections 420, 406, 468, 471, 120 B and 506 against all the Accused. The matter has been listed for argument on January 23, 2019.
3. Our Company has filed 9 FIRs against our customers to whom loans were granted by our Company and such customers have defaulted in their respective loan repayment(s) to our Company. These FIRs have been filed in different jurisdictions and are currently pending investigation.
4. Our Company, in the ordinary course of business, has initiated 5,819 proceedings aggregating to ₹ 177.94 million, against defaulting customers under the Negotiable Instruments Act, 1881 and Payment and Settlement Systems Act, 2007.

Cases instituted against our Company

1. Our Company had disbursed loan to IAP Company Private Limited (“**IAP**”), as per the assurances and undertakings of, amongst others, Parul Upadhyay. IAP defaulted in repayment of its loan taken from our Company and changed their management and shareholding without taking prior permission from our Company, which was a condition under the loan agreement. Our Company filed a complaint against Parul Upadhyay and certain other persons for cheating, forgery, criminal intimidation and causing wrongful financial loss through conspiracy, pursuant to which an F.I.R. was registered under sections 120-B, 406 and 420 of the Indian Penal Code, 1860. Parul Upadhyay filed a petition under Section 482 of the CRPC seeking quashing of the F.I.R. filed by our Company. The case is currently pending adjudication.
2. Pankti Mehta filed a petition under Section 482 of the CRPC before the Punjab and Haryana high court, Chandigarh. The petition was filed for the quashing of order dated September 26, 2016 passed by Amit Jain, Judicial Magistrate, First Class, Gurgaon in connection with the F.I.R. lodged under sections 406, 420 and 120B of Indian Penal code, 1860. The F.I.R. was lodged pursuant to a complaint filed by our Company for dishonour of cheques. The case is currently pending adjudication.

II. Litigation involving our Promoter

1. Ms. Piyush Kant Vishwakarma (“**Petitioner**”) filed a revision petition dated December 7, 2012, bearing number 3933/2012, before Hon’ble High Court of Judicature at Allahabad against an order dated September 6, 2012 passed by Additional Judicial Magistrate, Allahabad which dismissed the complaint dated January 30, 2006 filed by the Petitioner (the “**Complaint**”). The Complaint was filed by the Petitioner under section 200 of Code of Criminal Procedure, 1973 against, amongst others, an ex-employee of our Company, and our Company, in relation to disagreements regarding certain transactions in his securities trading account. The matter is currently pending adjudication.
2. Our Promoter, IVL, in the ordinary course of business, has initiated 17 proceedings against defaulting customers under the Negotiable Instruments Act, 1881.

3. Our Promoter, IVL, in the ordinary course of business, has filed 84 criminal complaints against its clients, under section 200 of CRPC for offence punishable under Section 420 of Indian Penal Code, 1860 at Patiala House Courts, New Delhi. The said complaints are pending adjudication by the concerned court.
4. Mr. Vinod Kumar Arora filed a criminal complaint in February 2008 under section 200 of Code of Criminal procedure, 1973 before the Court of the Metropolitan Magistrate, Patiala House Court, New Delhi, against, amongst others, an ex-employee of our Company (“**Respondent 1**”, and our Company (collectively, the “**Respondents**”) (the “**Complaint**”), alleging that the Respondents had sold certain securities of the Complainant without the Complainant’s consent. An order dated March 11, 2013 was passed by Metropolitan Magistrate, New Delhi summoning the Respondents under sections 406 and 420 of the Indian Penal Code, 1860. Subsequently, the Respondents filed a petition bearing number 3274/2013 on August 12, 2013 before the High Court of Delhi for quashing the Complaint. The matter is currently pending for adjudication.
5. Mr. Mayank Kumar Agarwala preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited for alleging certain unauthorized transaction in his account and opportunity loss due to non-execution of trades, against his trading member, IVL. An arbitral award was passed by a sole arbitrator on September 28, 2018 dismissing the application made by Mr. Mayank Kumar Agarwala and ordered IVL to pay a sum of ₹ 80,250, being an amount of 25% of the total loss of ₹ 3,21,000 to Mr. Mayank Kumar Agarwala in full and final settlement of this matter. Subsequently, IVL filed an appeal on November 16, 2018 against the said arbitral award before the Honorable Appellate Bench of the National Stock Exchange of India Limited for setting aside the impugned passed by the sole arbitrator award. The matter is currently pending adjudication.
6. Mr. Madan Pradhan preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited for alleging certain unauthorized transaction in his account for an amount of ₹ 5,00,000 by his trading member, IVL. An arbitral award was passed by a sole arbitrator on August 24, 2018 imposing a penalty on IVL dismissing the application made by Mr. Mayank Kumar Agarwala and ordered IVL to compensate Mr. Madan Pradhan and make good for the loss suffered by him for the trades executed by IVL without his authorization. Subsequently, IVL filed an appeal on October 1, 2018 against the said arbitral award before the Honorable Appellate Bench of the National Stock Exchange of India Limited for setting aside the impugned passed by the sole arbitrator award. The matter is currently pending adjudication.
7. Ms. Sima Roy preferred an arbitration application under the bye laws, rules and regulations of the National Stock Exchange of India Limited for alleging certain unauthorized transaction in his account and certain issues pertaining to brokerage and interest, aggregating to an amount of ₹ 31,375 by his trading member, IVL. The matter is yet to be heard by a sole arbitrator.

III. Litigation involving our Directors

1. Mr. Pinank Jayant Shah

1. A special leave petition (“**SLP**”) bearing (C) No.20417 of 2017 had been filed by Daiichi Sankyo Company Limited (“**DSCL**”) against the order dated June 21, 2017 of the single Judge of the Delhi High Court refusing to grant injunction against disposal of properties and assets under control of Shivinder Mohan Singh, Malvinder Mohan Singh and certain other persons. During the pendency of the SLP, the Supreme Court passed an order of status quo with regard to the shares of Fortis Healthcare Limited held by Fortis Healthcare Holding Private Limited on August 11, 2017. Subsequently, DSCL filed contempt petition on August 30, 2017 (“**Contempt Petition 1**”) before the Supreme Court against certain persons, including Shivinder Mohan Singh and Malvinder Mohan Singh, for wilful disobedience of order dated August 11, 2017. Further, the Supreme Court pursuant to order dated August 31, 2017 clarified its earlier order and held that there was no contempt made out.

As certain companies controlled by erstwhile promoters of Fortis - Malvinder Mohan Singh and Shivinder Mohan Singh had defaulted in repayment of loan facilities that had been availed from IHFL in years 2015, 2016 and till April 2017, IHFL had availed remedies under the loan agreement and law including the sale of encumbered shares of Fortis Healthcare Limited held by Fortis Healthcare Holding Private Limited. The sale of encumbered shares was permitted by Hon’ble Supreme Court vide order dated February 15, 2018

in SLP (C) No.20417 of 2017 wherein it clarified that interim orders dated August 11 and August 31 of 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holding Private Limited as may have been encumbered on or before the interim orders dated August 11, 2017 and August 31, 2017 of the Supreme Court. One Vinay Prakash Singh (Representative of DSCL) has filed an application against Malvinder Mohan Singh, Shivinder Mohan Singh, Vivek Singh, Japna Malvinder Singh, Aditi Shivinder Singh, Mr. Pinank Jayant Shah, Mr. Gagan Banga and others alleging contempt of certain orders of Supreme Court claiming that the shares could not have been sold. The Supreme Court *vide* order dated December 14, 2018 issued notice to respondents including Mr. Pinank Jayant Shah and Mr. Gagan Banga on the contempt petition filed by Vinay Prakash Singh.

2. **Mr. Gagan Banga**

- a. Mr. Ramesh Kumar Gupta had filed a complaint before the court of Judicial Magistrate, Kaithal (Haryana) (“**Judicial Magistrate**”) against Indiabulls Ventures Limited (“**IVL**”), Mr. Sameer Gehlaut, Mr. Gagan Banga, Mr. Shamsheer Singh Ahlawat, Mr. Prem Prakash Mirdha and others in relation to a dispute regarding certain transactions in his securities trading account (the “**Complaint**”). It was alleged by Mr. Ramesh Kumar Gupta that there was an unauthorized trading done in his trading account by the officials of IVL. The police investigation has been completed and the police authorities have filed its closure report stating that no cognizable offence had been made out. The matter is currently pending for closure before the Judicial Magistrate.
- b. Raghani Property Holdings Private Limited (the “**Complainant**”), filed a criminal complaint dated April 19, 2017, under Sections 406, 409, 420 and 506 read with Sections 34 and 120B of the Indian Penal Code, 1860, before the Court of the Metropolitan Magistrate, Calcutta (“**Court**”) against Lucina Land Development Limited, IHFL and directors of IHFL *viz.* Mr. Sameer Gehlaut, Mr. Gagan Banga, Mr. Prem Prakash Mirdha, Samesher Singh Ahlawat, Sachin Chaudhary, Ajit Kumar Mittal, Ashwini Omprakash Kumar, Kamlesh Shailesh Chandra Chakraborty, Manjari Ashok Kacker, Justice B P Singh and others (collectively, the “**Respondents**”). The Complainant has alleged that the Respondents have entered into criminal conspiracy and have cheated the Complainant. The Complainant has also alleged that the Respondents have engaged in an 'Interest Subvention Scheme' inducing proposed buyers of housing units in their project to avail financial support from them. On April 25, 2017, the Court issued summons against Respondents. IHFL and its directors filed an application under Section 397/401 read with Section 482 of Criminal Procedure Code, 1973 for quashing of the proceedings. Accordingly the proceeding pending before the Court qua the Respondents were stayed for a period of six weeks and the Respondents have also been given a liberty to seek extension of the stay of the proceedings from time to time. The matter is currently pending hearing.
- c. For details in relation to contempt petition filed by Vinay Prakash Singh against Mr. Gagan Banga, please see “– *Litigation involving our Directors*” on page 146.

