

B S R & Co. LLP

Chartered Accountants

Annexure 1


5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

To
Board of Directors of Incred Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Incred Financial Services Limited (the 'Company') for the half year ended 30 September 2019 (the 'Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022



Kapil Goenka
Partner

Membership No. 118189
UDIN: 19118189AAAACI9943

Mumbai
6 November 2019

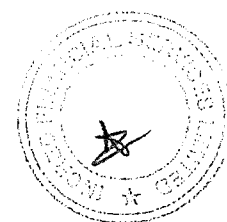
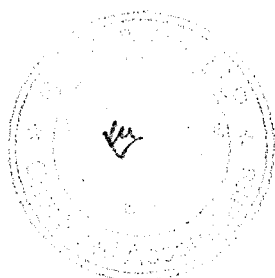
INCREC FINANCIAL SERVICES LIMITED
(Formerly Known as Visu Leasing and Finance Private Limited)

Corporate Office: 1502-A, The Capital, B Wing, Bandra Kurla Complex, Mumbai – 400051
Registered Office: 406, 4th Floor, Competent House , Middle Circle, F Block, Connaught Place, New Delhi -110001
CIN: U74899DL1991PLC042659 | Email: visu@incred.com | Contact: 022-4097 7000 | Website-www.incred.com

STANDALONE BALANCE SHEET

(Rs. In lakhs)

Particulars	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	3,344.18	1,846.49
(b) Bank balance other than cash and cash equivalents	135.77	267.47
(c) Loans	188,548.42	173,310.29
(d) Investments	10,676.94	7,726.99
(e) Other financial assets	1,831.93	1,208.15
(2) Non-financial assets		
(a) Current tax assets (Net)	679.82	507.69
(b) Deferred tax assets (Net)	966.42	791.96
(c) Property, plant and equipment	2,848.03	1,039.95
(d) Other intangible assets	355.90	396.96
(e) Other non-financial assets	1,149.10	654.15
Total assets	210,536.51	187,750.10
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(a) Debt securities	29,407.77	47,814.80
(b) Borrowings (other than debt securities)	74,233.75	77,497.73
(c) Other financial liabilities	2,636.75	864.68
(2) Non-financial liabilities		
(a) Provisions	215.72	148.14
(b) Other non-financial liabilities	1,990.73	1,857.90
EQUITY		
(a) Equity share capital	38,614.92	30,762.93
(b) Other equity	63,436.87	28,803.92
Total liabilities and equity	210,536.51	187,750.10



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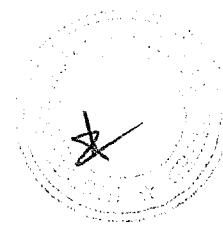
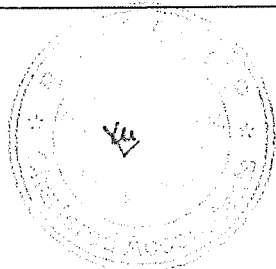
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STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. In lakhs)

Particulars	Half Year Ended		Year Ended
	September 30, 2019 Unaudited	September 30, 2018 Unaudited	March 31, 2019 Audited
Revenue From operations			
(i) Interest income	14,219.43	13,209.66	28,331.82
(ii) Fees and commission income	421.44	396.92	729.97
(iii) Net gain on fair value changes	286.72	(60.28)	(5.14)
(I) Total revenue from operations	14,927.59	13,546.30	29,056.65
(II) Other income	874.21	14.58	19.06
(III) Total income (I + II)	15,801.80	13,560.88	29,075.71
Expenses			
(i) Finance costs	5,419.58	6,423.16	13,783.97
(ii) Impairment on financial instruments	2,918.16	835.64	2,402.49
(iii) Employee benefits expenses	4,408.66	3,428.05	7,402.29
(iv) Depreciation, amortization and impairment	414.08	41.76	153.10
(v) Others expenses	1,826.88	2,274.19	4,772.80
(IV) Total expenses	14,987.36	13,002.80	28,514.65
(V) Profit before exceptional items and tax (III - IV)	814.44	558.08	561.05
(VI) Exceptional items	616.74	-	-
(VII) Profit before tax (V - VI)	197.70	558.08	561.05
(VIII) Tax Expense:			
(i) Current Tax	244.21	344.80	444.48
(ii) Deferred Tax	(155.91)	(162.87)	(260.89)
(IX) Profit for the period (VII - VIII)	109.40	376.15	377.46
(X) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	(8.02)	19.40	39.28
(b) Equity instruments through other comprehensive income	0.02	-	14.26
(ii) Income tax relating to items that will not be reclassified to profit or loss	18.56	(3.50)	(15.19)
Subtotal (A)	10.56	15.90	38.35
(B) Items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	-	-	-
Other comprehensive income (A + B)	10.56	15.90	38.35
(XI) Total comprehensive income for the period (IX + X)	119.96	392.05	415.81
(XII) Earnings per equity share (EPS) (refer note 5) (Face value of Rs. 10 each)			
Basic (Rs.)	0.03	0.01	0.12
Diluted (Rs.)	0.03	0.01	0.12



