Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	How our audit addressed the key audit matter
1. Adoption of Indian Accounting Standards Framework	
Refer Note 3 for significant accounting policies and Note 52 for reconciliation. The standalone financial statements for the year ended 31 March 2019 are the first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Act. The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. Note 52 in the financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition. This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts. Considering the significance of the matter in the current year to the financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.	Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following: (a) obtaining an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS; (b) reviewing the implementation of exemptions availed and options chosen by the Company in accordance with the Ind AS 101; (c) assessing the appropriateness of the adjustments made to the opening balance sheet as at 1 April 2017; (d) assessing the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2018 which were prepared in the previous GAAP; (e) evaluating the appropriateness of accounting policies selected by the Company on transition to Ind AS on the basis of our understanding of the Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework; (f) evaluating the adequacy and appropriateness of the financial statements disclosures arising on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS; and (g) obtaining written representations from management and those charged with governance on whether the financial statements comply with the Ind AS in all respects.
2. Use of information processing system for accounting and financial reporting	
The Company relies upon information processing systems for recording, processing, classifying and presenting the	Our key audit procedures on this matter included, but were not limited, to the

Key Audit Matter	How our audit addressed the key audit matter
large volume of transactions entered into by the Company. The Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	following: (a) obtaining an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) involving IT specialists (auditor's expert) for performance of the following procedures: (i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and (ii) testing the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. (c) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.

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

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

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

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

    (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Other Matters

15. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these standalone financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The standalone financial statements for the year ended 31 March 2017 were audited by the predecessor auditor whose audit report dated 25 April 2017 expressed an unmodified opinion on those standalone financial statements. The standalone financial statements for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management.

16. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    (a) we have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the standalone financial statements dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

(f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed unmodified opinion;

(g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   (i) the Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2019;

   (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for transactions done during the period from 8 November 2016 to 30 December 2016. Therefore, these disclosures are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Lalit Kumar
Partner
Membership No. 095256

Place: Mumbai
Date: 25 April 2019

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

Annexure I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The Company has a regular program of physical verification of its Property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any dues payable to government during the year.

(ix) In our opinion, the Company has applied moneys raised by way of initial public offer of debt instruments and the term loans for the purposes for which these were raised, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has made private placement of redeemable non-convertible debentures. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

Lalit Kumar
Partner
Membership No. 095256

Place: Mumbai
Date: 25 April 2019

Annexure II

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Balance Sheet as at 31 March 2019
(All amounts in Rs. lakh unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	4	93,078.55	88,235.57	145.05
Bank balance other than cash and cash equivalents	5	14,538.84	6,746.49	-
Loans	6	1,050,813.31	400,251.20	8,976.16
Investments	7	57,663.38	44,882.61	11,254.68
Other financial assets	8	4,789.32	1,538.51	-
Total financial assets		**1,220,883.40**	**541,654.38**	**20,375.89**
Non-financial assets				
Current tax assets (net)	9	2,421.41	799.70	819.48
Deferred tax assets (net)	10	1,685.38	1,167.86	133.38
Investment accounted for using equity method	11	3,570.43	-	-
Property, plant and equipment	12(a)	3,093.33	1,551.04	0.70
Intangible assets under development	12(b)	246.07	58.04	-
Other intangible assets	12(c)	5,184.96	3,074.68	-
Other non-financial assets	13	8,688.92	2,687.06	174.44
Total non-financial assets		**24,890.50**	**9,338.38**	**1,128.00**
TOTAL ASSETS		**1,245,773.90**	**550,992.76**	**21,503.89**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	14	209.42	679.80	-
Payables				
Trade payables	15			
(i) total outstanding dues of micro enterprises and small enterprises		-	7.20	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,804.12	2,765.38	-
Other payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,819.40	359.99	0.37
Debt securities	17	173,486.15	35,000.00	-
Borrowings (other than debt securities)	18	541,996.86	278,015.68	-
Others financial liabilities	19	82,055.75	63,097.96	-
Total financial liabilities		**805,371.70**	**379,926.01**	**0.37**
Non-financial liabilities				
Current tax liabilities (net)	20	-	689.74	49.57
Provisions	21	1,067.53	221.05	9.38
Other non-financial liabilities	22	2,521.81	1,307.27	549.56
Total non-financial liabilities		**3,589.34**	**2,218.06**	**608.51**
EQUITY				
Equity share capital	23	6,118.80	2,455.16	521.90
Instruments entirely equity in nature	24	-	550.00	-
Other equity	25	430,694.06	165,843.53	20,373.11
Total equity		**436,812.86**	**168,848.69**	**20,895.01**
TOTAL LIABILITIES AND EQUITY		**1,245,773.90**	**550,992.76**	**21,503.89**

The accompanying notes form an integral part of these financial statements
This is the standalone balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

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

Place: Mumbai
Date: 25 April 2019

Nafees Ahmed
Director
DIN: 03496241

Place: Gurugram
Date: 25 April 2019

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

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

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	26	146,704.91	34,469.69
Dividend income	27	2,534.78	19,692.44
Fees and commission income	28	11,833.11	11,246.38
Net gain on fair value changes	29	753.47	-
Net gain on derecognition of financial instruments under amortised cost category	30	2,979.61	-
Total revenue from operations		**164,805.88**	**65,408.51**
Other income	31	196.13	25.59
Total income		**165,002.01**	**65,434.10**
Expenses			
Finance costs	32	55,947.78	13,449.23
Net loss on fair value changes	29	-	15,219.85
Impairment on financial instruments	33	10,301.34	2,487.96
Employee benefits expenses	34	22,992.60	6,425.55
Depreciation and amortisation	35	1,890.83	560.82
Other expenses	36	20,529.89	5,506.09
Total expenses		**111,662.44**	**43,649.50**
Profit before tax		**53,339.57**	**21,784.60**
Tax expense:	37		
Current tax		13,822.11	5,790.09
Deferred tax credit		(501.94)	(1,008.85)
Total tax expenses		**13,320.17**	**4,781.24**
Profit for the year		**40,019.40**	**17,003.36**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(44.57)	(74.05)
Income tax expense relating to above items		15.58	25.63
Other comprehensive income		(28.99)	(48.42)
Total comprehensive income for the year		**39,990.41**	**16,954.94**
Earnings per equity share	38		
Basic (Rs.)		79.49	111.48
Diluted (Rs.)		71.66	86.13

The accompanying notes form an integral part of these financial statements
This is the standalone statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

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

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Mumbai
Date: 25 April 2019

Place: Mumbai
Date: 25 April 2019

Place: Gurugram
Date: 25 April 2019

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Cash flow statement for the year ended 31 March 2019
(All amounts in Rs. lakh unless stated otherwise)

		For the year ended 31 March 2019		For the year ended 31 March 2018	
A	**Cash flow from operating activities:**				
	Net profit before tax		53,339.57		21,784.60
	Adjustments for :				
	Depreciation and amortisation	1,890.83		560.82	
	Impairment on financial instruments	10,301.34		2,487.96	
	Provision for gratuity and compensated absences	358.66		(3.99)	
	(Loss)/profit on fair value changes	(753.47)		15,219.85	
	Gain on sale of loan portfolio through assignment	(3,157.96)		-	
	Effective interest rate adjustment for financial instruments	(2,102.89)		(230.26)	
	Share based payments to employees	3,453.69		2,370.97	
			9,990.20		20,405.35
	Operating profit before working capital changes		**63,329.77**		**42,189.95**
	Adjustments for:				
	Loans	(660,863.45)		(393,763.00)	
	Other financial assets	(92.83)		(1,538.51)	
	Other non financial assets	(4,409.32)		(2,297.55)	
	Derivative liabilities	(470.38)		679.80	
	Trade payables	3,031.54		2,772.58	
	Other payables	1,459.41		359.62	
	Other financial liabilities	18,957.79		63,097.96	
	Provisions	443.25		141.61	
	Other non financial liabilties	1,214.54		757.71	
			(640,729.45)		(329,789.78)
	Cash used in operating activities		**(577,399.68)**		**(287,599.83)**
	Income taxes paid (including tax deducted at source)		(16,133.56)		(5,130.14)
	Net cash used in operating activities		**(593,533.24)**		**(292,729.97)**
B	**Cash flow from investing activities:**				
	Purchase of property,plant and equipment, intangible assets under development and intangible assets		(7,323.97)		(5,458.95)
	Investment made in associate		(3,570.43)		-
	Purchase of other investments (net)		(19,819.65)		(55,594.27)
	Net cash used in investing activities		**(30,714.05)**		**(61,053.22)**
C	**Cash flow from financing activities:**				
	Proceeds from issue of equity shares (including premium)		257,224.80		100,276.59
	Repayment of preference shares (including premium)		(27,500.00)		27,500.00
	Proceeds from debt securities		786,539.71		35,000.00
	Repayment of debt securities		(646,419.18)		-
	Proceeds from borrowings other than debt securities		894,099.64		307,564.00
	Repayment of borrowings other than debt securities		(629,275.43)		(28,466.88)
	Dividends paid (including dividend distribution tax)		(5,579.27)		-
	Net cash flows from financing activities		**629,090.27**		**441,873.71**
D	**Net increase in cash and cash equivalents (A+B+C)**		**4,842.98**		**88,090.52**
E	**Cash and cash equivalents at the beginning of the year**		**88,235.57**		**145.05**
F	**Cash and cash equivalents at the end of the year (D + E)**		**93,078.55**		**88,235.57**

INDIABULLS CONSUMER FINANCE LIMITED
(Formerly known as IVL Finance Limited)
Standalone Cash flow statement for the year ended 31 March 2019
(All amounts in Rs. lakh unless stated otherwise)

Notes :

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

Cash in hand	0.92	0.42
Balances with banks:		
- in current accounts	85,029.94	56,127.08
- in term deposits with original maturity of less than three months*	8,047.69	32,108.07
Cash and cash equivalents at the end of the year	**93,078.55**	**88,235.57**

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

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

The accompanying notes form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer

DIN: 07859798

Nafees Ahme
Director
DIN:
03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Mumbai
Date: 25 April 2019

Place: Mumbai
Date: 25 April 2019

Place: Gurugram
Date: 25 April 2019

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

(A) Equity share capital

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	**521.90**	1,933.26	**2,455.16**	3,663.64	**6,118.80**

(B) Instruments entirely equity in nature

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Compulsorily convertible preference shares	**-**	550.00	**550.00**	(550.00)	**-**