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

- a. For details in relation to complaint filed by Raghani Property Holdings Private Limited against Brig. (Retd.) Labh Singh Sitara, please see “– *Litigation involving our Directors*” on page 146.
- b. Ms. Sadiya Yusuf and Ms. Sania Yusuf (“**Petitioners**”) have filed a criminal revision petition before the Court of the Sessions Judge, Patiala House Court, Delhi, against, amongst others, Athena Infrastructure Limited (“**Athena**”); its holding company, Indiabulls Real Estate Limited (“**IREL**”); Mr. Labh Singh Sitara, a director of Athena, and Mr. Sameer Gehlaut, as a director of IREL, to set aside an order of the Chief Metropolitan Magistrate dated October 7, 2016 (“**Impugned Order**”). The Impugned Order dismissed the application of the Petitioner under section 156(3) of the Code of Criminal Procedure, 1973, alleging that they had been induced into booking a flat at an upcoming project of Athena by way of aggressive advertising, criminal breach of trust, embezzlement of funds, misappropriation with fraudulent intention, cheating and criminal conspiracy; and praying that an order be passed directing the police to register a first information report in the matter, impound the passports of the accused and secure the amount invested in the flat by the Petitioners, being ₹ 18.06 million (“**Disputed Amount**”). The Petitioners also filed a consumer complaint in September 2015 before the National Consumers Dispute Redressal Commission for the recovery of the Disputed Amount. The matter is currently pending hearing.

- c. A consumer complaint was filed before the National Consumer Disputes Redressal Commission, New Delhi by Chinmoy Tikader and certain other persons (“**Complainants**”) against Lucina Land Development Limited and certain other persons including Brig. (Retd.) Labh Singh Sitara. The Complainants had booked their flats in a project named ‘Indiabulls Greens Panvel’ that was launched by Lucina Land Development Limited and have filed the complaint for, amongst other things, delay in delivery of completed flats. The case is fixed for January 24, 2019 for further proceedings.

4. **Mr. Ajit Kumar Mittal**

- a. Mr. Arveen Nehraw (the “**Complainant**”) filed a consumer complaint on March 29, 2018 (the “**Complaint**”) before the National Consumer Disputes Redressal Commission, New Delhi (“**NCDRC**”) against our Company and Mr. Ajit Kumar Mittal (collectively the “**Accused Persons**”) alleging that the Accused Persons have levied illegal foreclosure charges on the loan availed by the Complainant from our Company. The Complainant has in its complaint prayed for refund of the foreclosure charge along with interest from date of payment to the disposal of the complaint. Our Company filed an application with NCDRC on November 18, 2018 seeking deletion of the name of the Directors from the array of parties of the Complaint. Also, our Company has filed with the NCDRC a written statement on December 28, 2018. The matter is currently pending for hearing.
- b. For details in relation to complaints filed by Raghani Property Holdings Private Limited and Ms. Manisha Rajgaria against Mr. Ajit Kumar Mittal, please see “ – *Litigation involving our Directors*” on page 146.

IV. Litigation involving our subsidiary

Not applicable.

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

A. Criminal cases

1. Rishi Modi (“**Complainant**”) on February 2, 2015 filed complaint under section 420/467/468/471/474/499/120-B of Indian Penal Code, 1860 (“**Complaint**”) against Sameer Gehlaut and 2 others (“**Accused**”) with Kowali police station, Patiala alleging that the Accused have committed fraud with the Complainant and his wife by taking illegal possession of their property and prayed that the Accused be summoned, tried and punished under the applicable provisions of law. Judicial magistrate, Patiala took the cognizance and *vide* summoning order dated November 4, 2016 summoned Accused to face trial for the offences punishable under sec 420,471,474 of Indian Penal Code, 1860 (“**Summon**”), against which Mr. Sameer Gehlaut has filed petition no. CRM-M-39947 of 2017 with Hon’ble High Court of Punjab and Haryana for quashing the said summon. The Hon’ble High Court of Punjab and Haryana *vide* its interim order dated October 25, 2017 has issued notice on the petition and ordered stay of the proceedings before the trial court. The matter is currently pending adjudication at Hon’ble High Court of Punjab and Haryana.
2. For details in relation to complaints filed by Raghani Property Holdings Private Limited, Mr. Ramesh Kumar Gupta and Ms. Manisha Rajgaria against Mr. Sameer Gehlaut, please see “ – *Litigation involving our Directors*” on page 146.
3. Ms. Manisha Rajgaria had filed a complaint dated July 19, 2010 before Judicial Magistrate, Alipore, Kolkata under section 406, 420 and 120B of Indian Penal Code, against IHFL, its promoter Mr. Sameer Gehlaut and others in relation to a dispute regarding loan transactions. It was alleged by the complainant that IHFL intended to defraud her from the inception of the transaction and that there had been a criminal breach of trust. Summons were issued on July 20, 2010 against IHFL and Mr. Sameer Gehlaut pursuant to which IHFL filed a petition for quashing the complaint and summoning the order passed by Judicial Magistrate, Alipore, Kolkata. The Hon’ble Calcutta High Court stayed the proceedings pending adjudication before Judicial Magistrate, Alipore, Kolkata. The matter is currently pending.

Other than as mentioned below, there are no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last

five years immediately preceding the year of the issue of this Draft Shelf Prospectus and that there have been no direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action:

1. Mr. Sameer Gehlaut, the promoter of our Promoter, IVL, received a show cause notice dated May 22, 2017 ("**Show Cause Notice**") in connection with compliances under the SEBI (Substantial Acquisition of Shares and Takeovers Regulations) 2011, pursuant to which Mr. Sameer Gehlaut filed an application dated January 19, 2018 in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. Thereafter, by way of settlement order dated December 10, 2018, upon payment of settlement charges of ₹ 47,93,473, the proposed adjudication proceedings set out in the Show Cause Notice were disposed of.
2. SEBI, by way of an *ad interim ex parte* order dated June 18, 2007 directed certain entities, including our Company and Manu Vyapar Private Limited operating in the derivative segment and alleged to have executed irregular and non-genuine trades, to cease and desist from indulging in the violations as noticed by SEBI till further orders. Subsequently, SEBI issued a show cause notice dated October 5, 2007 to our Company alleging that our Company had entered into trading transactions in violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practises relating to Securities Market) Regulations, 2003 (the "**Show Cause Notice**"). Our Company replied to the Show Cause Notice on November 27, 2007 denying its involvement in any manipulative trade in the futures and options segment and detailing the steps our Company had taken to check suspicious trades in that segment including issuing necessary instructions to its employees to detect certain specified red alerts and sanitise the system against them and also to the clients cautioning them to desist from raising such alerts, pursuant to which there was a hearing before the adjudicating officer. The adjudicating officer in his order dated February 25, 2009 ("**Order**") imposed a penalty on our Company amounting to ₹15 lakhs. Pursuant to the Order, our Company filed an appeal before the Securities Appellate Tribunal ("**SAT**") to set aside the Order passed by the adjudicating officer. SAT, by its order dated October 26, 2010 ("**SAT Order**") set aside the Order. An appeal had been filed by SEBI against the SAT Order before the Supreme Court. The Supreme Court dismissed the appeal preferred by SEBI by its order dated February 8, 2018.
3. SEBI conducted an inspection of the books of accounts and other records of our Company during November 2006 and observed certain irregularities in relation to our Company's broking operations, functioning of branches and system operations. Thereafter, SEBI issued show cause notice on July 10, 2009 in relation to alleged violation of certain provisions of the (Stock Broker and Sub Broker) Regulations, 1992. While the adjudication proceedings were pending, our Company by way of an application dated September 3, 2009 proposed for a settlement through a consent order. Subsequently, the proceedings were settled by an order dated December 19, 2014 passed by SEBI which imposed settlement charges of ₹10,000,000 on our Company. Subsequently, our Company took corrective measures, including, amongst others, setting up an investor grievance cell which maintains records of all investor complaints, monitoring all trades, and defining the account deactivation policy.
4. Adjudication proceedings were initiated against our Company pursuant to a show cause notice dated March 31, 2008 issued by SEBI to our Company under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The Show Cause Notice was issued in relation to synchronized reversal trades by our Company in the futures and options ("**F&O**") segment, during February and March 2005. SEBI disposed of the adjudication proceedings by its order dated April 27, 2018.
5. Our Company received a deficiency letter dated August 14, 2017 ("**Letter**") from SEBI, pursuant to inspection conducted during period between March 8, 2016 till March 10, 2016, in relation to lesser annual maintenance charges being levied on clients with power of attorneys for operating demat accounts. As a corrective measure, our Company has revised its charge schedule and annual maintenance charges have been made equal for clients with power of attorney and without power of attorney.
6. A deficiency letter dated August 10, 2017 was issued to Indiabulls Commodities Limited by SEBI in relation to an inspection of the trading division conducted by SEBI between January 16, 2017 and January 20, 2017 ("**Deficiency Letter**"). Pursuant to the Deficiency Letter, it was observed, amongst others, that repetitive clauses should not be in the non-mandatory part of the Client Registration Form (the "**Form**") which are similar to clauses covered in the mandatory section of the Form. Subsequently, Indiabulls Commodities Limited has taken corrective measures such as, amongst others, making changes in the non-mandatory documents of the Form.

