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Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Indiabulls Housing Finance Limited

Report on the audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Indiabulls Housing Finance Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements and financial information of subsidiaries, except for the effects of the matter described in the "Basis for Qualified opinion" section of our report the Statement:

i. includes the results of the following entities:

   (i) Indiabulls Housing Finance Limited (Parent Company)
   (ii) Indiabulls Collection Agency Limited
   (iii) Ibulls Sales Limited
   (iv) Indiabulls Insurance Advisors Limited
   (v) Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Services Limited)
   (vi) Indiabulls Capital Services Limited
   (vii) Indiabulls Commercial Credit Limited
   (viii) Indiabulls Advisory Services Limited
   (ix) Indiabulls Asset Holding Company Limited
   (x) ICCL Lender Repayment Trust (Subsidiary of Indiabulls Commercial Credit Limited)
   (xi) Indiabulls Asset Management Company Limited
   (xii) Indiabulls Trustee Company Limited
   (xiii) Indiabulls Holdings Limited
   (xiv) Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
   (xv) Indiabulls Asset Management Mauritius (Subsidiary of Indiabulls Commercial Credit Limited)
   (xvi) IBHFL Lender Repayment Trust
   (xvii) Oaknorth Holdings Limited (Associate till March 31, 2020)
   (xviii) Indiabulls Housing Finance Limited – Employees Welfare trust

ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Qualified Opinion

In respect of the consolidated financial results, as explained in note 8 the gain on deemed disposal of the Holding Company's investment in associate arising due to a reduction of its effective holding in the associate and consequent loss of significant influence has been recorded in other comprehensive income. The above pertains only to accounting treatment as prescribed in Ind AS 28 "Investments in Associates and Joint Ventures" and constitutes a departure therefrom which requires that difference between the fair value on the date of cessation

of the associate and carrying value of the associate needs to be recognized in the Statement of Profit and Loss. Had this gain on deemed disposal of the Company's investment in associate recorded in the Statement of Profit and Loss, the profit after tax would have increased by Rs.1,802.33 crores. As noted in Note 10 of the consolidated financial results, due to this there is no resultant impact on the carrying value of the total equity, assets and liabilities of the Company.

In respect of Holding Company, as more fully explained in Note 9 to the consolidated financial results, which explain the impairment on financial instruments recorded during the year ended March 31, 2020, including due to impact of COVID-19 on the Company's borrowers, the Holding Company has debited impairment on financial instruments amounting to Rs.1,798 crores (net of tax impact) to Other Comprehensive Income which should have been debited to the Statement of Profit and Loss as required by Ind AS 109 "Financial Instruments". The above pertains only to accounting treatment as prescribed in Ind AS 109 "Financial Instruments" and constitutes a departure therefrom. Had the Holding Company recorded the amount of impairment on financial instruments in the Statement of Profit and Loss, the profit after tax would have reduced by Rs.1,798 crores. As noted in Note 10 of the consolidated financial results, due to this there is no resultant impact on the carrying value of the total equity, assets and liabilities of the Company.

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

In respect of Holding Company

a. We draw attention to Note 7(a) of the financial results which describes the uncertainties relating to the impact of COVID-19 pandemic including the recovery of the real estate sector and the Indian economy, for which management has considered the information available till the date of these financial statements in developing its estimates of the Expected credit loss provision required as at March 31, 2020. The Company's operations and financial results will depend on future developments, which are highly uncertain and the actual credit loss could be different than that estimated as of the date of the financial statements. Our opinion is not modified in respect of this matter.

b. We draw attention to Note 9(B) of the financial results which states that the Company has debited Rs.964.71 crores for the impairment loss allowance in the Additional Reserve created under section 29 (c) of NHB Act, 1987 as per NHB circular no. NHB (ND)/DRS/Pol-No.03/2004-05 dated August 26, 2004 ("Additional Reserve u/s 29 (c)") instead of recording the impairment in statement of profit and loss. Given that the utilization of the Additional Reserve u/s 29(c) is in accordance with the NHB Act, 1987, our opinion is not modified in respect of this matter.

In respect of Component – Indiabulls Commercial Credit Limited as reported by Component auditor

We draw attention to Note 7 (b) to the accompanying Statement which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2020, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group including its associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

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

- Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associates 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 Statement 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of 15 subsidiaries, whose financial results include total assets of Rs.16,690.02 crores as at March 31, 2020, total revenues of Rs.2,267.10 crores and Rs.514.44 crores, total net profit after tax of Rs.42.15 crores and total net loss of Rs.489.54 crores, total comprehensive income of Rs.41.80 crores and total comprehensive loss of Rs.489.76 crores, for the year and the quarter ended on that date respectively, and net cash inflows of Rs.1,526.73 crores for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial results of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial results reflect total assets of Rs.0.34 crores as at March 31, 2020, and total revenues of Rs 0.01 crores and Rs.0.00 crores, total net loss after tax of Rs.0.75 crores and Rs.0.01 crores, total comprehensive loss of Rs.0.75 crores and Rs.0.01 crores, for the year and the quarter ended on that date respectively and net cash outflows of Rs. 0.03 crores for the year ended March 31, 2020.

These unaudited financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results certified by the Management.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

VIREN H MEHTA

Digitally signed by VIREN H MEHTA
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per Viren H. Mehta
Partner
Membership No.: 048749

UDIN: 20048749AAAAJQ1899
Mumbai
July 3, 2020