(C) Other equity

Particulars	Statutory reserves	Securities premium	Capital redemption reserve	Debenture redemption reserve	Share options outstanding account	Retained earnings	Other component of equity	Total
Balance as at 1 April 2017	**356.41**	**18,629.86**	**100.00**	**-**	**68.79**	**1,218.05**	-	**20,373.11**
Profit for the year	-	-	-	-	-	17,003.36	-	17,003.36
Other comprehensive income (net of tax)	-	-	-	-	-	(48.42)	-	(48.42)
Transfer from retained earnings	3,830.42	-	-	-	-	(3,830.42)	-	-
Issue of equity shares	-	98,343.33	-	-	-	-	-	98,343.33
Issue of compulsory convertible preference shares (refer note 24)	-	26,950.00	-	-	-	-	-	26,950.00
Share based payment to employees	-	-	-	-	2,370.98	-	-	2,370.98
Equity component for financial guarantee	-	-	-	-	-	-	851.17	851.17
Balance as at 31 March 2018	**4,186.83**	**143,923.19**	**100.00**	**-**	**2,439.77**	**14,342.57**	**851.17**	**165,843.53**
Profit for the year	-	-	-	-	-	40,019.40	-	40,019.40
Other comprehensive income (net of tax)	-	-	-	-	-	(28.99)	-	(28.99)
Transfer from retained earnings	7,998.08	-	-	416.54	-	(8,414.62)	-	-
Issue of equity shares	-	253,561.16	-	-	-	-	-	253,561.16
Adjustment of compulsory convertible preference shares (refer note 24)	-	(26,950.00)	-	-	-	-	-	(26,950.00)
Share based payment to employees	-	-	-	-	3,453.69	-	-	3,453.69
Transfer to retained earnings	-	-	-	-	(12.76)	12.76	-	-
Equity component for financial guarantee	-	-	-	-	-	-	374.54	374.54
Dividends (including dividend distribution tax) during the year (Rs. 18.85 per share)	-	-	-	-	-	(5,579.27)	-	(5,579.27)
Balance as at 31 March 2019	**12,184.91**	**370,534.35**	**100.00**	**416.54**	**5,880.70**	**40,351.85**	**1,225.71**	**430,694.06**

The accompanying notes form an integral part of these financial statements
This is the statement of changes in equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

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

Place: Mumbai
Date: 25 April 2019

Nafees Ahmed
Director
DIN: 03496241

Place: Gurugram
Date: 25 April 2019

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

1. Company overview

Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) ('the Company') is a public limited Company incorporated under the provisions of Companies Act and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at M-62 a 63, First Floor, Connaught Place, New Delhi – 110001.

In accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 14 October 2016, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 19 October 2016 in respect of the said change. Accordingly, the name of the Company was changed from Shivshakti Financial Services Limited to IVL Finance Limited ("IVLFL" or "the Company").

Further, in accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013, the members of the Company at their Extraordinary General Meeting held on 17 September 2018, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 18 September 2018 in respect of the said change. Accordingly, the name of the Company was changed from IVL Finance Limited to Indiabulls Consumer Finance Limited ("ICFL" or "the Company")

2. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These Reformatted financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended 31 March 2019 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements upto and for the year ended 31 March 2018 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 52.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 25 April 2019.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	**Useful life**
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Transition to Ind AS
The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

b) Intangible assets

Recognition and initial measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)
Intangible assets are amortised over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS
The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d) Revenue recognition

Interest income on loans
Interest (including processing fee) income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue charges are recognised on realisation basis.

Income from assignment transactions
Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Interest on term deposits
Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income
Dividend income is recognised at the time when the right to receive is established by the reporting date.

Fee and commission income
All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing cots consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

f) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

g) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

h) Share based payments

Share based compensation benefits are provided to employees via Indiabulls Ventures Limited ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

j) Impairment of financial assets

Loan assets
The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

l) Equity investment in associate

Investments representing equity interest in associate is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

o) Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost –** a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Investments in mutual funds –** Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Financial guarantee

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Compulsorily convertible preference shares

Instruments which are entirely equity in nature such as compulsorily convertible preference shares are measured at transaction value and presented as separate line item on the face of balance sheet.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Company also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the statement of profit and loss along with change in fair value of underlying asset.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

r) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (`), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

t) Standards issued but not yet effective

Ind AS 116 'Leases'

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

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(All amounts in Rs. lakh unless stated otherwise)

Note - 4
Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Cash on hand	0.92	0.42	0.04
Balances with banks			
- Current accounts	85,029.94	56,127.08	145.01
- Bank deposits with original maturity of three months or less (refer note below)	8,047.69	32,108.07	-
	93,078.55	**88,235.57**	**145.05**

Note - 5
Bank balance other than cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Bank deposits with original maturity of more than 3 months (refer note below)	14,538.84	6,746.49	-
	14,538.84	**6,746.49**	**-**

Note:

The amount under lien as security against overdraft facility availed, assets securitised, bank guarantee and margin money are as follows (included above in note 4 and 5):

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Overdraft facilities	7,744.43	37,625.90	-
Securitisations	6,212.44	-	-
Bank guarantee	25.30	25.07	-
Margin money	1,113.34	1,203.59	-
	15,095.51	**38,854.56**	**-**

Note - 6
Loans (at amortised cost)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Loans			
Secured	496,083.42	188,663.59	-
Unsecured	567,217.22	213,089.16	9,191.00
Total - gross	**1,063,300.64**	**401,752.75**	**9,191.00**
Less: Impairment loss allowance	(12,487.33)	(1,501.55)	(214.84)
Total - net	**1,050,813.31**	**400,251.20**	**8,976.16**
Secured by tangible assets	494,306.69	186,935.30	-
Secured by other assets	1,776.73	1,728.29	-
Unsecured	567,217.22	213,089.16	9,191.00
Total - gross	**1,063,300.64**	**401,752.75**	**9,191.00**
Less: Impairment loss allowance	(12,487.33)	(1,501.55)	(214.84)
Total - net	**1,050,813.31**	**400,251.20**	**8,976.16**
Loans in India			
(i) Public Sector	-	-	-
(ii) Others	1,063,300.64	401,752.75	9,191.00
Total - gross	**1,063,300.64**	**401,752.75**	**9,191.00**
Less: Impairment loss allowance	(12,487.33)	(1,501.55)	(214.84)
Total - net	**1,050,813.31**	**400,251.20**	**8,976.16**

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(All amounts in Rs. lakh unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 7			
Investments (at fair value through profit or loss)			
Investment in mutual funds			
- Indiabulls liquid fund - direct growth	-	10,011.31	11,254.68
[No of units: nil (31 March 2018: 589,508.14; 1 April 2017: 708,350.68) NAV Rs. nil (31 March 2018: 1,698.25; 1 April 2017: Rs. 1,588.50) per unit]			
- Indiabulls short term fund - direct plan - growth	-	2,141.42	-
[No of units nil (31 March 2018: 141,599.71; 1 April 2017 : nil) NAV Rs. nil (31 March 2018: Rs. 1,512.30; 1 April 2017 : Rs. nil) per unit]			
- Invesco India treasury advantage fund- direct plan growth	-	12,507.02	-
[No of units nil (31 March 2018: 511,333.46; 1 April 2017: nil) NAV Rs. nil (31 March 2018: Rs. 2,445.96; 1 April 2017: Rs. nil) per unit]			
- JM equity fund-monthly dividend option	-	4,280.31	-
[No of units nil (31 March 2018: 35,793,030.38; 1 April 2017: nil) NAV: Rs. nil (31 March 2018: Rs. 11.95; 1 April 2017: Rs. nil) per unit]			
- JM Balanced fund - Direct - annual dividend	-	8,704.41	-
[No of units nil (31 March 2018: 43,853,812.56; 1 April 2017 : nil) NAV: Rs. nil (31 March 2018: Rs 19.85; 1 April 2017: Rs. nil) per unit]			
- Indiabulls Income fund- direct plan - growth	1,021.49	-	-
[No of units: 6,246,745.81 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 16.35 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Indiabulls Savings fund- direct plan - growth	5,087.83	-	-
[No of units 487,557.47 (31 March 2018: nil; 1 April 2017 : nil) NAV: Rs. 1043.53 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Indiabulls Ultra Short term fund- direct plan- growth	10,168.86	-	-
[No of units 544,893.74 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 1,866.21 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Invesco India Liquid Fund- direct plan growth	5,005.60	-	-
[No of units 194,585.50 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,572.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- UTI Liquid Cash Plan - direct growth plan	2,503.02	-	-
[No of units 81,778.44 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,060.74 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- JM Large Cap Fund - dividend option	31,247.94	-	-
[No of units 116,117,193.26 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 26.91 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Axis Liquid Fund - direct growth	1.59	-	-
[No of units 76.54 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,073.52 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Aditya Birla Sun life liquid fund- growth- direct plan	1.59	-	-
[No of units 528.17 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 300.44 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- HDFC Liquid Fund - direct plan- growth	1.59	-	-
[No of units 43.14 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,678.29 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- ICICI Prudential Liquid Fund - direct plan- growth	1.59	-	-
[No of units 547.05 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 276.42 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Kotak Liquid direct plan growth	1.59	-	-
[No of units 41.92 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 3,784.33 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- Reliance Liquid Fund - direct plan growth plan	1.59	-	-
[No of units 34.78 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 4,561.89 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
- SBI Liquid fund direct growth	1.59	-	-
[No of units 54.19 (31 March 2018: nil; 1 April 2017 : nil) NAV Rs. 2,928.57 (31 March 2018: Rs nil; 1 April 2017: Rs. nil) per unit]			
Investment in debt securities			
25 (31 March 2018: nil, 1 April 2017: nil) non convertible debentures of Housing Development Finance Corporation Limited	2,617.51	-	-
Investment in equity instruments			
Nil (31 March 2018: 820,000, 1 April 2017: nil) equity shares of Rs. 10 each, fully paid-up of Reliance Industries Limited	-	7,238.14	-
	57,663.38	**44,882.61**	**11,254.68**

(All amounts in Rs. lakh unless stated otherwise)

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

Note - 8

Other financial assets

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Interest spread on assigned assets	2,980.68	-	-
Security deposits	886.43	396.58	-
Deposit for mark to market margin account	581.76	1,097.78	-
Loan to employees	160.49	44.15	-
Others recoverable	179.96	-	-
	4,789.32	**1,538.51**	**-**