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

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

Save as disclosed in this Draft Shelf Prospectus, there are no:

1. inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company;
2. pending litigation involving our Company, Promoter, Directors, Subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company; and
3. pending proceedings initiated against our Company for economic offences.
4. outstanding defaults in the payment of statutory dues.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

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

Prohibition by SEBI

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

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

Disclaimer Clause of SEBI

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

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

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN *VIDE* ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS

OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

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

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN *VIDE* ITS LETTER DATED [-], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

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

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS DRAFT OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED NOVEMBER 2, 2018 BEARING REGISTRATION NO. B-14.00909 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934 TO CARRY ON THE ACTIVITIES OF AN NBFC. HOWEVER A COPY OF THIS DRAFT SHELF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT SHELF PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. BY ISSUING THE AFORESAID CERTIFICATE OF REGISTRATION DATED NOVEMBER 2, 2018 TO THE ISSUER, RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

Disclaimer in Respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Track record of past public issues handled by the Lead Managers

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

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

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE and NSE. An application has been made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

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

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

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

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

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Bankers to our Company, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) ICRA for use of their ICRA Research Report (i) the Debenture Trustee and (j) Chief Financial Officer have been obtained.

The consent of the Statutory Auditor of our Company, namely Walker Chandiok & Co. LLP, Chartered Accountants for (a) inclusion of their name as the Statutory Auditors; (b) report on Reformatted Financial Information; (c) report on Limited Review Financial Results; and (d) report on Limited Review on Special Purpose Interim Financial

Information, in the form and context in which they appear in this Draft Shelf Prospectus and respective Tranche Prospectus have been obtained and it has not withdrawn such consent and the same will be filed with the ROC.

The consent of the independent chartered accountants, namely A Sardana & Co., for inclusion of statement of tax benefits dated January 17, 2019, issued by them, in this Draft Shelf Prospectus have been obtained and it has not withdrawn such consent and the same will be filed with the ROC.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, Walker Chandiok & Co. LLP, Chartered Accountants to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Draft Shelf Prospectus in respect of the reports of the Auditors dated January 21, 2019 included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.
2. Our Company has received consent from A Sardana & Co., to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Draft Shelf Prospectus in respect of statement of tax benefits dated January 17, 2019 included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Common form of Transfer

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

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within 6 Working Days from the date of closure of the Issue. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has to be filed with the Stock Exchanges in terms of SEBI Debt Regulations for dissemination on their website.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

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

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016 further states that ‘the adequacy’ of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every

company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (e) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Issue Related Expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. The estimated break-up of the total expenses shall be as specified in the Shelf Prospectus and Tranche I Prospectus.

Reservation

No portion of this Issue has been reserved.

Details of previous Issues

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

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Premium per equity share (₹)	Issue price per equity share (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)	Nature of Allotment *
March 20, 2017	2,902,400	10	369	379	Cash	5,219,000	52,190,000	Rights issue
May 19, 2017	5,219,000	10	407	417	Cash	10,438,000	104,380,000	Rights issue
June 7, 2017	6,662,000	10	418	428	Cash	17,100,000	171,000,000	Rights issue
March 28, 2018	7,451,565	10	661	671	Cash	24,551,565	245,515,650	Rights issue
June 12, 2018	28,901,735	10	682	692	Cash	53,453,300	534,533,000	Rights issue
August 30, 2018	4,139,700	10	708	718	Cash	57,593,00	575,930,000	Rights issue

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

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

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

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

Our Company has not made any public issuances of debentures.

Other than as mentioned above, our Company has raised funds for augmenting its long-term resources for meeting funding requirements by way of private placement of debentures in the last three years. The funds have been fully utilized in accordance with the objects of the above mentioned issuance of debentures on private placement basis and issuance of Equity Shares and Preference Shares on rights issue basis.

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

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

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

For details in relation to capital issues done by IVL, promoter of our Company, during the last three years, please see "--Details regarding the previous issues of the group company" on page 156.

Details regarding the previous issues of the group company

Indiabulls Ventures Limited

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

Date of Opening	February 21, 2018	
Date of closing	March 7, 2018	
Total issue size	₹ 20,000 million	
Date of allotment	March 16, 2018	
Objects of the issue (as per the prospectus)	Object	Object % of amount proposed to be
	Investment in our Company to meet its business requirements and investment in Indiabulls Asset Reconstruction Company Limited to support the future growth of its business.	At least 75%
	General corporate purposes	Maximum up to 25%
Net utilization of issue proceeds	Fully utilised in accordance with the objects of the issue	

Other than as mentioned above, IVL has also raised funds by way of private placement of equity shares, warrants, compulsorily convertible debentures in the last three years. The funds have been fully utilized in accordance with the objects of the above mentioned issuance of equity shares, warrants, compulsorily convertible debentures on private placement basis.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

Other than the privately placed listed secured debentures disclosed under “*Capital Structure*” and “*Financial Indebtedness*” on page 57 and 135, respectively, our Company does not have listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt as on December 31, 2018.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscal 2018, Fiscal 2017, Fiscal 2016, Fiscal 2015 and Fiscal 2014.

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Share Capital (₹ in million)	245.52	52.19	23.17	23.17	23.17
Face Value Per Share (in ₹)	10	10	10	10	10
Interim Dividend on Equity Shares (₹ in million)	Nil	Nil	Nil	Nil	Nil
Final Dividend on Equity Shares	Nil	Nil	Nil	Nil	Nil
Total Dividend on Equity Shares (₹ in million)	Nil	Nil	Nil	Nil	Nil
Dividend Declared Rate (In %)	Nil	Nil	Nil	Nil	Nil
Dividend Rate (In %)	Nil	Nil	Nil	Nil	Nil
Dividend Distribution Tax (₹ in million)	Nil	Nil	Nil	Nil	Nil

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated January 18, 2019 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted. The contact details of Registrar to the Issue are as follows:

Karvy Selenium Tower B, Plot No – 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana– 500 032
Telephone No.: +91 40 6716 2222

Facsimile No.: +91 40 2343 1551
Email: icfl.ncd1@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. Number: INR000000221
CIN: U67200TG2017PTC117649

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

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

Mr. Manish Rustagi
Company Secretary & Compliance Officer

Indiabulls House
448-451, Udyog Vihar
Phase - V
Gurugram - 122 016
Telephone No.: + 91 124 668 5899
Facsimile No.: + 91 124 668 1240
Email: mrustagi@indiabulls.com

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

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Draft Shelf Prospectus except as stated below:

Name of the Auditor	Address	Date of appointment / resignation	Auditor of our Company since (in case of resignation)	Remarks
S A S & Co.	104, Tirupati Plaza, A – 212/C, Street No. 1, Vikas Marg, Shakarpur, Delhi - 110092	September 14, 2017	September 26, 2014	-
M/s. Walker Chandiook & Co LLP	7th Floor, Plot No. 19A, Sector-16A, Noida 201301, India	September 29, 2017 (Appointment)	-	-

Auditor Remarks

There have been no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years from the date of this Draft Shelf Prospectus. For details in relation to emphasis of matter, please see “*Financial Statements*” on page 129.

Details regarding lending out of Issue proceeds and loans advanced by the Company

A. Lending Policy

Please see “Our Business” at page 83 of this Draft Shelf Prospectus.

B. Loans given by the Company

Loans/advances to associates, entities/persons relating to Board, senior management or Promoter or group entities out of the proceeds of previous issues

Not Applicable

C. Types of loans

- Types of loan given by the Company as on March 31, 2018 are as follows:

S. No	Type of loans	Amount (₹ in million)	Percentage (in %)
1	Secured	18,792.65	46.96
2	Unsecured	21,225.67	53.04
	Total assets under management (AUM)	40,018.32	100.0

- Denomination of loans outstanding by ticket size as on March 31, 2018

S. No.	Ticket size	Percentage of AUM
1	Upto ₹ 10 lakh	33.9
2	₹ 10-50 lakh	18.5
3	>₹ 50 lakh	47.6

- Denomination of loans outstanding by LTV* as on March 31, 2018

S. No	LTV	Percentage of AUM
1	Upto 40%	6.9
2	40-50%	24.8
3	50-60%	10.8
4	60-70%	2.6
5	70-80%	1.9
	Total	47.0

* LTV at the time of origination and does not include unsecured loans AUM.

- Geographical classification of borrowers as on March 31, 2018

Sr. No.	Regions	Percentage of AUM
1	East	2.4
2	South	27.5
3	West	35.7
4	North	34.4
	Total	100.0

- Types of loans according to sectorial exposure as on March 31, 2018 is as follows:

Sr. No.	Segment wise breakup of loan book	Percentage of loan book
1	Personal Loans	32.0
2	Other Unsecured Loans	21.0
3	Secured Loans	47.0
	Total	100.0

- Maturity profile of total loan portfolio of the Company as on March 31, 2018 is as follows:

Period	Amount (₹ in million)
Less than 1 month	773.50

Period	Amount (₹ in million)
1-2 months	1,137.40
2-3 months	643.70
3-6 months	2,104.00
6 months -1 year	4,774.20
Above 1 year	30,585.52
Total	40,018.32

D. Details of loans overdue and classified as non – performing in accordance with the RBI guidelines

Movement of gross NPAs	Amount (₹ in million)
(a) Opening balance	Nil
(b) Additions during the year	20.80
(c) Reductions during the year	Nil
(d) closing balance	20.80

Movement of provisions for NPAs	Amount (₹ in million)
(a) Opening balance	19.29
(b) Provisions made during the year	103.04
(c) Write-off / write -back of excess provisions	119.96
(d) closing balance	2.37

E. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2018

Total Advances to twenty largest borrowers (₹ in million)	4,017.95
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC (%)	10.04

F. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018

Total Exposures to twenty largest borrowers/Customers (₹ in million)	4,017.95
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers (%)	10.0

G. Segment –wise gross NPA as on March 31, 2018

S. No	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Personal Loans	0.00
2	Unsecured Loans	0.25
3	Secured Loans	0.00
	Total	0.25

H. Classification of borrowings as on March 31, 2018

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured	18,792.65	47.0
2	Unsecured	21,225.67	53.0
	Total	40,018.32	100.0

I. Promoter Shareholding

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. Residual maturity profile of assets and liabilities as on March 31, 2018

(₹ in million)

	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	over 3 to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	773.50	1,137.40	643.70	2,104.00	4,774.20	16,713.00	8,420.70	5,451.82	40,018.32
Investments	-	-	2,500.00	1,264.00	-	677.00	-	-	4,441.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Borrowings	0.09	0.09	2,673.10	2,673.30	1,471.70	13,214.00	11,377.10	-	31,409.38
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of this Draft Shelf Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Trading

Debt securities issued by our company, which are listed on BSE and NSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provision of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” on page 166.