Notes:

1. The above financial results have been reviewed and recommended for the approval of the Board by the Audit Committee and approved by the Board of Directors at the meeting held on November 6, 2019.
2. The Statement has been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and and relevant rules issued thereunder and other recognized accounting practices and policies.
3. The above financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 ('the Regulation').
4. In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a limited review has been carried out by the Statutory Auditors of the Company.
5. Earnings per equity share for the half year ended September 30, 2019 and September 30, 2018 have not been annualised.
6. During the current period, the Company has made preferential allotment of 500 Equity shares and 78,516,289 Cumulative Compulsorily Convertible Preference Shares ('CCCPS') of Rs. 10 each at a premium of Rs. 44.4 per share aggregating to Rs. 42,713 lakhs to domestic and foreign investors.
7. Effective April 1, 2019 the Company has adopted Ind AS 116 - Leases, which requires any lease arrangement to be recognised in the balance sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. The 'right-of-use' asset has been included under the line 'Property, Plant and Equipment' and lease liability has been included under 'Other Financial Liabilities'. Accordingly depreciation has been charged on such assets as against lease rental expenses in the previous year. Similarly interest expense has been recognised on lease liabilities under finance costs. As permitted by the standard, the Company has applied this standard w.e.f. April 1, 2019 and comparatives for the previous period / year have not been restated. The effect of this adoption is Rs. 40.61 lakhs on the profit for the half year ended September 30, 2019.
8. The Company has elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate prescribed in the said section. The impact on the reversal of opening deferred tax asset of the above mentioned change amounting to Rs. 53.71 lakhs has been recognised in the standalone statement of profit and loss for the half year ended September 30, 2019 on a pro rata basis.
9. The Board of Directors of InCred Housing Finance Private Limited ('HFC'), subsidiary of the Company, had approved the HFC's strategic decision to exit from housing segment on account of various challenges in the affordable housing segment and inadequate ROE expected in the business. Considering the aforementioned strategic decision, the Company has tested the investment for impairment and recognised an impairment loss of Rs. 616.74 lakhs as an exceptional item for the half year ended September 30, 2019.
10. The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's classification / disclosure

For InCred Financial Services Limited



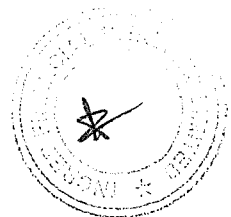
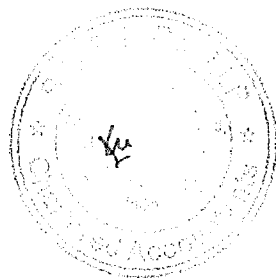
Vivek Bansal

Whole Time Director & CFO

DIN: 07835456

Place: Mumbai

Date: November 6, 2019



Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at September 30, 2019 with respect to listed secured non-convertible debentures of the Company issued on a private placement basis.

a) Credit rating and changes in credit rating, if any:

The Credit Analysis & Research Limited ("CARE") have assigned following rating to the Company:

Sr No	Facility	Amount (Rs. in lakhs)	Rating
1	Long term bank facilities	120,000	A
2	Commercial Papers	25,000	A1+
3	Non-Convertible Debentures	52,500	A
4	Market linked Debentures	10,000	A

b) Asset cover available: Not Applicable

c) Debt equity ratio: The debt equity ratio of the Company as at September 30, 2019 is 1.03

d) Previous due date, next due date for the payment of interest/repayment of principal of the non-convertible debt securities & whether the same has been paid or not:

Sr No.	ISIN No.	Previous due date for payment of interest	Next due date for payment of interest	Interest amount due in next payment (Rs. in lakhs)	Previous due date for payment of principal	Next due date for payment of principal	Redemption amount due in next payment (Rs. in lakhs)
1	INE945W07019	20-Mar-19	20-Mar-20	1,613	NA	22-Jun-20	15,000
2	INE945W07027	NA	NA	NA	NA	22-Jun-20	6,303
3	INE945W07035	26-Apr-19	27-Apr-20	771	NA	26-Apr-21	7,500

e) Next due date for the payment of interest/dividend of non-convertible preference shares/principal along with the amount of interest/dividend of non-convertible preference shares payable and the redemption amount: The Company has not issued any non-convertible redeemable preference shares.

f) Debt service coverage ratio: Not applicable

g) Interest service coverage ratio: Not applicable

h) Outstanding redeemable preference shares (quantity and value): Not applicable as the Company has not issued any redeemable preference shares.

i) Capital Redemption Reserve – Nil

j) Debenture Redemption Reserve: Not applicable as the listed debentures are privately placed NCDs.

k) Net worth: * Rs. 100,729.46 lakhs

l) Net profit after tax: Rs. 109.40 lakhs for the period ended September 30, 2019.

m) Earnings per share:

- Basic: Rs 0.03
- Diluted: Rs 0.03

n) There was no deviation in the use of the proceeds of the issue of non-convertible debt securities.

* Net-worth is paid up equity share capital and cumulative compulsory convertible preference shares plus reserves less net deferred tax asset and intangible assets.