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(All amounts in Rs. lakh unless stated otherwise)

Note - 9

Current tax assets (net)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance income-tax (including tax deducted at source) [Net of provision for taxation]	2,421.41	799.70	819.48
	2,421.41	**799.70**	**819.48**

Note - 10

Deferred tax assets (net)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax assets			
- Impairment loss allowance	2,915.90	148.55	61.11
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	271.48	55.00	2.16
- Disallowance under Section 43B of the Income-tax Act, 1961	101.56	21.50	0.55
- Lease equalisation reserve	109.90	39.97	-
- Depreciation and amortisation	-	-	0.28
- Minimum alternative tax credit entitlement *	-	-	47.09
- Financial assets measured at amortised cost	-	459.38	-
- Share based payments	2,059.42	844.35	23.81
Deferred tax liabilities			
- Financial assets measured at fair value through profit and loss	-	-	1.62
- Derecogntion of financial instruments measured under amortised cost category	1,041.57	-	-
- Financial assets measured at amortised cost	1,152.55	-	-
- Financial liabilities measured at amortised cost	1,029.04	140.07	-
- Depreciation and amortisation	549.72	260.82	-
Deferred tax assets (net)	**1,685.38**	**1,167.86**	**133.38**

Movement in deferred tax assets

Particulars	As at 31 March 2018	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
- Impairment loss allowance	148.55	2,767.35	-	2,915.90
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	55.00	200.90	15.58	271.48
- Disallowance under Section 43B of the Income-tax Act, 1961	21.50	80.06	-	101.56
- Lease equalisation reserve	39.97	69.93	-	109.90
- Financial assets measured at amortised cost	459.38	(1,611.93)	-	(1,152.55)
- Share based payments	844.35	1,215.07	-	2,059.42
Deferred tax liabilities				
- Derecogntion of financial instruments measured under amortised cost	-	(1,041.57)	-	(1,041.57)
- Depreciation and amortisation	(260.82)	(288.90)	-	(549.72)
- Financial liabilities at amortised cost	(140.07)	(888.97)	-	(1,029.04)
	1,167.86	**501.94**	**15.58**	**1,685.38**

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(All amounts in Rs. lakh unless stated otherwise)

Particulars	As at 1 April 2017	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax assets				
- Impairment loss allowance	61.11	87.44	-	148.55
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	2.16	27.21	25.63	55.00
- Disallowance under Section 43B of the Income-tax Act, 1961	0.55	20.95	-	21.50
- Lease equalisation reserve	-	39.97	-	39.97
- Depreciation and amortisation	0.28	(261.10)	-	(260.82)
- Minimum alternative tax credit entitlement *	47.09	(47.09)	-	-
- Financial assets measured at amortised cost	-	459.38	-	459.38
- Share based payments	23.81	820.54	-	844.35
Deferred tax liabilities				
- Financial assets measured at fair value through profit and loss	(1.62)	1.62	-	-
- Financial liabilities measured at amortised cost	-	(140.07)	-	(140.07)
	133.38	**1,008.85**	**25.63**	**1,167.86**

*** Expiry date of minimum alternative tax credit**

Expiry financial year (as per income-tax Act, 1961)	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
1 April 2025 - 31 March 2026	-	13.32	13.32
1 April 2026 - 31 March 2027	-	33.77	33.77
Less: MAT credit utilised during the year	-	(47.09)	-
	-	**-**	**47.09**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 11			
Investment in associate (at cost)			
2,137,981 (31 March 2018: Nil, 1 April 2017: Nil) equity shares of Rs. 10 each, of Transerv Private Limited	3,570.43	-	-
	3,570.43	**-**	**-**

Proportion of ownership interest in associate as at 31 March 2019

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

Notes

a) Equity investments in associate are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

b) The Company had acquired 33% equity stake of "Transerv Private Limited" (hereinafter referred to as "Investee") on 29 March 2019. The Company exercises significant influence over the investee and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture".

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(All amounts in Rs. lakh unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 13			
Other non-financial assets			
Capital advances	1,807.61	215.07	-
Advances to suppliers	1,717.76	819.59	174.44
Prepaid expenses	3,132.58	1,054.03	-
Balance with government authorities	2,030.97	598.37	-
	8,688.92	**2,687.06**	**174.44**

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(All amounts in Rs. lakh unless stated otherwise)

Note - 12

Particulars	**Gross block**				**Accumulated depreciation**			**Net block**	
	As at 01 April 2018	**Additions**	**Disposals/ adjustment**	**As at 31 March 2019**	**As at 01 April 2018**	**Charge for the year**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
a) Property, plant and equipment									
Freehold land	-	12.98	-	12.98	-	-	-	12.98	-
Computers	1,137.71	1,458.13	-	2,595.84	120.56	473.65	594.21	2,001.63	1,017.15
Office equipment	223.23	338.41	-	561.64	14.12	73.16	87.28	474.36	209.11
Furniture	242.65	300.49	-	543.14	6.68	39.15	45.83	497.31	235.97
Vehicles (ii)	94.44	34.02	-	128.46	5.63	15.78	21.41	107.05	88.81
Total	**1,698.03**	**2,144.03**	**-**	**3,842.06**	**146.99**	**601.74**	**748.73**	**3,093.33**	**1,551.04**
b) Intangible asset under development	**58.04**	**1,249.96**	**1,061.93**	**246.07**	**-**	**-**	**-**	**246.07**	**58.04**
c) Intangible assets									
Software	3,488.51	3,399.38	-	6,887.89	413.83	1,289.09	1,702.93	5,184.96	3,074.68
Total	**3,488.51**	**3,399.38**	**-**	**6,887.89**	**413.83**	**1,289.09**	**1,702.93**	**5,184.96**	**3,074.68**

Particulars	**Gross block**				**Accumulated depreciation**			**Net block**	
	Deemed cost as at 01 April 2017	**Additions**	**Disposals/ adjustment**	**As at 31 March 2018**	**As at 01 April 2017**	**Charge for the year**	**As at 31 March 2018**	**As at 31 March 2018**	**As at 01 April 2017**
a) Property, plant and equipment									
Computers (i)	0.33	1,137.38	-	1,137.71	-	120.56	120.56	1,017.15	0.33
Office equipment (i)	0.37	222.86	-	223.23	-	14.12	14.12	209.11	0.37
Furniture	-	242.65	-	242.65	-	6.68	6.68	235.97	-
Vehicles (ii)	-	94.44	-	94.44	-	5.63	5.63	88.81	-
Total	**0.70**	**1,697.33**	**-**	**1,698.03**	**-**	**146.99**	**146.99**	**1,551.04**	**0.70**
b) Intangible asset under development	**-**	3,602.98	3,544.94	**58.04**	**-**	**-**	**-**	**58.04**	**-**
c) Intangible assets									
Software	-	3,488.51	-	3,488.51	-	413.83	413.83	3,074.68	-
Total	**-**	**3,488.51**	**-**	**3,488.51**	**-**	**413.83**	**413.83**	**3,074.68**	**-**

Notes:

(i) Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	**Computers**	**Office Equipment**	**Total**
Gross block as at 1 April 2017	3.54	3.43	**6.97**
Accumulated depreciation as at 1 April 2017	(3.21)	(3.06)	**(6.27)**
Carrying amount as at 1 April 2017	**0.33**	**0.37**	**0.70**

(ii) Vehicles stated above comprises of vehicles pledged as security by the Company.

(iii) Refer note 41 for disclosures of capital commitments for the acquisition of property, plant and equipment.

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Notional amounts	**Fair value**	**Notional amounts**	**Fair value**	**Notional amounts**	**Fair value**
Note - 14						
Derivative financial instruments						
Part I						
Equity linked derivatives	-	-	7,356.54	444.61	-	-
Index linked derivatives	12,282.23	209.42	4,804.65	235.19	-	-
Total derivative financial instruments	**12,282.23**	**209.42**	**12,161.19**	**679.80**	**-**	**-**
Part II						
Included are derivatives held for hedging and risk management purpose as follows:						
i. Fair value hedging						
- Equity linked derivatives	-	-	7,356.54	444.61	-	-
ii. Undesignated derivatives						
- Index linked derivatives	12,282.23	209.42	4,804.65	235.19	-	-
Total derivative financial instruments	**12,282.23**	**209.42**	**12,161.19**	**679.80**	**-**	**-**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 15			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	7.20	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,804.12	2,765.38	-
	5,804.12	**2,772.58**	**-**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 16			
Other payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,819.40	359.99	0.37
	1,819.40	**359.99**	**0.37**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 17			
Debt securities (at amortised cost)			
Non- convertible debentures (refer note a below)	78,486.15	10,000.00	-
Commercial papers (refer note b below)	95,000.00	25,000.00	-
Total	**173,486.15**	**35,000.00**	**-**
Debt securities in India	173,486.15	35,000.00	-
Debt securities outside India	-	-	-
Total	**173,486.15**	**35,000.00**	**-**

Note:

a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
8.50% redeemable non-convertible debentures of face value Rs. 10 lakh each redeemable on 29 March 2019 in one instalment.	-	10,000.00	-
10.6% redeemable non-convertible debentures of face value Rs. 10 lakh each redeemable on 29 March 2021 and is repayable in four equated instalments falling due in year 2020-21.	16,911.86	-	-
10.75% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	37,092.77	-	-
10.75% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2021 in one instalment.	2,438.96	-	-
10.40% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	3,192.94	-	-
10.90% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	7,421.52	-	-
10.90% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 May 2022 in one instalment.	2,332.58	-	-
10.50% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	4,617.97	-	-
11.00% redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	2,561.16	-	-
11.00% (Effective yield) cumulative redeemable non-convertible debentures of face value Rs. 1,000 each redeemable on 8 March 2024 in one instalment.	1,916.39	-	-

Non-convertible debentures is secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.

b) Unsecured commercial papers:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
This amount is repayable in one instalment in June 2019.	5,000.00	-	-
This amount is repayable in one instalment in May 2019.	45,000.00	-	-
This amount is repayable in one instalment in May 2019.	12,500.00	-	-
This amount is repayable in one instalment in June 2019.	20,000.00	-	-
This amount is repayable in one instalment in May 2019.	12,500.00	-	-
This amount is repayable in one instalment in May 2018.	-	25,000.00	-

Commercial paper carries interest in the range of 8.75 % p.a. to 9.50% p.a.