The key common terms and conditions of the NCDs are as follows:

Issuer	Indiabulls Consumer Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non-Convertible Debentures
Nature of the instrument	Secured Redeemable Non-Convertible Debenture
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	Please see “ <i>Issue Procedure – Who can apply?</i> ” on page 180
Objects of the Issue	Please see “ <i>Objects of the Issue</i> ” on page 62
Details of utilization of the proceeds	Please see “ <i>Objects of the Issue</i> ” on page 62
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest rate for each category of investors	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Demat only*
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of settlement	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	₹ 1,000 per NCD
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue

Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated CARE AA; Stable (pronounced as Double A; Outlook: Stable), for an amount of ₹ 30,000 million by CARE Ratings Limited vide their letter no. CARE/HO/RL/2018-19/4260 dated December 28, 2018. Further, they have been rated BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable), for an amount of ₹ 30,000 million by Brickwork Ratings India Private Limited vide their letter no. BWR/NCD/HO/ERC/RB/0615/2018-19 dated January 4, 2019 and instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. For the rationale for these ratings, see Annexure A and B of this Draft Shelf Prospectus.
Listing	The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure. For more information see " <i>Other Regulatory and Statutory Disclosures</i> " on page 151
Modes of payment	Please see " <i>Issue Procedure – Terms of Payment</i> " on page 192
Trading mode of the instrument	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Record date	15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date
Security and Asset Cover	The NCDs proposed to be issued will be secured by a first ranking <i>pari passu</i> charge on present and future receivables and current assets of the Issuer for the principal amount and accrued interest thereon. The NCDs will have an asset cover of one time on the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on <i>pari passu</i> or exclusive basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection, provided that a minimum security cover of one time on the principal amount and accrued interest thereon, is maintained.
Issue documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement. For further details, see " <i>Material Contracts and Documents for Inspection</i> " on page 207
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.

Events of default / cross default	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 178.
Deemed date of Allotment	The date on which the Board or the Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	Please see “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 167.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.
Working day convention/ Effect of holidays on payment	<p>Working Day means all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai, as per SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.</p> <p>If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “Effective Date”), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p>

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialized form.*

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

SPECIFIC TERMS OF NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Terms of payment

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of this Draft Shelf

Prospectus, the Shelf Prospectus and the respective Tranche Prospectus.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please see “*Issue Procedure*” on page 179.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on January 14, 2019. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution approved at the annual general meeting dated September 20, 2018.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the Application Forms, the abridged Prospectus, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/the Stock Exchanges, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and shall be first ranking *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranking *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. Our Company confirms that all permissions and/or consents for creation of a *pari passu* charge on the book debts/ loans and advances/ receivables, both present and future and immovable property as stated above, will be obtained from all relevant creditors, lenders and debenture trustees of our Company, who have an existing charge over the above mentioned assets, prior to the filing of the Shelf Prospectus. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier I capital.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the Debt Regulations and Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each of the NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to receive notices or annual reports of, or to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders, for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her

voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus, respective Tranche Prospectus(es) and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or

herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

Application in the Issue

NCDs being issued through this Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialized form only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one 1 (one) NCD ("Market Lot"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("Market Lot").

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would

need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure – Interest rate for each category of investor*" on page 162 of this Draft Shelf Prospectus for the implications on the interest applicable to NCDs held by different category of Investors on the Record Date. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

The NCD Holder for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be

transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	As specified in respective Tranche Prospectus
ISSUE CLOSES ON	As specified in respective Tranche Prospectus

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest/Premium and Payment of Interest/ Premium

Interest on NCDs

As specified in the Tranche Prospectus.

Payment of Interest

As specified in the Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Any tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the Prospectus.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Terms of Payment

The entire issue price of [●] per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and relevant Tranche Prospectus.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

For NCDs held in physical form on account of rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be along with the rematerialisation request.

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Record Date

15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date.

Procedure for Redemption by NCD Holders

NCDs held in physical form pursuant to rematerialisation of NCDs:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with

acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "Payment on Redemption" given below.

NCDs held in electronic form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards his/their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹ 1,838.*

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

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

“Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Shelf Prospectus and relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public

notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within 6 Working Days from the date of closure of the Issue. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account with a scheduled commercial bank as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Draft Shelf Prospectus and the Shelf Prospectus, on receipt of the minimum subscription and receipt of listing approval from the Stock Exchanges.
5. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers to the Issue

There are no arrangers to the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Procedure for Rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

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

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.

ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

*Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“**Debt Application Circular**”) as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“**Debt ASBA Circular**”).*

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility as provided for in the Debt Application Circular have been sought from the Stock Exchanges.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term “Working Day” shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue period, i.e. period beginning from Issue closure to listing of the securities on the Stock Exchanges, Working Days shall mean all trading days of the Stock Exchanges, excluding Sundays and Bank holidays as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, Abridged Prospectus, and Application Forms

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus(es) together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers;
3. Offices of the Lead Brokers;
4. Registrar to the Issue
5. Designated RTA Locations for RTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Shelf Prospectus and relevant Tranche Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Who can apply?

The following categories of persons are eligible to apply in the Issue:

Category I Institutional Investors	Category II Non Institutional Investors	Category III High Net-worth Individual, ("HNIs"), Investors	Category IV Retail Individual Investors
<ul style="list-style-type: none">• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;• Provident funds, pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;	<ul style="list-style-type: none">• Companies within the meaning of section 2(20) of the Companies Act, 2013;• Statutory Bodies/ Corporations;• Societies registered under the applicable laws in India and authorised to invest in the NCDs;• Co-operative banks and regional rural banks• Public/private charitable/ religious trusts which are	<ul style="list-style-type: none">• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1 million across all series of NCDs in Issue	<ul style="list-style-type: none">• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1 million across all series of NCDs in Issue

<ul style="list-style-type: none"> • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Mutual Funds registered with SEBI • Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 	<p>authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. 		
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Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to “*Rejection of Applications*” on page 195 for information on rejection of Applications.

Method of Applications

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these

Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case,

without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
2. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications

from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.
2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However the relevant branches of the SCSBs at Specified Cities can accept Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 56.
3. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

[Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.]

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (TRS). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form.
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder.
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
8. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be.
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 56.
16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
17. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form and Tick the series of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, sub-

brokers, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
14. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
15. Do not make an application of the NCD on multiple copies taken of a single form.
16. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
17. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).

Please refer to “*Rejection of Applications*” on page 195 for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock

Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using <u>physical Application Form</u> , (a) to the Members of Consortium or Trading Members of the Stock Exchanges only at the Specified Cities (“ Syndicate ASBA ”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Members of Consortium, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of Consortium, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of the Stock Exchanges and the SCSBs during the Issue Period. The Members of Consortium and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 56.
- (c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant’s responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) Applications can be rejected on the technical grounds listed on page 194 or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does

it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of the Stock Exchanges and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Bond Issue Committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants.
- ii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant.
- iii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned.
- iv. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size.
- v. Applications where a registered address in India is not provided for the Applicant.
- vi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s).
- vii. DP ID and Client ID not mentioned in the Application Form;
- viii. GIR number furnished instead of PAN.
- ix. Applications by OCBs.
- x. Applications for an amount below the minimum application size.
- xi. Submission of more than five ASBA Forms per ASBA Account.
- xii. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals.
- xiii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
- xiv. Applications accompanied by Stock invest/cheque/ money order/ postal order/ cash.
- xv. Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository).
- xvi. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xvii. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- xviii. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
- xix. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained.
- xx. Application Forms submitted to the Members of Consortium or Trading Members of the Stock Exchanges

- or Designated Branches of the SCSBs does not bear the stamp of the relevant Member of Consortium or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be.
- xxi. Applications not having details of the ASBA Account to be blocked.
 - xxii. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
 - xxiii. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
 - xxiv. SCSB making an application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues.
 - xxv. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law.
 - xxvi. Authorization to the SCSB for blocking funds in the ASBA Account not provided.
 - xxvii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority.
 - xxviii. Applications by any person outside India.
 - xxix. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements.
 - xxx. Applications not uploaded on the online platform of the Stock Exchange.
 - xxxi. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable.
 - xxxii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and relevant Tranche Prospectus and as per the instructions in the Application Form.
 - xxxiii. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
 - xxxiv. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories.
 - xxxv. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number.
 - xxxvi. Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained.
 - xxxvii. Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form.
 - xxxviii. Investor Category not ticked.
 - xxxix. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
 - xl. Forms not uploaded on the electronic software of the Stock Exchange.

Kindly note that Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “- *Information for Applicants*” on page 197.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of Applications

Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Consortium Member, Trading Member of the Stock Exchanges or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Consortium Member, or Trading Members of the Stock Exchanges at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective Tranche Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time

of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date of respective Tranche Prospectus. In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Consortium Member, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Tripartite agreement dated July 15, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 1, 2010 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- vii. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the

beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

viii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to “- *Instructions for filling up the Application Form - Applicant’s Beneficiary Account and Bank Account Details*” on page 189.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant’s DP ID and Client ID, Applicant’s PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) Undertaking by our Company for execution of Debenture Trust Deed;
- (f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and the Shelf Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.

- (h) The allotment letter shall be issued or application money shall be refunded within 15 days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board of India, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by our Company

Our Company undertakes that:

- a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
- d) Funds required for dispatch of refund orders/Allotment Advice will be made available by our Company to the Registrar to the Issue;
- e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Shelf Prospectus and the Shelf Prospectus.
- g) Our Company shall make necessary disclosures/reporting under any other legal and regulatory requirement as may be required by our Company from time to time.
- h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

ARTICLES OF ASSOCIATION

OF

INDIABULLS CONSUMER FINANCE LIMITED

PRELIMINARY

1. Article 1: *The regulations contained in Table F of Schedule I shall apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the management of the Company, so however that the Articles shall to the extent to which they are repugnant to and / or at variance with the provisions of the Companies Act 2013, various Schedules thereto and the Rules made thereunder (collectively referred to as "Act"), be deemed to have been replaced by the relevant provisions/rules in the Act so as to be in consonance and harmony therewith.*

INTERPRETATION

2. (1) In these regulations: -
 - (a) **"The Act" means the Companies Act, 1956, as amended, from time to time.**
 - (b) **"The Directors" means the Directors of the Company and include persons occupying the position of Directors by what-ever name called.**
 - (c) **"This Seal" means the Common Seal of the Company.**
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any Statutory modification thereof in force.

3. DELETED

IV. CAPITAL

4. The Authorised Share Capital of the Company is such that stated in Clause V of the Memorandum of Association of the Company or altered thereat, from time to time. The company has the, Power from time to time to increase or reduce, its capital. Any of the said shares and new shares hereafter to be created may, from time to time, be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have or confer such preferential or other special right and privileges may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions of Articles of Association but so that the special rights or privileges belonging to holders of any share issued with preferred or other rights shall not be varied or abrogated or effected except with such sanction as is provided for hereinafter.
5. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms as the Board of Directors think fit and to give any persons any shares whether at par or at premium and for such consideration as the Board of Directors think fit.
6. Subject to these presents and the provisions of the Act, the shares of the Company whenever issued shall be under the control and the disposal of Board of Directors who may allot, issue or otherwise dispose of the same or any of them to such persons or on such terms and conditions and at such times and at par or premium or discount as they may, from time to time, think fit and proper, may also allot and issue shares in capital of the Company in payment or part payment for any property sold or transferred to or for service

rendered to the Company in or about the conduct of its business and the shares which may be allotted may be issued as fully paid up shares and if so issued deemed to the fully paid up shares.

V. TRANSFER AND TRANSMISSION

7. Subject to these Provisions of Section 108 of the Companies Act, 1956, Any member desiring to sell any of his shares must notify to the Board of Directors of the number of shares, the value and the name of the proposed transferee and the Board of Directors must offer to other share-holders, the shares altered at the fair value and if, the offer is accepted, the shares shall be transferred to the acceptors and if the sharers of any of them are not so accepted within one month from the date of notice of Board , the members, proposing transfer shall, be at liberty, subject to Article 8 and 9 hereof, to sell and transfer the shares to any other person either at the same price or at higher price. In case of any dispute, regarding the fair value of the share it shall be decided and fixed by the company Auditor whose decision shall be final.
8. No transfer of shares shall be made or registered without the previous sanction of the Board of Directors, except when the transfer is made by any member of the Company to another member or to a member's spouse or child or children or his/her heirs and Directors may decline to give such sanction without assigning any reason, subject to Section 111 of the Act.
9. The Board of Directors may refuse to register any transfer of shares (I) where the Company has a lien on the share, or (2) where the share is not a fully paid up share, subject to Section 111 of the Act.

VI. GENERAL MEETNG

10. All General Meetings, other than Annual General Meeting shall be called Extra-Ordinary General Meetings.
11.
 - (1) The directors may, whenever it thinks fit, call an Extra-Ordinary General Meeting.
 - (2) If at any time they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any director or any two members if the company may call for an Extra-Ordinary General Meeting in the same manner, as nearly as possible, as that in which a meeting may be called by the Board.
 - (3) Subject to Sections 190, 171, and 219 of the Act, all General Meetings may be called by giving to members clear seven days' notice in writing except where such condition is waived off unanimously by all members in writing in the meeting.

VII PROCEEDINGS AT GENERAL MEETING

12.
 - (1) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when meeting proceeds to business.
 - (2) Subject to regulation 49 of Table 'A' at least two members present in person shall be a quorum.
13. The Chairman if any, of the Board of Directors shall preside as Chairman of every General Meeting of the Company.
14. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their member to be the Chairman of the meeting.
15. If at any meeting, no Director is willing to act as Chairman or if no Director is present within 15 (Fifteen) minutes after the time appointed for holding the meeting, the members (present shall elect one of their members to be Chairman of the meeting.
16.
 - (I) The Chairman may with the consent of any meeting at which quorum is present and shall, if so directed by the meeting adjourn the meeting, from time to time and from place to place.

- (II) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - (III) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting.
 - (IV) Same as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.
17. In case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hand takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
18. Any business other than upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

VIII. DIRECTORS

19. The business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in getting the Company registered and may exercise all such powers of the Company as are not restricted by the Act or any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in general meeting subject nevertheless, to all regulations of these Article, to the provisions of the Act and to such regulations being not inconsistent with the aforesaid Regulation or provisions as may be prescribed by the Company in General Meeting. Nothing shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
20. The First Directors of the Company shall be:
- (1) Mr. Rajesh Kumar Malpani
 - (2) Mr. Amit Kumar Malpani
 - (3) Kamal Kishore Malpani
21. No person, other than a retiring Director, shall be elected as a Director (except as a first Director or Directors appointed by the Director) unless fourteen days' notice shall have been given at the Registered Office of the Company of the intention to propose himself together with a notice in writing, signed by himself signifying his willingness to be elected.
22. The Directors shall not be required to hold any qualification shares in the Company.
23. Each Directors shall receive out of the funds of the Company by way of sitting fee for his services a sum in accordance with the provision of the Companies Act 1956 and Rules made thereunder for every meeting of the Board or any Committee of Directors attended by him.
24. The Director shall also be paid travelling and other expenses of attending and returning from meetings of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. Directors may also be remunerated for any extra services done by them outside their ordinary duties as a Director, subject to the provisions of Section 314 of the Act.
25. If any Director, being willing shall be called upon to perform extra services or special attention for the purpose of the Company, the Company may, subject to Section 314 of the Act, remunerate such Director which is either in addition to or in substitution for remuneration to which he may otherwise be entitled.
26. Subject to Sections 297 and 299 of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company, in which any Director shall be in any way interested, be avoided nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is determined if

his interest then exists or in any other case at the first meeting of the Directors after he acquires such interest.

27. The Board of Directors shall have the power, at any time and from time to time, to appoint any person as Additional Director in addition to the existing Directors but so that the total number of Directors shall not be less than two and not more than twelve including nominee director at any time. Any Director, so appointed shall hold office only till the next following Annual General Meeting but shall be eligible thereof for election as Director.
28. Subject to Section 197A of the Act, the Directors may, from time to time, appoint one or more of them to the office of Managing Director on such terms and conditions and at such remuneration as they may think fit.

IX. PROCEEDINGS OF DIRECTORS

29. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business and the place and manner in which the meeting shall be called. At least two Directors or one third of its total strength whichever is higher, present in accordance with Section 287 of the Act, shall form a quorum. Subject to the provisions of the Act, questions arising at any meeting shall be decided by majority of votes, in case of an equality of votes, the Chairman shall have a second or casting vote.
30. A director may and on the request of a Director, the Secretary, if any shall at any time summon a meeting of Directors. A Director who is not in India shall not be entitled to a notice of a meeting of the Directors.
31. The Directors may and from time to time elect a Chairman who shall preside at the meeting of the Directors and determine the period for which he is to hold office, but if no such Chairman is elected or if at any time, the Chairman is not present the Directors present shall choose one of their numbers to be the Chairman of such meeting.
32. Except a resolution which the Companies Act, 1956 requires it specifically to be passed in a board meeting a resolution in writing signed by the majority of the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted subject to section 289 of the Act.

X. POWERS OF THE DIRECTORS

33. Subject in section 292 of the Act the Board of Directors shall have the rights to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
34. The Board of Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have powers of general direction management and superintendence of the business of the Company with full power to do all such acts matters and things deemed necessary, proper or expedient for carrying on the business and concern of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundies, cheques, drafts and other Government papers and instruments as shall be necessary, proper or expedient for authority and direction of the Company except only such or them as by the Act or by these presents which are expressly directed to be exercised by share-holders in the general meeting

XI. INSPECTION OF ACCOUNTS

35. (1) The Board shall cause proper books of accounts to be maintained under Section 209 of the Act.
- (2) The Board of Directors shall from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company, or any of them, shall be open to the inspection of members not being directors.
- (3) No member (not being a director) shall have any right of inspecting any account book or document of the Company except as conferred by law or authorised by the Board of Directors or by the Company in general meetings.

XII. SECRECY

36. Every manager, auditor, trustee, member of a committee officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon his duties, sign, declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the laws of country and except so far as may be necessary in order to comply with any of the provisions in these presents or the Act.

XIII. BORROWING POWERS

37. Subject to section 58A and 292 of the Act, and Regulations made thereunder and Directions issued by the RBI the Board of Directors shall have the power, from time to time and at their discretion to borrow, raise or to secure the payment of any sum of money for the purpose of the Company in such manner and upon terms and condition in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage charged upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.
- 37A. The Company may carry out consolidation and re-issuance of its debt securities, pursuant to and in terms of the provisions of Regulation 20A of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as may be amended, from time to time.

XIV. OPERATION OF BANK ACCOUNTS

38. The Board of Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies, bills or may authorise any other such person or persons to exercise such powers.