	As at 31 March 2019	**As at 31 March 2018**	**As at 01 April 2017**
Note - 18			
Borrowings (other than debt securities) (at amortised cost)			
Term loans			
- From banks - secured (i)	499,699.88	277,957.03	-
Loans from related parties			
- Holding Company - unsecured (ii)	27,520.00	-	-
Loans repayable on demand from banks - secured	14,729.66	-	-
Vehicle loans from bank - secured (iii)	47.32	58.65	-
Total	**541,996.86**	**278,015.68**	**-**
Borrowings in India	541,996.86	278,015.68	-
Borrowings outside India	-	-	-
Total	**541,996.86**	**278,015.68**	**-**

i) Term loans from banks includes:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	2,683.14	4,209.13
This loan is repayable in 16 quarterly equated instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	8,743.67	9,989.82
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	9,404.88	14,764.35
This loan is repayable in one instalment in April 2019.	14,999.58	14,985.47
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,844.49	29,801.66
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,837.22	29,783.03
This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	49,982.12	49,976.07
This loan is repayable in one instalment in September 2019.	99,918.47	99,487.32
This loan is repayable in one instalment in September 2018.	-	24,960.18
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	14,954.67	-
This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	7,671.26	-
This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	16,378.12	-
This loan is repayable in one instalment in September 2019.	30,000.00	-
This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	99,184.41	-
This loan is repayable in five years with instalments of Rs. 7,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	42,379.84	-
This loan is repayable in five years with instalments of Rs. 5,460.00 lakh each to be paid for the first six instalments and instalments of Rs. 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	36,282.44	-
This loan is repayable in 3 equated instalments of Rs. 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years.	7,435.57	-
Total	**499,699.88**	**277,957.03**

a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts.

b. Interest rate on term loans varies from 8.00% to 10.75% per annum.

(ii) Loan from related party carries interest rate of 14.90% per annum and shall be repayment within five years as per agreement.

(iii) Vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

(All amounts in Rs. lakh unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 19			
Others financial liabilities			
Interest accrued on debt securities	410.00	9.32	-
Interest accrued on borrowings other than debt securities	795.65	4.78	-
Liability against securitised assets	40,828.55	-	-
Temporarily overdrawn bank balances as per books	38,932.52	63,083.86	-
Payable towards assignment transactions	1,089.03	-	-
	82,055.75	**63,097.96**	**-**

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(All amounts in Rs. lakh unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note - 20			
Current tax liabilities (net)			
Provision for taxation	-	689.74	49.57
[Net of tax deducted at source/advance tax]			
	-	**689.74**	**49.57**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 21			
Provisions			
Provision for employee benefits:			
Provision for gratuity	776.90	158.92	7.49
Provision for compensated absences	290.63	62.13	1.89
	1,067.53	**221.05**	**9.38**

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Note - 22			
Other non-financial liabilities			
Statutory liabilities	1,129.11	1,191.79	549.56
Advance from customers	1,078.18	-	-
Lease equalisation reserve	314.52	115.48	-
	2,521.81	**1,307.27**	**549.56**

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(All amounts in Rs. lakh unless stated otherwise)

Note - 23
Equity share capital

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Equity shares of face value of Rs. 10 each	80,000,000	8,000.00	58,500,000	5,850.00	5,219,000	521.90
	80,000,000	**8,000.00**	**58,500,000**	**5,850.00**	**5,219,000**	**521.90**
B. Issued, subscribed and fully paid up						
Equity shares of face value of Rs. 10 each	61,188,000	6,118.80	24,551,565	2,455.16	5,219,000	521.90
	61,188,000	**6,118.80**	**24,551,565**	**2,455.16**	**5,219,000**	**521.90**

C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2019		For the year ended 31 March 2018	
Equity shares	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	24,551,565	2,455.16	5,219,000	521.90
Add: Issued during the year	36,636,435	3,663.64	19,332,565	1,933.26
Outstanding at the end of the year	**61,188,000**	**6,118.80**	**24,551,565**	**2,455.16**

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to received remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Shares held by shareholders holding more than 5% shares and holding company:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Ventures Limited and its nominees	61,188,000	100%	24,551,565	100%	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	-	-	5,219,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

G. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 24
Instruments entirely equity in nature

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
A. Authorised						
Preference shares of face value of Rs. 10 each	5,500,000	550.00	5,500,000	550.00	4,781,000	478.10
	5,500,000	**550.00**	**5,500,000**	**550.00**	**4,781,000**	**478.10**
B. Issued, subscribed and fully paid up						
Convertible preference shares of face value of Rs. 10 each	-	-	5,500,000	550.00	-	-
	-	**-**	**5,500,000**	**550.00**	**-**	**-**

(All amounts in Rs. lakh unless stated otherwise)

C. Reconciliation of the convertible preference shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	5,500,000	550.00	-	-
Add: Issued during the year	-		5,500,000	550.00
Less: Adjusted during the year *	(5,500,000)	(550.00)		
Outstanding at the end of the year	**-**	**-**	**5,500,000**	**550.00**

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

D. Terms/rights attached to convertible preference shares
The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance at equal ratio. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

E. Shares held by shareholders holding more than 5% shares:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Indiabulls Distribution Services Limited	-	-	5,500,000	100%	-	-

F. No preference shares have been bought back during the period of five years immediately preceding 31 March 2019.

G. No preference shares have been issued for consideration other than cash during the period of five years immediately preceding 31 March 2019.

Note - 25	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Other equity			
Statutory reserves	12,184.91	4,186.83	356.41
Securities premium	370,534.35	143,923.19	18,629.86
Capital redemption reserve	100.00	100.00	100.00
Debenture redemption reserve	416.54	-	-
Share options outstanding account	5,880.70	2,439.77	68.79
Retained earnings	40,351.85	14,342.57	1,218.05
Other component of equity	1,225.71	851.17	-
	430,694.06	**165,843.53**	**20,373.11**

Nature and purpose of other reserve:

Statutory reserves
The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium
Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Capital redemption reserve
The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Debenture redemption reserve
The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amount credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Share options outstanding account
The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

Other component of equity
The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

(All amounts in Rs. lakh unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 26		
Interest income		
On financial assets measured at amortised cost		
Interest on loans	144,772.20	33,886.15
Interest on deposits with banks	720.78	263.44
Other interest income	80.82	20.50
On financial assets classified at fair value through profit or loss		
Interest from investments:		
- Bonds	856.07	236.95
- Commercial deposits	100.80	-
- Commercial paper	174.24	62.65
	146,704.91	**34,469.69**
Note - 27		
Dividend income		
Dividend on investments	2,534.78	19,692.44
	2,534.78	**19,692.44**
Note - 28		
Fees and commission income		
Fees and commission	11,833.11	11,246.38
	11,833.11	**11,246.38**
Note - 29		
Net gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	1,407.53	(14,954.38)
- Derivatives	(654.06)	(265.47)
Total net gain/(loss) on fair value changes	**753.47**	**(15,219.85)**
Fair value changes		
- Realised	703.61	(6,269.44)
- Unrealised	49.86	(8,950.41)
Total net gain/(loss) on fair value changes	**753.47**	**(15,219.85)**
Note - 30		
Net gain on derecognition of financial instruments under amortised cost category		
Gain on sale of loan portfolio through assignment	3,157.96	-
Loss on derecognition of financial guarantee liability	(178.35)	-
	2,979.61	**-**
Note - 31		
Other income		
Net gain on ineffective portion of hedges	196.13	25.59
	196.13	**25.59**
Note - 32		
Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	42,465.93	12,983.66
Interest on debt securities	10,938.78	211.51
Other interest expense	1,003.19	240.57
Other borrowing costs	1,539.88	13.49
	55,947.78	**13,449.23**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 33		
Impairment on financial instruments (measured at amortised cost)		
Impairment allowance on loans	10,301.34	1,286.71
Loans written off	-	1,201.25
	10,301.34	**2,487.96**
Note - 34		
Employee benefits expenses		
Salaries and wages	18,981.50	3,960.71
Contribution to provident and other funds*	282.50	55.51
Share based payments to employees	3,453.69	2,370.97
Staff welfare expenses	274.91	38.36
	22,992.60	**6,425.55**

*There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February, 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on compliance with the Provident Fund Act, 1952.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 35		
Depreciation and amortisation		
Depreciation on property, plant and equipment	601.74	146.99
Amortisation on intangible assets	1,289.09	413.83
	1,890.83	**560.82**
Note - 36		
Other expenses		
Repair and maintenance	139.80	66.33
Communication expenses	1,483.80	233.30
Printing and stationery	163.38	39.38
Lease rent (refer note 40)	2,798.63	811.89
Legal and professional charges {inclusive of Auditors remuneration (Refer note below)]	11,572.38	2,269.87
Rates and taxes	66.33	65.44
Electricity expenses	228.08	62.15
Business promotion	915.48	1,383.65
Office maintenance	884.37	344.10
Travelling expenses	424.23	50.68
Software expenses	1,165.60	133.34
Corporate social responsibility expenses#	272.54	6.56
Donations	-	1.50
Bank charges	363.15	7.07
Web hosting charges	37.11	28.91
Miscellaneous	15.01	1.92
	20,529.89	**5,506.09**

Note:

Auditor's remuneration		
As auditor	67.99	10.00
For taxation matters	-	-
For company law matters	-	-
For other services	-	-
For reimbursement of expenses	1.89	-

#Corporate social responsibility expenses

The Company spent Rs. 272.54 Lakh (31 March 2018 Rs. 6.56 Lakh), towards corporate social responsibility (CSR) activities as follows:

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
(a) Amount spent on		
Construction/acquisition of any asset	-	-
On purpose other than above*	272.54	6.56
(b) Amount unpaid	-	-
Total	**272.54**	**6.56**

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

(All amounts in Rs. lakh unless stated otherwise)

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

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 29.12% (31 March 2018: 28.84%) and the reported tax expense in statement of profit or loss are as follows:

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

Change in tax rate

The increase of the Indian corporate tax rate from 25% to 30% is effective from 1 April 2019 (basis turnover criteria). As a result, the relevant deferred tax balances have been remeasured.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note - 38		
Earnings per equity share		
Net profit for the year	40,019.40	17,003.36
Nominal value of equity share (Rs.)	10	10
Weighted-average number of equity shares for basis earnings per share	50,346,686	15,252,024
Effect of dilution:		
Preference shares*	5,500,000	4,490,411
Weighted-average number of equity shares used to compute diluted earnings per share	55,846,686	19,742,435
Basic earnings per share (Rs.)	79.49	111.48
Diluted earnings per share (Rs.)	71.66	86.13

* During the year ended 31 March 2019, the Company has modified the terms of these convertible preference shares from being compulsorily convertible to optionally convertible on 12 March 2019. Later on these preference shares were redeemed on 15 March 2019 at the transaction value.