XV. BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

39. The Board of Directors shall lay before each Annual General Meeting, Profit and Loss Account and Balance Sheet for the financial year of the company and Balance Sheet made upto the end of the financial year only and audited by a qualified auditor under the provisions of the Act.

XVI. AUDIT

40. The first auditors of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold the office till the conclusion of first Annual General Meeting.
41. At each annual general meeting of the Company, the Company shall appoint auditors to hold office from the conclusion at the Annual General Meeting to the conclusion of the next Annual General Meeting.

42. The Board of Directors may fill up any casual vacancy by death in office of the Auditors.
43. The remuneration of the auditors shall be fixed by the company in the Annual General Meeting or in such manner as the company in the Annual General Meeting determine except that remuneration of the first or any auditors appointed by the Directors may be fixed by the Board of Directors.

XVII. THE SEAL

44. (1) The Board of Directors shall provide for the safe custody of the seal of the Company.
- (2) The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or of a Committee of the Board authorized by it in that behalf and except in the presence of one of the directors who shall sign every instrument to which the seal of the Company is so affixed. The share certificates will, however, be signed and in accordance with Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

XVIII. WINDING UP

45. (1) On the winding up of the company, the liquidator may, subject to the provisions of the Act, divide amongst the members in specie or otherwise the whole or any part of the assets of the Company, whether they shall consist of property of the same kinds or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how much division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator shall, think fit but so that no member shall be compelled to accept any shares or other Securities whereon there is any liability.

XIX. INDEMNITY

46. Subject to Section 201 of the Companies Act, 1956, the Chairman, Directors, Auditors, Managing Directors, and others officers for the time being or the Company and any trustees for the time being acting in relation to any of the affairs of the company and their heirs, executors shall be indemnified out of the assets and funds of the Company from or against all bonafide suits proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duties in their respective offices except those done through their willful neglect, or default. Any such officers or trustee shall not be answerable for acts, omissions, neglects or defaults of any other officer or trustee.

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone road, Mumbai – 400 013 between 10 am to 5 pm on any Working Day (Monday to Friday) from the date of filing of this Draft Shelf Prospectus with Stock Exchanges until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated January 21, 2019 between our Company and the Lead Managers.
2. Registrar Agreement dated January 18, 2019 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 17, 2019 executed between our Company and the Debenture Trustee.
4. The agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Tripartite agreement dated April 11, 2018 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated May 18, 2017 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated October 27, 1994, issued by Registrar of Companies, NCT of Delhi and Haryana.
3. Certificate of Registration dated November 2, 2018 bearing registration number B-14.00909 issued by the Reserve Bank of India.
4. Copy of shareholders resolution passed at the AGM of our Company held on September 20, 2018, under section 180 (1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated January 14, 2019, approving the issue of NCDs.
6. Copy of the resolution passed by Bond Issue Committee at its meeting held on January 21, 2019, approving the Draft Shelf Prospectus.
7. Letter dated December 28, 2018 by CARE Ratings Limited assigning a rating CARE AA; Stable (pronounced as Double A; Outlook: Stable) for the Issue.
8. Letter dated January 4, 2019 by Brickwork Ratings India Private Limited assigning a rating BWR AA+ (pronounced as BWR Double A Plus) (Outlook: Stable) for the Issue.
9. Consents of the Directors, Chief Financial Officer, our Company Secretary and Compliance Officer, Lead Managers, Bankers to our Company, Legal Advisor to the Issue, Credit Rating Agencies, ICRA Limited for inclusion of ICRA Research report, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Draft Shelf Prospectus, in their respective capacities.
10. Consent of the Statutory Auditors of our Company for inclusion of their name and the report on the Reformatted Financial Information, the Limited Review Financial Results and the Limited Review on Special Purpose Interim Financial Information, in the form and context in which they appear in this Draft Shelf Prospectus.
11. Consent of independent chartered accountants, namely A Sardana & Co., for inclusion of their name and statement of tax benefits dated January 21, 2019, in the form and context in which they appear in this Draft Shelf Prospectus.
12. The report dated January 21, 2019 in relation to the Reformatted Financial Information included therein.
13. The report dated October 10, 2018 in relation to the Limited Review Financial Results included therein.
14. The report dated January 21, 2019 in relation to the Limited Review on Special Purpose Interim Financial Information included therein.
15. Statement of tax benefits dated January 17, 2019 issued by A Sardana & Co, independent chartered accountants.
16. Annual Report of our Company for the last five Fiscals.
17. In-principle listing approval from BSE by its letter no. [●] dated [●], 2019.
18. In-principle listing approval from NSE by its letter no. [●] dated [●], 2019.
19. Due diligence certificate dated [●] filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Pinank Jayant Shah

Whole-time Director and Chief Executive Officer

Ajit Kumar Mittal

Non-Executive Director

Gagan Banga

Non-Executive Director

Nafees Ahmed

Non-Executive Director

Alok Kumar Misra

Independent Director

Brig. (Retd.) Labh Singh Sitara

Independent Director

Preetinder Virk

Additional Director

Place: Mumbai

Date: January 21, 2019

ANNEXURE A

For the annexure, please see the page below.

Shri. Ramnath Shenoy

Vice President

Indiabulls Consumer Finance Limited (erstwhile IVL Finance Limited).

Indiabulls Finance Center

Tower 1, 9^h Floor, Elphinstone Mills

Senapati Bapat Marg,

Mumbai- 400 013.

December 28, 2018

Confidential

Dear Sir,

Credit rating for long term instruments

On the basis of recent developments including operational and financial performance of your company for FY18 (A) and H1FY19 (UA) our Rating Committee has reviewed the following ratings:

Instrument	Rated Amount (Rs. crore)	Outstanding Amount (as on December 28,2018)	Rating ¹	Rating Action
Non-convertible Debenture	3,000.00 (Rs. Three Thousand Crore only)	100.00 (Rs. One Hundred Crore only)	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed
Proposed Public Issue of Secured Redeemable Non- Convertible Debentures	3,000.00 (Rs. Three Thousand Crore only)	Nil	CARE AA; Stable (Double A; Outlook: Stable]	Reaffirmed

2. Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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3. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
5. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

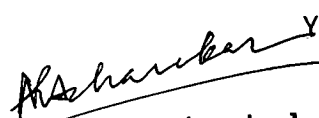
Thanking you,



[Bushra Shaikh]

Analyst

bushra.shaikh@careratings.com



[Aditya Acharekar]

Associate Director

aditya.acharekar@careratings.com

Yours faithfully,

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Indiabulls Consumer Finance Limited (Erstwhile IVL Finance Limited)

January 04, 2019

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long & Short term bank facilities	5,250.00 (Rs. Five Thousand Two Hundred and Fifty Crore only)	CARE AA; Stable / CARE A1+ [Double A; Outlook: Stable / A One Plus]	Reaffirmed
Non-convertible debentures	3,000.00 (Rs. Three Thousand Crore only)	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Proposed Public Issuance of Secured Redeemable Non-Convertible Debentures	3,000.00 (Rs. Three Thousand Crore Only)	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
Commercial Paper	1,000.00 (Rs. One Thousand Crore only)	CARE A1+ [A One Plus]	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the debt instruments and bank facilities of Indiabulls Consumer Finance Limited (IBCFL) (erstwhile IVL Finance Limited) factor in strong support from its parent group i.e. Indiabulls group, shared brand name, experienced management team and healthy capitalization level at the initial stage with capital infusion during FY18 (refers to period from April 01 to March 31) and the current financial year. The ratings further derive strength from the company's focus on building a diversified retail lending book with app based lending platform for personal loans and healthy profitability levels.

The company intends to maintain a net gearing (adjusted for cash and cash equivalents) of less than 2.5 times by March 2019.

The ratings remain constrained by limited track record, initial stage of operations, the consequent unseasoned loan book and sizeable portion of the loan portfolio being unsecured in nature.

Continued support from the parent group, growth in business operations, asset quality with seasoning of the loan portfolio, profitability and capitalization levels are the key rating sensitivities.

Detailed description of the key rating drivers
Key Rating Strengths
Strong support from parent group i.e. Indiabulls group

Indiabulls Consumer Finance Limited (IBCFL) is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which is one of the listed financial services companies of the Indiabulls Group. By virtue of being a part of Indiabulls, IBCFL receives strong support from the group with sharing of the 'Indiabulls' brand name (its digital lending app is named "Indiabulls Dhani"), as well as managerial and operational linkages and financial flexibility in form of regular capital support. The parent company had proposed a minimum equity capital infusion of Rs.1,800 crore out of which Rs.500 crore was received by IBCFL in March, 2018 and Rs.300 crore was received in August, 2018. In addition, the company received equity capital of Rs.2,000 crore during June, 2018 by way of preferential issue of equity shares. In order to further support the business growth of IBCFL, IVL, the parent company has issued and allotted compulsorily convertible debentures (CCDs) of Rs.1,539 crore in December, 2018.

Experienced management team

The management team of IBCFL has extensive experience in financial services industry and is headed by Mr. Pinank Shah who is the whole-time director and Chief Executive Officer (CEO) for IBCFL. Mr. Shah has been associated with the Indiabulls group for over 6 years. He is ably supported by the vastly experienced second line of management many of whom have had experience with leading private sector banks and NBFCs. Further, Mr. Gagan Banga (Vice Chairman and Chief Executive Officer of Indiabulls Housing Finance Limited) and Mr. Alok Mishra (former Chairman and Managing Director of Bank of India and Oriental Bank of Commerce) have joined the Board of Directors of Indiabulls Consumer Finance Limited (IBCFL).