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Note - 39

Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of Rs. 282.50 lakh (31 March 2018 Rs. 55.51 lakh) pertaining to employers' contribution to provident and other fund is recognized as an expense and included in "Employee benefits expense".

Defined benefit plans

A Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation	776.90	158.92	7.49
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	**776.90**	**158.92**	**7.49**

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	227.44	35.62
Past service cost including curtailment gains/losses	-	23.36
Interest cost on defined benefit obligation	19.88	1.77
Interest income on plan assets	-	-
Net impact on profit (before tax)	**247.32**	**60.75**

(iii) Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain/(loss) recognised during the year	(44.57)	(74.05)

(All amounts in Rs. lakh unless stated otherwise)

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of defined benefit obligation as at the beginning of year	158.92	7.49
Acquisition adjustment	327.23	26.61
Current service cost	227.44	35.62
Interest cost	19.88	1.77
Past service cost including curtailment gains/losses	-	23.36
Benefits paid	(1.15)	(10.00)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	38.01	(7.21)
Actuarial (gain)/loss on arising from experience adjustment	6.56	81.26
Present value of defined benefit obligation as at the end of the year	**776.90**	**158.92**

(v) Actuarial assumptions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discounting rate	7.65%	7.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	22.39	22.20

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

(vii) Sensitivity analysis for gratuity liability

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

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation	As at 31 March 2019	As at 31 March 2018
0 to 1 year	14.63	3.34
1 to 2 year	8.71	2.11
2 to 3 year	8.49	2.05
3 to 4 year	8.99	1.79
4 to 5 year	10.43	2.59
5 to 6 year	14.43	2.68
6 year onwards	711.22	144.27

Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of Rs. 157.15 lakhs (31 March 2018: Rs. 48.57 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Note - 40

Operating lease as lessee

The Company has taken office premises at various locations under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Operating lease expenses recognised during the year	2,798.63	811.89	-
Minimum lease obligations:			
- Less than one year	3,347.71	1,389.75	-
- Between one and five years	12,666.62	5,477.23	-
- More than five years	8,322.68	3,030.26	-
	24,337.01	**9,897.24**	**-**

Note - 41

Capital commitments

(to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,154.64	126.04	-

(This space has been intentionally left blank)

(All amounts in Rs. lakh unless stated otherwise)

Note - 42
Financial instruments
A Financial assets and liabilities
The carrying amounts of financial instruments by category are as follows:

Particulars	**Note**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
Financial assets measured at fair value				
Investments measured at				
Fair value through profit and loss	Note - 7	57,663.38	44,882.61	11,254.68
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 4	93,078.55	88,235.57	145.05
Bank balances other than cash and cash equivalents	Note - 5	14,538.84	6,746.49	-
Loans	Note - 6	1,050,813.31	400,251.20	8,976.16
Security deposits	Note - 8	886.43	396.58	-
Other financial assets	Note - 8	3,902.89	1,141.93	-
Total		**1,220,883.40**	**541,654.38**	**20,375.89**
Financial liabilities measured at fair value				
Derivative financial instruments	Note - 14	209.42	679.80	-
Financial liabilities measured at amortised cost				
Trade payables	Note - 15	5,804.12	2,772.58	-
Other payables	Note - 16	1,819.40	359.99	0.37
Debt securities (including interest accrued)	Note - 17	173,896.15	35,009.32	-
Borrowings (including interest accrued)	Note - 18	542,792.51	278,020.46	-
Other financial liabilities	Note - 19	80,850.10	63,083.86	-
Total		**805,371.70**	**379,926.01**	**0.37**

B Fair values hierarchy
Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments at fair value through profit and loss				
Debt securities	2,617.51	-	-	**2,617.51**
Mutual fund	55,045.87	-	-	**55,045.87**
Financial liabilities at fair value through profit and loss				
Derivative liability	209.42	-	-	**209.42**

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

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

Valuation process and technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
(a) the use of quoted market prices for quoted equity instruments and debt securities.
(b) the use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 45.
(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(All amounts in Rs. lakh unless stated otherwise)

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	93,078.55	93,078.55	88,235.57	88,235.57	145.05	145.05
Bank balances other than cash and cash equivalents	14,538.84	14,538.84	6,746.49	6,746.49	-	-
Loans	1,050,813.31	1,076,891.84	400,251.20	402,274.75	8,976.16	9,011.34
Security deposits	886.43	833.36	396.58	383.63	-	-
Other financial assets	3,902.89	3,932.19	1,141.93	1,141.93	-	-
Total	**1,163,220.02**	**1,189,274.78**	**496,771.77**	**498,782.37**	**9,121.21**	**9,156.39**
Financial liabilities						
Trade payables	5,804.12	5,804.12	2,772.58	2,772.58	-	-
Other payables	1,819.40	1,819.40	359.99	359.99	0.37	0.37
Debt securities	173,896.15	173,896.15	35,009.32	35,009.32	-	-
Borrowings (other than debt securities)	542,792.51	542,792.51	278,020.46	278,020.46	-	-
Other financial liabilities	80,850.10	82,002.39	63,083.86	63,083.86	-	-
Total	**805,162.28**	**806,314.57**	**379,246.21**	**379,246.21**	**0.37**	**0.37**

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

(i) The fair values of the Company's fixed interest bearing loans are determined by applying discounted cash flows ('DCF') method. For variable rate interest-bearing loans, carrying value represent best estimate of their fair value.

(ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note - 43
Financial risk management

i) Risk Management

As a Non-Banking Financial Institution (NBFC), the Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

(All amounts in Rs. lakh unless stated otherwise)

Financial assets that expose the entity to credit risk*

Particulars		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i)	**Low credit risk**			
	Cash and cash equivalents	93,078.55	88,235.57	145.05
	Bank balances other than above	14,538.84	6,746.49	-
	Loans	1,047,549.20	400,297.21	0.00
	Security deposits	886.43	396.58	-
	Other financial assets	3,902.89	1,141.93	-
(ii)	**Moderate credit risk**			
	Loans	7,338.51	1,247.57	9,191.00
(iii)	**High credit risk**			
	Loans	8,412.93	207.97	-

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits from banks and financial institutions across the country.

Other financial assets measured at amortized cost
Other financial assets measured at amortized cost includes loans to employees, security deposits, Interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans
The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.
The major guidelines for selection of the client includes:
• The client’s income and indebtedness levels
• The client must possess the required KYC documents
• Client must agree to follow the rules and regulations of the Company
• Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers Retail borrowers	1. Historical data as per Industry trends 2. Supplemental external information that could affect the borrowers behaviour 3. Discount rate is based on internal rate of return on the loan	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral 2. Management judgement is applied to determine the economic scenarios and the application of probability weights

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

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

b) Credit risk exposure
i) Expected credit losses for financial assets other than loans

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	93,078.55	-	93,078.55
Bank balances other than cash and cash equivalents	14,538.84	-	14,538.84
Security deposits	886.43	-	886.43
Other financial assets	3,902.89	-	3,902.89

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

(All amounts in Rs. lakh unless stated otherwise)

As at 1 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	145.05	-	145.05

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2017	-	9,191.00	-
Assets originated	638,582.64	-	-
Net transfer between stages	(1,499.20)	1,275.78	223.41
Assets derecognised (excluding write offs)	(236,786.22)	(8,021.31)	(15.44)
Write - offs	-	(1,197.91)	-
Gross carrying amount as at 31 March 2018	**400,297.22**	**1,247.56**	**207.97**
Assets originated and acquired	984,562.09	-	-
Net transfer between stages	(18,592.38)	8,883.39	9,708.98
Assets derecognised (excluding write offs)	(318,717.71)	(2,792.46)	(1,504.02)
Gross carrying amount as at 31 March 2019	**1,047,549.22**	**7,338.49**	**8,412.93**

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2017	-	214.84	-
Increase of provision due to assets originated during the year	2,682.05	-	-
Net transfer between stages	(481.66)	314.10	167.56
Loss allowance written back	(991.22)	(403.64)	(0.48)
Write - offs	-	-	-
Loss allowance on 31 March 2018	**1,209.17**	**125.30**	**167.08**
Increase of provision due to assets originated and purchased during the year	4,135.16	-	-
Net transfer between stages	(8,133.84)	2,187.09	5,946.75
Loss allowance written back	7,197.24	(14.33)	(332.29)
Write - offs	-	-	-
Loss allowance on 31 March 2019	**4,407.73**	**2,298.06**	**5,781.54**

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Corporate borrowers	324,382.83	195,922.23	8,490.18
Retail borrowers	738,917.81	205,830.52	700.82
Total	**1,063,300.64**	**401,752.75**	**9,191.00**

c) Loans secured against collateral

Company's secured portfolio has security base as follows::

Particulars	Value of loans		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured by tangible assets	494,306.69	186,935.30	-
Secured by other assets	1,776.73	1,728.29	-

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

(All amounts in Rs. lakh unless stated otherwise)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's (through Asset Liability Management Committee) liquidity positions (also comprising the undrawn borrowing facilities), matching of the financial assets and financial liabilities position and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2019	**Total facility**	**Undrawn**
- Expiring within one year	20,859.00	6,129.34
Total	**20,859.00**	**6,129.34**

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

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	**Less than 1 year**	**1-3 years**	**More than 3 years**	**Total**
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	101,765.21	6,801.76	-	**108,566.97**
Loans	462,508.54	645,308.54	279,328.07	**1,387,145.15**
Investments	57,663.38	-	-	**57,663.38**
Other financial assets	1,489.81	2,064.51	1,813.15	**5,367.47**
Total undiscounted financial assets	**623,426.94**	**654,174.81**	**281,141.22**	**1,558,742.97**
Financial liabilities				
Non-derivatives				
Debt Securities	102,640.69	69,346.54	24,160.97	**196,148.20**
Borrowings other than debt securities	289,273.11	197,885.68	88,897.04	**576,055.83**
Trade payables	5,804.12	-	-	**5,804.12**
Other payable	1,819.40	-	-	**1,819.40**
Other financial liabilities	62,006.72	19,011.22	68.87	**81,086.81**
Derivatives (net settled)				
Index linked derivatives	209.42	-	-	**209.42**
Total undiscounted financial liabilities	**461,753.46**	**286,243.44**	**113,126.88**	**861,123.78**
Net undiscounted financial assets/(liabilities)	**161,673.48**	**367,931.37**	**168,014.34**	**697,619.19**