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Strong net-worth base and healthy capitalization levels

IBCFL has been significantly capitalized at the initial stage with its tangible net worth of Rs.1,645.74 crore as on March 31, 2018. This helped the company report Capital Adequacy Ratio (CAR) of 40.00% (Tier I CAR: 39.61%) [assuming zero risk weights for investment in mutual funds] as on March 31, 2018. Overall gearing stood at 2.29x as on March 31, 2018 with net gearing of 1.5x. The company plans to maintain net gearing of less than 2.5x till end of FY19. Post March 2018, another round of equity infusion led to increase in tangible net worth to Rs.4,092 crore as on September 30, 2018 with overall gearing of 1.64x and net gearing of 1.5x.

Diversified loan portfolio with app based lending platform for personal loan

IBCFL has a presence in three lending segments viz. personal loans which constituted 29% of total loan portfolio, secured SME loans (52%) and unsecured SME loans (19%) as on September 30, 2018.

IBCFL has developed an application for their personal loan portfolio called 'Indiabulls Dhani' which will enable loan application, risk analysis, credit approval, underwriting and disbursal process to be carried out electronically through the application. Due to fast scale up of operations, the proportion of secured and unsecured loan portfolio was similar as on September 30, 2018. However, going forward, the company expects the share of personal loans and unsecured to be around more than 50% of the loan portfolio on a steady state basis.

Healthy profitability levels

IBCFL reported robust growth in its profitability post launch of its 'Indiabulls Dhani' app and scaling up of its operations with Profit after Tax (PAT) of Rs.191.52 crore on a total income of Rs.700.07 crore during FY18 as against PAT of Rs.6.69 crore on a total income of Rs.57.24 crore during FY17. The Return on Total Assets (ROTA) stood at 6.71% for FY18 as against 4.33% during FY17.

During H1FY19 (refers to period from April to September), the company reported PAT of Rs.199.29 crore (unaudited) on a Total Income of Rs.657.87 crore (unaudited).

Comfortable liquidity profile

The liquidity profile of the company was comfortable with relatively shorter maturity profiles of assets at around 23 months and average maturity profile of liabilities at around 45 months as on September 30, 2018. At the current maturity level, the company maintains around 10% of the total loan portfolio by way of cash and liquid mutual fund investments as a liquidity buffer. Further, low gearing level in the initial stages of operations has helped the liquidity profile of the company.

Key Rating Weaknesses**Limited track record with unseasoned loan portfolio with untested asset quality**

IBCFL has limited track record and started its lending operations during FY17. The company has been able to scale up its operations significantly post the launch of its app in H1FY18 for sourcing its personal loans along with sourcing of business loans. The gross loan portfolio stood at Rs.10,140 crore as on September 30, 2018. Though, the company has scaled up its operations, its loan portfolio remains largely unseasoned. Further, the portfolio mix as on September 30, 2018 constitutes 48% of unsecured lending in the form of personal loan and unsecured SME loans and with more than 50% of the loan portfolio planned to be unsecured going forward, the asset quality is yet to be tested.

Although, the asset quality parameters stood comfortable with Gross NPA ratio of 0.13% and Net NPA ratio of 0.03% as on September 30, 2018, the asset quality of its loan portfolio is yet to be tested.

Analytical approach: CARE has assessed the standalone financial profile of Indiabulls Consumer Finance Limited (IBCFL). Further, the assessment also factors in the synergies enjoyed by IBCFL as a part of the Indiabulls Group. The company benefits from the shared brand name, management and operational linkages with the group.

Liquidity position

The asset liability maturity profile of IBCFL as on September 30, 2018 had no negative cumulative mismatches up to one year on account of low gearing levels given its early stage of operations and well-matched asset liability maturities where in the average maturity of assets is around 23 months as compared to average maturity of liabilities of 45 months. At current maturity levels, the company has a policy of maintaining liquid assets (cash and liquid mutual funds) of around 10% of the loan portfolio. The company had cash balance and liquid investments of Rs.929 crore and undrawn bank lines of Rs.350 crore as on December 26, 2018.

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)
[Rating Methodology: Factoring Linkages in Ratings](#)
[Rating Methodology- Non-Banking Finance Companies](#)
[Financial ratios - Financial Sector](#)

About the Company

Indiabulls Consumer Finance Limited (IBCFL) (erstwhile IVL Finance Limited) is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL), one of the financial services companies of Indiabulls group engaged in providing securities and derivative broking services. The company was incorporated on October 27, 1994 and in September, 2018, the name of the company was changed to 'Indiabulls Consumer Finance Limited'.

The company is registered as a non-deposit taking systemically important non-banking finance company (NBFC-ND-SI) and is IBCFL is into lending business with primary focus on personal loans, unsecured SME loans and secured SME loans.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	57.24	700.07
PAT	6.69	191.52
Tangible net-worth	207.89	1,645.74
Asset under management (AUM)	91.91	4,001.83
Total Assets (net of intangibles)	216.28	5,488.41
Net NPA (%)	Nil	0.05
ROTA (%)	4.33	6.71

A: Audited; UA; Unaudited; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Aditya Acharekar
 Tel: 022-6754 3528
 Mobile: +91-98190 13971
 Email: aditya.acharekar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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

based on the amount and type of bank facilities/instruments.

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST- Bank facilities	-	-	-	5,250	CARE AA; Stable/CARE A1+
Commercial Paper	-	-	-	1,000	CARE A1+
Debentures- Non-convertible debentures	-	-	-	3,000	CARE AA; Stable
Proposed Public issue of secured redeemable non-convertible debentures	-	-	-	3,000	CARE AA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT/ ST- Bank facilities	LT	5,250	CARE AA; Stable / CARE A1+		1) CARE AA; Stable/CARE A1+ (21-Mar-18)	-	-
2.	Commercial Paper	ST	1,000	CARE A1+	1) CARE A1+ (08-May-18)	1) CARE A1+ (21-Mar-18)	-	-
3.	Debentures- Non-convertible debentures	LT	3,000	CARE AA; Stable	1)CARE AA; Stable (25-Sep-18)	1) CARE AA; Stable (23-Mar-18)	-	-
4.	Proposed Public issue of secured redeemable non-convertible debentures	LT	3,000	CARE AA; Stable	1) CARE AA; Stable (05-Sep-18)	-	-	-

CONTACT**Head Office Mumbai****Ms. Meenal Sikchi**

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E-mail: ankur.sachdeva@careratings.com**Mr. Saikat Roy**

Cell: + 91 98209 98779

E-mail: saikat.roy@careratings.com**CARE Ratings Limited****(Formerly known as Credit Analysis & Research Ltd.)**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Deepak Prajapati**32, Titanium, Prahaladnagar Corporate Road,
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Cell: +91-9099028864

Tel: +91-79-4026 5656

E-mail: deepak.prajapati@careratings.com**BENGALURU****Mr. V Pradeep Kumar**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
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Tel: +91-80-4115 0445, 4165 4529

Email: pradeep.kumar@careratings.com**CHANDIGARH****Mr. Anand Jha**SCF No. 54-55,
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Chandigarh

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Email: anand.jha@careratings.com**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
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Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square
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Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
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Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

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E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

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Tel: +91-33- 4018 1600

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Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691

ANNEXURE B

For the annexure, please see the page below.



BWR/NCD/HO/ERC/RB/0615/2018-19

4 Jan 2019

Ms. Pinank Shah

Chief Executive Officer

Indiabulls Consumer Finance Limited

Tower I, 9th Floor, Elphinstone Mills, Senapati Bapat Marg

Mumbai - 400 013

Dear Sir,

Sub: Validation of Rating – Indiabulls Consumer Finance Ltd – Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs with a tenor of upto 10 years.

Ref: Your email request dated 3 Jan 2018


We wish to advise that your Company's aforementioned Proposed Public Issue of Secured Redeemable Non Convertible Debenture issue of Rs 3000 Crs carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018. The rating is valid up to 19 Oct 2019. We note that the Company has not raised any NCDs out of the rated amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/MM/0468/2018-19 dated 19 Oct 2018 remains unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,


Rajat Bahl
Head – Financial Sector Ratings



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

Brickwork Ratings India Pvt. Ltd.

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

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



Rating Rationale

19 Oct 2018

Indiabulls Consumer Finance Limited (Erstwhile known as “IVL Finance Ltd”)

Brickwork Ratings assigns the ratings for the Proposed Public Issue of Secured Redeemable Non-Convertible Debentures - Public Issue of ₹ 3000.00 Crores of Indiabulls Consumer Finance Limited (“ICFL” or “Company”)

Particulars

Instrument	Amount	Tenor	Rating*
Proposed Public Issue of Secured Redeemable Non Convertible Debentures	3000	Upto 10 years	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook:Stable)

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

BWR also reaffirms the following ratings for the Bank Loan Facilities and commercial paper programme:

Instrument/ Facility	Previous Amount (₹. Crs)	Present Amount (₹. Crs)	Tenor	Rating History (Sep 2018)	Rating Reaffirmed*
Bank Loan -Fund Based	4000	4000	Long Term	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable
Commercial Paper Programme	1000	1000	Upto 365 days	BWR A1+ (Pronounced as BWR A One Plus)	BWR A1+ (Pronounced as BWR A One Plus)
Total	5000	5000	INR Five Thousand Crores Only		

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on audited financials of Indiabulls Consumer Finance Ltd (ICFL) upto FY18, unaudited financials for H1FY19, projections, publicly available information and other information and clarifications provided by the company.



The rating has factored, *inter alia*, strong financial support from the parent company Indiabulls Ventures Ltd., experienced & professional management, adequate capitalization, significant capital infusion resulting in strong Networth, robust business growth in FY18 & H1FY19 and aggressive growth plans capitalising on technology based approach. However, the rating is constrained by the fact that the loan portfolio is unseasoned, some of the exposure is unsecured, and competitive landscape for NBFCs.