As at 31 March 2018	**Less than 1 year**	**1-3 year**	**More than 3 years**	**Total**
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	95,182.16	-	-	**95,182.16**
Loans	167,370.35	227,696.57	117,398.91	**512,465.83**
Investments	44,882.61	-	-	**44,882.61**
Other financial assets	1,150.24	60.11	595.38	**1,805.73**
Total undiscounted financial assets	**308,585.36**	**227,756.68**	**117,994.29**	**654,336.33**
Financial liabilities				
Non-derivatives				
Debt securities	36,295.58	-	-	**36,295.58**
Borrowings other than debt securities	57,031.19	160,173.00	123,908.00	**341,112.19**
Trade payables	2,772.58	-	-	**2,772.58**
Other payable	359.99	-	-	**359.99**
Other financial liabilities	63,083.86	-	-	**63,083.86**
Derivatives (net settled)				
Index linked derivatives	679.80	-	-	**679.80**
Total undiscounted financial liabilities	**160,223.00**	**160,173.00**	**123,908.00**	**444,304.00**
Net undiscounted financial assets/(liabilities)	**148,362.36**	**67,583.68**	**(5,913.71)**	**210,032.33**

(All amounts in Rs. lakh unless stated otherwise)

As at 1 April 2017	Less than 1 year	1-3 year	More than 3 years	Total
Financial assets				
Non-derivatives				
Cash and cash equivalent and other bank balances	145.05	-	-	**145.05**
Loans	3,124.07	306.12	7,294.67	**10,724.86**
Investments	11,254.68	-	-	**11,254.68**
Total undiscounted financial assets	**14,523.80**	**306.12**	**7,294.67**	**22,124.59**
Financial liabilities				
Non-derivatives				
Other payable	0.37	-	-	**0.37**
Total undiscounted financial liabilities	**0.37**	**-**	**-**	**0.37**
Net undiscounted financial assets/(liabilities)	**14,523.43**	**306.12**	**7,294.67**	**22,124.22**

C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Company's exposure to market risk is primarily on account of interest rate risk and price risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fixed rate liabilities			
Debt securities	173,486.15	35,000.00	-
Variable rate liabilities			
Borrowings other than debt securities	541,996.86	278,015.68	-
Total	**715,483.01**	**313,015.68**	**-**

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest sensitivity*		
Interest rates – increase by 0.50%	(2,709.98)	(1,390.08)
Interest rates – decrease by 0.50%	2,709.98	1,390.08

** Holding all other variables constant*

ii) Assets

The Company's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mutual funds		
Net assets value – increase by 5%	2,752.29	1,882.22
Net assets value – decrease by 5%	(2,752.29)	(1,882.22)
Quoted equity instruments		
Value per share – increase by 5%	-	361.91
Value per share – decrease by 5%	-	(361.91)
Quoted debt securities		
Market price – increase by 5%	130.88	-
Market price – decrease by 5%	(130.88)	-

(All amounts in Rs. lakh unless stated otherwise)

Note - 44

Capital management

The Company's capital management objectives are
- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net debt*	623,610.11	224,794.21	(145.05)
Total equity	436,812.86	168,848.69	20,895.01
Net debt to equity ratio	**1.43**	**1.33**	**-**

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

(This space has been intentionally left blank)

(All amounts in Rs. lakh unless stated otherwise)

Note - 45

Fair value hedges

A Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Company uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Company guidelines and policies.

B Hedge relationship

The Company has done investment in shares of Reliance Industries Limited. The Company enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Company has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C Other hedge related disclosures

The fair value of the Company's derivative positions recorded under derivative financial liabilities are as follows:

31 March 2019

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(2,633.93)	27 September 2018	2,830.05	1:1

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

31 March 2018

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(440.30)	24 April 2018	465.89	1:1

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

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

Note - 46
Maturity analysis of assets and liabilities
The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
ASSETS	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
Financial assets						
Cash and cash equivalents	93,078.55	-	88,235.57	-	145.05	-
Bank balances other than cash and cash equivalents	8,326.40	6,212.44	6,746.49	-	-	-
Loans	453,013.62	597,799.69	94,344.03	305,907.17	8,976.16	-
Investments	57,663.38	-	44,882.61	-	11,254.68	-
Other financial assets	1,961.01	2,828.31	1,141.93	396.58	-	-
	614,042.96	**606,840.44**	**235,350.63**	**306,303.75**	**20,375.89**	**-**
Non-financial assets						
Current tax assets (net)	2,421.41	-	799.70	-	819.48	-
Deferred tax assets (net)	-	1,685.38	-	1,167.86	-	133.38
Investment accounted for using equity method	-	3,570.43	-	-	-	-
Property, plant and equipment	-	3,093.33	-	1,551.04	-	0.70
Intangible assets under development	-	246.07	-	58.04	-	-
Other intangible assets	-	5,184.96	-	3,074.68	-	-
Other non-financial assets	7,673.39	1,015.53	2,360.24	326.82	174.44	-
	10,094.80	**14,795.70**	**3,159.94**	**6,178.44**	**993.92**	**134.08**
TOTAL ASSETS	**624,137.76**	**621,636.14**	**238,510.57**	**312,482.19**	**21,369.81**	**134.08**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	209.42	-	679.80	-	-	-
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	7.20	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,804.12	-	2,765.38	-	-	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,819.40	-	359.99	-	0.37	-
Debt securities	67,480.00	106,006.15	35,000.00	-	-	-
Borrowings (other than debt securities)	255,657.35	286,339.51	33,055.83	244,959.85	-	-
Other financial liabilities	63,212.37	18,843.38	63,097.96	-	-	-
	394,182.66	**411,189.04**	**134,966.16**	**244,959.85**	**0.37**	**-**
Non-financial liabilities						
Current tax liabilities (net)	-	-	689.74	-	49.57	-
Provisions	23.39	1,044.13	4.33	216.72	0.25	9.13
Other non-financial liabilities	2,266.54	255.27	1,273.20	34.07	549.56	-
	2,289.93	**1,299.40**	**1,967.27**	**250.79**	**599.38**	**9.13**
TOTAL LIABILITIES	**396,472.59**	**412,488.45**	**136,933.43**	**245,210.64**	**599.75**	**9.13**
Net	**227,665.17**	**209,147.69**	**101,577.14**	**67,271.55**	**20,770.06**	**124.95**

(All amounts in Rs. lakh unless stated otherwise)

Note - 47

Operating segments

A. General information

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

B. Information about interest income:

Particulars	As at 31 March 2019	As at 31 March 2018
Corporate borrowers	40,722.80	26,605.62
Retail borrowers	104,049.40	7,280.53
Total	**144,772.20**	**33,886.15**

Note - 48

Related party disclosure

(a) Details of related parties:

Description of relationship	Names of related parties
Ultimate holding company	Indiabulls Ventures Limited (till 18 May 2017)
Holding company	Indiabulls Distribution Services Limited (till 18 May 2017) Indiabulls Ventures Limited (from 19 May 2017)
Fellow subsidiary companies (with whom transactions took place)	Gyansagar Buildtech Limited Indiabulls Distribution Services Limited (from 19 May 2017) Indiabulls Investment Advisors Limited
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director (from 14 September 2017) and Chief Executive Officer Mr. Gagan Banga, Director (from 22 March 2018) Mr. Alok Kumar Mishra, Director (from 22 March 2018) Mr. Nafees Ahmed, Director (from 14 September 2017) Mr. Ajit Kumar Mittal, Director (from 14 September 2017) Mr. Labh Singh Sitara (from 14 September 2017) Mrs. Preetinder Virk (from 4 December 2018) Mrs. Manjari Ashok Kacker (till 4 December 2018) Mr. Ravinder, Whole Time Director (till 14 September 2017) Mr. Jogender Singh, Whole Time Director (till 14 September 2017) Mr. Aishwarya Katoch, Director (till September 14, 2017) Mr. Sanjeev Kashyap, Director (till 14 September 2017) Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

(b) Statement of transactions with related parties during the year:

Particulars	Holding company		Fellow subsidiaries		Key management personnel	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance						
Loans given						
(Maximum balance outstanding during the year):						
- Gyansagar Buildtech Limited	-	-	-	803.34	-	-
- Indiabulls Distribution Services Limited	-	1,300.00	30,000.00	-	-	-
Loans taken						
(Maximum balance outstanding during the year):						
- Indiabulls Ventures Limited	98,920.00	24,495.00	-	-	-	-
- Indiabulls Distribution Services Limited	-	26,250.00	-	-	-	-
Share capital						
Issue of equity shares						
- Indiabulls Ventures Limited	257,224.80	100,276.59	-	-	-	-
Issue of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	-	27,500.00	-	-
Redemption of compulsory convertible preference shares						
- Indiabulls Distribution Services Limited	-	-	27,500.00	-	-	-
Employee benefits transfer received/paid(net)						
- Indiabulls Distribution Services Limited	-	-	139.12	-	-	-
- Indiabulls Investment Advisors Limited	-	-	66.91	-	-	-
- Indiabulls Ventures Limited	13.83	-	-	-	-	-
Deposit for mark to margin account						
- Indiabulls Ventures Limited	42.54	266.55	-	-	-	-
Contingent liabilities						
Fixed deposits pledged						
- Indiabulls Ventures Limited	1,100.00	1,200.00	-	-	-	-
Corporate guarantees taken						
- Indiabulls Ventures Limited	143,900.00	310,000.00	-	-	-	-
Corporate guarantees released						
- Indiabulls Ventures Limited	225,000.00	-	-	-	-	-
Interest income						
- Gyansagar Buildtech Limited	-	-	-	4.84	-	-
- Indiabulls Distribution Services Limited	-	8.65	27.12	-	-	-

(All amounts in Rs. lakh unless stated otherwise)

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

(c) Outstanding at year ended 31 March 2019:

Nature of transaction	Holding company			Fellow subsidiaries		
	As at 31 March 2019	**As at 31 March 2018**	**As at 1 April 2017**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
Loans given	-	-	1,300.00	-	-	2,723.38
Loans taken	27,520.00	-	-	-	-	-
Equity shares	6,118.80	2,455.16	521.90	-	-	-
Compulsory convertible preference shares	-	-	-	-	550.00	-
Securities premium	370,534.35	116,973.19	18,629.86	-	26,950.00	-
Deposit for mark to market margin account	309.09	266.55	-	-	-	-
Corporate guarantees taken	228,900.00	310,000.00	-	-	-	-
Fixed deposits pledged (excluding interest accrued)	1,100.00	1,200.00	-	-	-	-

Note - 49

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

Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	7.20	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Other payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(All amounts in Rs. lakh unless stated otherwise)

Note - 50
Reconciliation of liabilities arising from financing activities
The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Total
01 April 2017	-	-	-
Cash flows:			
- Repayment	-	(28,466.88)	(28,466.88)
- Proceeds	35,000.00	307,564.00	342,564.00
Non cash:			
- Amortisation of upfront fees and others	-	(1,081.44)	(1,081.44)
31 March 2018	**35,000.00**	**278,015.68**	**313,015.68**
Cash flows:			
- Repayment	(646,419.18)	(629,275.43)	(1,275,694.61)
- Proceeds	786,539.71	894,099.66	1,680,639.37
Non cash:			-
- Amortisation of upfront fees and others	(1,634.38)	(843.05)	(2,477.43)
31 March 2019	**173,486.15**	**541,996.86**	**715,483.01**

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(All amounts in Rs. lakh unless stated otherwise)

51 Transferred financial assets

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

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	**As at 31 March 2019**	**As at 31 March 2018**	**As at 1 April 2017**
Gross carrying amount of securitised assets	42,197.00	-	-
Gross carrying amount of associated liabilities	40,828.55	-	-
Carrying value and fair value of securitised assets	43,111.96	-	-
Carrying value and fair value of associated liabilities	40,828.55	-	-
Net position	**2,283.41**	**-**	**-**

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(All amounts in Rs. lakh unless stated otherwise)

Note - 52

A Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 31 March 2018

Particulars	Note	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		88,235.57	-	88,235.57
Bank balance other than cash and cash equivalents		6,746.49	-	6,746.49
Loans	2 and 5	401,420.34	(1,169.14)	400,251.20
Investments		44,882.61	-	44,882.61
Other financial assets	2	1,805.72	(267.21)	1,538.51
Total financial assets		**543,090.73**	**(1,436.35)**	**541,654.38**
Non-financial assets				
Current tax assets (net)		799.70	-	799.70
Deferred tax assets (net)	8	80.29	1,087.57	1,167.86
Property, plant and equipment		1,551.04	-	1,551.04
Intangible assets under development		58.04	-	58.04
Other intangible assets		3,074.68	-	3,074.68
Other non-financial assets	2	2,425.74	261.32	2,687.06
Total non-financial assets		**7,989.49**	**1,348.89**	**9,338.38**
TOTAL ASSETS		**551,080.22**	**(87.46)**	**550,992.76**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments		679.80	-	679.80
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		7.20	-	7.20
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,765.38	-	2,765.38
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		359.99	-	359.99
Debt securities		35,000.00	-	35,000.00
Borrowings (other than debt securities)	1 and 7	279,097.11	(1,081.43)	278,015.68
Others financial liabilities		63,097.96	-	63,097.96
Total financial liabilities		**381,007.44**	**(1,081.43)**	**379,926.01**
Non-financial liabilities				
Current tax liabilities (net)		689.74	-	689.74
Provisions		221.05	-	221.05
Other non-financial liabilities	7	1,374.83	(67.56)	1,307.27
Total non-financial liabilities		**2,285.62**	**(67.56)**	**2,218.06**
EQUITY				
Equity share capital		2,455.16	-	2,455.16
Instruments entirely equity in nature		550.00	-	550.00
Other equity		164,781.99	1,061.54	165,843.53
Total equity		**167,787.15**	**1,061.54**	**168,848.69**
TOTAL LIABILITIES AND EQUITY		**551,080.21**	**(87.45)**	**550,992.76**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

(All amounts in Rs. lakh unless stated otherwise)

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 1 April 2017

Particulars	Note	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		145.05	-	145.05
Loans	5	8,961.36	14.80	8,976.16
Investments	3	11,250.00	4.68	11,254.68
Total financial assets		**20,356.41**	**19.48**	**20,375.89**
Non-financial assets				
Current tax assets (net)		819.48	-	819.48
Deferred tax assets (net)	8	116.31	17.07	133.38
Property, plant and equipment		0.70	-	0.70
Other non-financial assets		174.44	-	174.44
Total non-financial assets		**1,110.93**	**17.07**	**1,128.00**
TOTAL ASSETS		**21,467.34**	**36.55**	**21,503.89**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.37	-	0.37
Total financial liabilities		**0.37**	**-**	**0.37**
Non-financial liabilities				
Current tax liabilities (net)		49.57	-	49.57
Provisions		9.38	-	9.38
Other non-financial liabilities		549.56	-	549.56
Total non-financial liabilities		**608.51**	**-**	**608.51**
EQUITY				
Equity share capital		521.90	-	521.90
Other equity		20,336.56	36.55	20,373.11
Total equity		**20,858.46**	**36.55**	**20,895.01**
TOTAL LIABILITIES AND EQUITY		**21,467.34**	**36.55**	**21,503.89**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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(All amounts in Rs. lakh unless stated otherwise)

Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2018

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

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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(All amounts in Rs. lakh unless stated otherwise)

B Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2017. The Company has elected to apply this exemptions for such vested options.

B Ind AS mandatory exceptions

1 Estimates

An Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in equity instruments carried at **FVTPL or FVOCI**
b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

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

1 Reconciliation of total equity as at 31 March 2018 and 1 April 2017

	Note	As at 31 March 2018	As at 1 April 2017
Total equity (shareholder's funds) as per previous GAAP		**167,787.15**	**20,858.46**
Adjustments:			
Straightlining of rental expense	Note 4	67.56	-
Financial assets measured at amortised cost	Note 2	(1,327.39)	-
Financial liabilities measured at amortised cost	Note 1	404.72	-
Impact of financial guarantee	Note 7	676.71	-
Allowance for expected credit loss	Note 5	152.35	14.80
Fair valuation of investments	Note 3	-	4.68
Tax impact on above	Note 8	1,087.58	17.07
Total adjustments		**1,061.53**	**36.55**
Total equity as per Ind AS		**168,848.68**	**20,895.01**

2 Reconciliation of total comprehensive income for the year

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

(All amounts in Rs. lakh unless stated otherwise)

3 Impact of Ind AS adoption on statement of cash flows for the year ended on 31 March 2018:

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activity	(312,422.40)	19,692.43	(292,729.97)
Net cash flow from investing activity	(41,360.79)	(19,692.43)	(61,053.22)
Net cash flow from financing activity	441,873.71	-	441,873.71
Net increase/(decrease) in cash and cash equivalent	**88,090.52**	**-**	**88,090.52**
Cash and cash equivalent as at 1 April 2017	145.05	-	145.05
Cash and cash equivalent as at 31 March 2018	**88,235.57**	**-**	**88,235.57**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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Notes to first time adoption

1 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

2 Loan assets and security deposits paid

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss on straight-line basis over the period of loan. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.
Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

3 Financial instruments carried at fair value through profit and loss

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

4 Lease equalisation reserve

Under the previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. However, straight line impact is charged only to the extent of rent free period. Hence, lease equalization reserve pertaining to operating lease agreements has been reversed and credited to equity as on transition date except for the impact on account of rent free period.

5 Impairment of loan assets

Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

6 Share based payment

Under the previous GAAP, the Company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date.

7 Financial guarantee

Under previous GAAP, recipient of financial guarantees were disclosing this as part of security details for borrowings. Under Ind AS, such financial guarantee contracts are recognised as financial liability. The liability is initially measured at fair value and subsequently charged to statement of profit and loss over the period of the underlying borrowing.

8 Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

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(All amounts in Rs. lakh unless stated otherwise)

Note - 53

Schedule in terms of Annex II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2019:

Particulars	**As at 31 March 2019**		**As at 31 March 2018**	
Liabilities side:	**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	79,281.80	-	10,009.32	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits		-	-	-
(c) Term loans	500,495.53	-	277,961.81	-
(d) Loan from related parties	27,520.00	-	-	-
(e) Commercial paper	95,000.00	-	25,000.00	-
(f) Other loans				
– Loan repayable on demand	14,729.66		-	
– Vehicle loan	47.32	-	58.65	-

Assets side:	**Amount outstanding as at 31 March 2019**	**Amount outstanding as at 31 March 2018**
(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:		
(a) Secured	496,083.42	188,663.59
(b) Unsecured	567,217.22	213,089.16
Less: Impairment loss allowance	(12,487.33)	(1,501.55)
Total	**1,050,813.31**	**400,251.20**
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments :		
1. Quoted:		
(i) Shares: (a) Equity	-	7,238.14
(b) Preference	-	-
(ii) Debentures and bonds	2,617.51	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	55,045.87	37,644.47
(iv) Government securities	-	-
(v) Investment in associate	3,570.43	-

(This space has been intentionally left blank)

(All amounts in Rs. lakh unless stated otherwise)

(All amounts in Rs. unless stated otherwise)

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

Category	Amount (net of allowance for impairment loss)			
	As at 31 March 2019		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	490,257.45	560,555.86	187,958.46	212,292.74
Total	**490,257.45**	**560,555.86**	**187,958.46**	**212,292.74**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2019		As at 31 March 2018	
	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment loss)
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	3,570.43	3,570.43	-	-
2. Other than related parties	57,663.38	57,663.38	44,882.61	44,882.61
Total	**61,233.81**	**61,233.81**	**44,882.61**	**44,882.61**

(7) Other information:

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	8,412.93	207.97
(II) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	2,631.39	40.89

(III) Assets acquired in satisfaction of debt

Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated 10 November 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

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

Items	As at 31 March 2019	As at 31 March 2018
(i) CRAR (%)	37.70%	33.52%
(ii) CRAR - Tier I Capital (%)	37.12%	33.25%
(iii) CRAR - Tier II Capital (%)	0.58%	0.27%

(ii) Exposure to real estate sector:-

Category	As at 31 March 2019	As at 31 March 2018
Direct exposure		
(i) Residential mortgages:		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial real estate*:		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	485,294.53	186,206.00
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-

* as per contractual receivables at balance sheet date.