Description of Key Rating Drivers

Credit Strengths:

- **Ownership and Management:** ICFL is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which provides financial strength & flexibility to the company. IVL, in turn, has 36.75% equity stake held by Mr. Sameer Gehlaut (promoter of Indiabulls Group) and his associate companies. The company has raised significant capital in FY18 and in H1FY19 which has resulted in Tangible Networth of Rs. 4153 Crores as of 30 Sep 2018.
- **Robust Growth in Loan Portfolio:** The Company has started its focus on Personal and SME lending business since April 2017 and has aggressively grown its loan book from Rs 92 crs in FY17 to Rs. 4002 Crores as on 31 March 2018. As on 30 Sep 2018, the outstanding loan book stood at Rs 10,140 Crs. The company further expects the loan book to grow significantly over the next two years. In view of the fact that the portfolio is quite new, asset quality issues need to be established over a period of time and through cycles.
- **Technology Initiative:** The growth in loan portfolio is led by “Dhani” - a real time app, which, according to ICFL, is a unique tool and provides end-to-end personal loan fulfillment. Such technology based approaches are likely to become popular with aspirational borrowers, and also bring down operational costs to the company.
- **Healthy Capitalization :** The parent company has continuously infused capital resulting in a healthy CRAR of 39.83% as on 30 Sep 2018 as against the minimum regulatory requirement of 15%. The promoters have plans of infusing further capital in FY19 which will help the company to maintain adequate CRAR levels. The company has also undertaken to keep their Net Debt : Tangible Networth ratio at 3x or better.



Credit Risks:

- **Unseasoned Portfolio and unsecured nature of portfolio :** Even though the company was incorporated in 1994, the commercial operations were started from Q1FY18 and has seen a robust growth in the loan portfolio and as on 30 Sep 2018 it has GNPA & NNPA of 0.13% and 0.03% respectively. The portfolio is unseasoned and has to go through business cycles to establish credit underwriting standards and collection efficiency. Further, currently, 48% of the portfolio comprising of Personal Loans and SME loans is unsecured in nature and Loss Given Default could be higher.
- **Inherent Risks:** Currently, NBFC sector in India is growing through liquidity challenges as lenders/investors are not keen to take additional exposure resulting in increased borrowing costs and potential ALM mismatches in the short term. This will adversely affect spread for NBFCs. Given the situation maintaining adequate liquidity and sustaining growth could be a challenge. Also being in the competitive landscape of NBFCs, the company is exposed to inherent risks associated with the industry like high competition and regulatory responsibilities.

Rating Outlook: Stable

BWR believes the **Indiabulls Consumer Finance Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Negative' if the revenues go down, there is stress in asset quality and profit margins show lower than expected figures.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale). Though the rating is based on stand-alone financial strength of the company, BWR has taken note of the fact that the company derives benefit of the professional management and marketing/distribution capability of the Indiabulls group.

About the Company

Indiabulls Consumer Finance Limited, (ICFL) (erstwhile known as IVL Finance Ltd), is a Non-Banking Finance Company (NBFC) and was incorporated on October 27, 1994 and is a wholly owned subsidiary of Indiabulls Ventures Limited (IVL) which is rated at BWR "AA-(Stable)/A1+". Mr Sameer Gehlaut, promoter of Indiabulls group of companies is a common shareholder (through associate companies) in all the Group companies which are into Housing finance, Real Estate development, brokerage, etc., and NBFC business fits into their overall business strategy. ICFL started its lending business and operations only from April 2017 after



raising substantial capital. The company changed its name from “IVL Finance Ltd” to “Indiabulls Consumer Finance Ltd” w.e.f. 18 September 2018.

ICFL primarily focuses on Personal Loans (PL) with ticket size ranging between Rs 50,000 to Rs 3.0 Lakhs and Business Installment Loans (BIL) avg ticket size ranging from Rs 10 lakhs to Rs 25 lakhs. For this, the company has adopted “Dhani” , an app based lending technology. ICFL’s Asset under Management (AUM) as on 30 Sep 2018 stood at Rs. 10,140 Crores. The Board of Directors consists of seven Directors and an experienced management team headed by the Chief Executive Officer (CEO) Mr. Pinank Shah.

Company Financial Performance

As per the unaudited financial statements for the period ending 30 Sep 2018, the company has reported Total income & Net Operating income of Rs 658 Crs & 475 Crs respectively. PAT reported for the same period is Rs 199 Crs on outstanding loan book of Rs 10,140 crs. As on 30 Sep 2018, Tangible Networth of the company stood at Rs 4,153 Crs. The company has reported GNPA & NNPA at 0.13% & 0.03% respectively as of 30 Sep 2018.

During the year (FY18), the loan book has substantially increased from Rs. 92 Crores to Rs.4002 Crores, comprising of Personal Loan segment and Business Loan. The portfolio is unseasoned, and hence, with growing loan book, they have Gross NPA of 0.05% as of 31st Mar 2018.

For FY18, Total operating Income and Net operating Income for the Company stood at Rs 498 Crs and Rs 361 Crs respectively. The Net Interest Margin was 9.01%. The PAT for FY18 was Rs 191.52 Crs when compared to Rs. 6.69 Cr in FY17.

ICFL’s Tangible Net Worth increased from Rs. 208.58 Crores in FY17 to Rs 1646.54 Crs in FY18 on account of infusion of capital by the parent company and retention of profits. ICFL’s capital adequacy in the form of CRAR is presently at 40% for FY18, but can be expected to come down based on growth in the loan book.

Key Financial Indicators

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
AUM	₹ Cr	4002	92
Net Operating Income	₹ Cr	361	17

PAT	₹ Cr	192	7
Tangible Net worth (TNW)	₹ Cr	1647	209
BWR Leverage (Total Assets/TNW)	Times	3.35	1.04
CRAR	%	40.00	90.04

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Instrument/ Facility	Current Rating (Oct 2018)			Rating History			
		Type	Amount (₹ Crs)	Rating	Sept 2018	May 2018	Sept 2017	2016
1	Proposed Public Issue of Secured Redeemable Non Convertible Debentures	Long Term	3000	BWR AA+ (Stable) (Assigned)	N.A.	N.A.	N.A.	N.A.
2	Commercial Paper Programme	Short Term	1000	BWR A1+ (Reaffirmed)	BWR A1+	BWR A1+	BWR A1+	N.A.
3	Bank Loan Facilities	Long Term	4000	BWR AA+ (Stable) (Reaffirmed)	BWR AA+ (Stable) (Assigned)	N.A.	N.A.	N.A.
Total			8000	₹ Eight Thousand Crores Only				

Hyperlink/Reference to applicable Criteria

- [Commercial Paper](#)
- [General Criteria](#)
- [Banks & FIs](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<i>Manjunatha MSR</i> <i>Head -Ratings Administration</i>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

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

ANNEXURE C

For the annexure, please see the page below.

IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154



10109 / ITSL / OPR / CL / 18-19 / DEB / 1753

16-January-2019

Indiabulls Consumer Finance Limited

M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the "Issue") by Indiabulls Consumer Finance Limited (the "Company").

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) to be filed with the National Stock Exchange of India Limited, BSE Limited ("Stock Exchanges") and the Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Delhi and Haryana ("RoC"), which the Company intends to issue in respect of the Issue of NCDs and also in all related advertisements and communications sent pursuant to the Issue of NCDs.

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	Asian Building, 17, R.Kamani Marg, Ballard Estate Mumbai 400 001
Tel:	+91 022 40807018
Fax:	+91 022 66311776
E-mail:	anjalee@idbitrustee.com
Investor Grievance id:	response@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Ms. Anjalee Athalye
Compliance Officer:	Mr. Jatin Bhatt
SEBI Registration Number:	IND000000460

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in Annexure A. We also certify that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

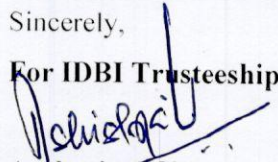
We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Public Issue of any changes in the aforesaid details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchange.

We also confirm that we are not disqualified to be appointed as Debenture Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For IDBI Trusteeship Services Limited


Authorised Signatory

Annexure A

16-January-2019

Indiabulls Consumer Finance LimitedM-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001

Dear Sir/ Madam,

Sub: Proposed public issue of secured, redeemable, non-convertible debentures of up to Rs. 3,000 crores (the "Issue") by Indiabulls Consumer Finance Limited (the "Company").

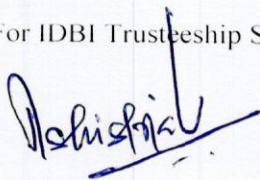
We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Permanent Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	14-Feb-2017
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NA
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NA
6.	Details of any penalty imposed by SEBI	NA

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely

For IDBI Trusteeship Services Limited

**Authorised Signatory**

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 263

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड
2) Registration Code for the debenture trustee is

IND000000460

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र
3) Unless renewed, the certificate of registration is valid from

तक विधिमान्य है।
This certificate of registration shall be valid unless it is suspended or cancelled by the board

CERTIFIED TRUE COPY
For IDBI TRUSTEESHIP SERVICES LTD.

AUTHORISED SIGNATORY



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place :

MUMBAI

तारीख Date :

FEBRUARY 14, 2017

M. J. Sanparote
MEDHASONPAROTE

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE D

For the annexure, please see the page below.

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

Statement of dividend to equity share holders

(All amounts in Rs. millions, unless otherwise stated)

Statement of Dividend	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Equity shares (No. of shares)	24,551,565	5,219,000	2,316,600	2,316,600	2,316,600
Face value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00
Equity share capital (Rs.)	245.52	52.19	23.17	23.17	23.17
Rate of dividend %	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend per equity share (Rs.)	Nil	Nil	Nil	Nil	Nil
Amount of dividend paid	Nil	Nil	Nil	Nil	Nil
Dividend distribution tax	Nil	Nil	Nil	Nil	Nil