(All amounts in Rs. lakh unless stated otherwise)

(iii) Exposure to capital markets*

Particulars	As at 31 March 2019	As at 31 March 2018
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	34,818.37	20,222.86
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;	1,751.89	1,721.54
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	**36,570.26**	**21,944.40**

* as per contractual receivables at balance sheet date.

(iv) Maturity pattern of assets and liabilities as at 31 March 2019:

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

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	14,939.79	5,533.88	12,682.90	163,772.90	58,727.88	165,973.81	92,117.70	728.00
Market borrowings	-	70,000.00	25,000.00	-	-	56,471.81	49,534.35	-
Assets								
Advances	37,056.33	39,010.98	39,650.91	119,778.12	222,900.67	505,964.13	91,810.35	7,129.16
Investments	26,415.43	31,247.95	-	-	-	-	-	3,570.43

Maturity pattern of assets and liabilities as at 31 March 2018:

	1day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	0.91	0.91	1,724.98	26,629.99	4,699.04	131,628.84	113,331.02	-
Market borrowings	-	-	25,000	-	10,000	-	-	-
Assets								
Advances	7,765.34	11,418.61	6,462.25	21,122.52	47,929.25	167,789.52	84,537.27	54,728.00
Investments	-	-	25,000.00	12,644.47		7,238.14	-	-

Note - 54

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014:

i. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Value of		
A. Gross value of investments		
a) In India	61,233.81	44,882.61
b) Outside India	-	-
Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
Net value of investments		
a) In India	61,233.81	44,882.61
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments.	-	-

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2018: Rs. Nil)

iii. Disclosures relating to securitisation:

The Company has entered into various agreements for the securitisation of loans with assignees, wherein it has securitised a part of its loans portfolio amounting to Rs. 40,828.55 lakh as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the amount outstanding as on the date of balance sheet.
The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to Rs. 60,648.15 lakh as at 31 March 2019 (Rs. Nil upto 31 March 2018 and Rs. Nil upto 1 April 2017), being the principal value outstanding as on the date of the assignment transaction. In terms of accounting policy mentioned in significant accounting policies, the Company has derecognised these loan portfolios.
The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation/assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

a. Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposure retained by the NBFC as on the date of balance sheet towards the Minimum Retention Requirements (MRR)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1. No of SPVs sponsored by the NBFC for securitisation transactions	3.00	-
2. Total amount of securitised assets as per books of SPVs sponsored	40,828.55	-
3. Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet		-
i) Off-balance sheet exposures towards credit concentration		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards credit concentration		
- Cash collateral (inclusive of accrued interest)	6,212.44	-
- Others	-	-
4. Amount of exposures to securitisation transactions other than MRR		
i) Off-balance sheet exposures towards credit concentration	-	-
ii) On-balance sheet exposures towards credit concentration	-	-

b. Details of Financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

c. Details of Assignment transactions undertaken by NBFCs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts (nos)	345.00	-
ii) Aggregate value (net of provisions) of accounts assigned	60,648.15	-
iii) Aggregate consideration	60,648.15	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

d. Details of non-performing assets purchased:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

Details of non-performing assets sold:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i). No. of accounts sold	-	-
ii) Aggregate outstanding	-	-
iii) Aggregate consideration received	-	-

iv. Registration under other regulators
The Company is not registered under any other regulator other than Reserve Bank of India.

v. Penalties imposed by RBI and other Regulators
No penalties have been imposed by RBI during the financial year 2018-19 (FY 2017-18 - NIL).

vi. Details of financing of parent company products
There is no financing during the current year.

vii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded
The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

viii. Unsecured advances
The Company has given loans against shares amounting to Rs 1,776.73 lakhs (31 March 2018: Rs 1,728.29 lakhs)

ix. Draw down from reserves
The Company has made no drawdown from reserves.

x. Provision and contingencies

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended 31 March 2019	For the year ended 31 March 2018
Provision for depreciation on investment	-	-
Provision towards non-performing assets	5,781.54	167.08
Provision made towards income tax [net of advance tax]	-	689.74
Other provision and contingencies (with details)		
i) Provision for compensated absences	157.15	48.57
ii) Provision for gratuity	247.32	60.75
Provision for Standard assets	6,705.79	1,334.47

xi. Concentration of advances, exposures & NPA’s *
a. Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers*	70,685.41	40,179.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	6.65%	10.00%

* as per contractual receivables at balance sheet date.

b. Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018
Total exposures to twenty largest borrowers*	56,318.74	40,179.51
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	5.30%	10.00%

* as per contractual receivables as per balance sheet date.

c. Concentration of NPA's

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

* as per contractual receivables as per balance sheet date.

d. Sector-wise distribution of NPA’s*

Particulars	Percentage of NNPA's to total advances	
	As at 31 March 2019	As at 31 March 2018
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.06%	0.02%
Services	0.05%	0.03%
Unsecured personal loans	0.14%	-
Auto loans	-	-
Other personal loans	-	-

* as per contractual receivables as per balance sheet date.

(All amounts in Rs. lakh unless stated otherwise)

xii. Movement of NPAs

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
a. Net NPAs to Net Advances (%)	**0.25%**	**0.01%**
b. Opening gross NPA	207.97	**-**
Add : Addition during the year	8,204.96	207.97
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Gross NPA	**8,412.93**	**207.97**
c. Opening Net NPAs	**40.89**	**-**
Add: Addition during the year	2,590.50	40.89
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Net NPAs	**2,631.39**	**40.89**
d. Movement of provisions for NPA		
Opening balance	**167.08**	**-**
Provision made during the year	5,614.46	167.08
Write off/write back of excess provisions	-	-
Less: Write off	-	-
Closing balance	**5,781.54**	**167.08**

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

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

Instruments	**As at 31 March 2019**	**As at 31 March 2018**
Non- convertible debentures	CARE AA; Stable [Double A; Outlook: Stable]	CARE AA; Stable [Double A; Outlook: Stable]
	BWR AA+/Stable	-
Commercial papers	CARE A1+ (A One plus)	CARE A1+ (A One plus)
	BWR A1+	BWR A1+
	CRISIL A1+	-
	ICRA A1+	-
Bank borrowings	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus]	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A One Plus]
	BWR AA+/Stable	-

xv. Customer complaints

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	211	59
No. of complaints redressed during the year	209	58
No. of complaints pending at the end of the year	3	1

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Note - 55

Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Indiabulls Ventures Limited ('Holding Company'). On exercise, the employees will be allotted shares of the Holding Company. The Company has accounted for charge related to its employees amounting to Rs. 3,453.69 lakhs (31 March 2018 Rs. 2,370.97 lakhs) with a corresponding credit to equity.

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Holding Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Holding Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Holding Company. Employees covered by the plan were granted an option to purchase shares of the Holding Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Holding Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

		IBVL ESOP - 2008			
		20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1.	Exercise price (Rs.)	17.40	24.15	219.65	254.85
2.	Expected volatility *	79.00%	42.97%	46.70%	47.15%
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4.	Option Life (weighted average) (in years)	11	6	6	6
5.	Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6.	Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7.	Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Holding Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Holding Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Holding Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in the Holding Company, at an exercise price of Rs. 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 16 per equity share and Rs. 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

Note - 55 (continued)

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

		IBVL ESOP – 2009						
		10,000,000 Options	**2,050,000 Options**	**10,000,000 Options Regranted & Surrendered**	**9,500,000 Options Regranted**	**10,000,000 Options Regranted & Surrendered**	**10,000,000 Options Regranted**	**669,400 Options Regranted**
1.	Exercise price (Rs.)	35.25	31.35	27.45	16	24.15	219.65	254.85
2.	Expected volatility *	0.77	0.4896	0.3859	0.4074	0.4297	0.467	0.4715
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5.	Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6.	Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7.	Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The Company has recognised employee stock compensation expense of Rs. 3,453.69 lakhs (31 March 2018L Rs. 2,370.97 lakhs) in the statement of Profit and loss for the year ended 31 March 2019.

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
Total options under the scheme (Nos.)	20,000,000			
Options granted (Nos.)	**20,000,000**	**9,700,000 (Regrant)**	**500,000 (Regrant)**	**880,600 (Regrant)**
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	January 25th each year, commencing 25 January 2010	July 2nd each year, commencing 2 July 2017	September 2nd each year, commencing 2 September 2018	March 25th each year, commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	**1,526,316**	**9,700,000**	**-**	**-**
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	**1,277,866**	**9,700,000**	**500,000**	**880,600**
Options vested during the year (Nos.)*	-	1,940,000	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 (Nos.)	**870,916**	**9,700,000**	**500,000**	**693,600**
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 59.77).

(All amounts in Rs. lakh unless stated otherwise)

Note - 55 (Continued)

	IBVL ESOP - 2009						
Total options under the Scheme (Nos.)	**20,000,000**						
Options granted (Nos.)	**10,000,000**	**2,050,000**	**10,000,000 (Regrant & Surrendered)**	**9,500,000 (Regrant)**	**10,000,000 (Regrant & Surrendered)**	**10,000,000 (Regrant)**	**6,69,400 (Regrant)**
Vesting period and percentage	Uniformly over a period of ten years	Uniformly over a period of ten years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	December 2nd each year, commencing 2 December 2010	April 13th each year, commencing 13 April 2011	August 26th each year, commencing 26 August 2016	May 13th each year, commencing 13 May 2017	July 2nd each year, commencing 2 July 2017	September 2nd each year, commencing 2 September 2018	March 25th each year, commencing 25 March 2019
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	**-**	**450,000**	**-**	**9,153,000**	**-**	**-**	**-**
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	**-**	**150,000**	**-**	**7,152,500**	**-**	**9,970,000**	**669,400**
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	**-**	**150,000**	**-**	**6,487,700**	**-**	**9,880,000**	**219,400**
Exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (weighted months)	-	60	-	67	-	77	84

* Net of options surrendered before vesting.

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 121.14).

(This space has been intentionally left blank)

Note - 56

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

In terms of our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

For and on behalf of the board of directors

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

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

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Mumbai
Date: 25 April 2019

Place: Gurugram
Date: 25 April 2019