

November 6, 2020

To,
BSE Limited,
Listing Department,
1st Floor, P.J. Towers,
Dalal Street, Mumbai- 400 001

Sub: Outcome of the Board Meeting and Disclosures under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

Ref: Company Code: 11843

ISINs: Information for ISIN INE945W07035, INE945W07084, INE945W07092, INE945W07100, INE945W07118, INE945W07126, INE945W07134, INE945W07142, INE945W07159, INE945W07167, INE945W07175, INE945W07191 and INE945W07209

Dear Sir/ Madam,

The Board of Directors of the Company at their Meeting held today i.e. on Friday, November 06, 2020, inter-alia, considered and approved the following:

1. Standalone Financial Results accompanied by limited review report issued by the statutory auditors as required under the Regulation 52(2) of LODR for the half year ended September 30, 2020.

In terms of SEBI LODR, we enclose herewith the following:

1. Standalone Financial Results for the half year ended September 30, 2020 accompanied by Limited Review Report issued by the Statutory Auditors as **Annexure 1**;
2. Disclosures in accordance with Regulation 52 (4) of SEBI LODR for the half year ended September 30, 2020 as **Annexure 2**;
3. Statement with respect to material deviations in use of proceeds of issue of the non-convertible debt securities as required under the Regulation 52(7) of LODR for the half year ended September 30, 2020, marked as **Annexure 3**.

We request you to kindly take the above on records and disseminate the same on your website.

Thank You

Yours Sincerely,

For InCred Financial Services Limited



 **Gajendra Thakur**
Company Secretary



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

Corporate Office:
Unit No. 1203,12th floor, B wing,
The Capital, Plot No C-70, G Block,
Bandra Kurla Complex, Mumbai,
Maharashtra, India, 400051

Registered Office:
Unit No. 1203,12th floor, B wing,
The Capital, Plot No C-70, G Block,
Bandra Kurla Complex, Mumbai,
Maharashtra, India, 400051

CIN: U74899MH1991PLC340312
Email: care@incred.com
Contact: 1800-102-2192,
Website-www.incred.com

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited review report on unaudited standalone financial results of Incred Financial Services Limited for the half year ended under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the 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 results for the period from 01 April 2020 to 30 September 2020 ('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 Securities and Exchange Board of India (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 Engagement (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

Limited review report on unaudited standalone financial results of Incred Financial Services Limited for the half year ended under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Incred Financial Services Limited

5. As described in Note 6 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further no additional borrower accounts have been classified as impaired (non-performing assets) which were not declared non-performing till 31 August 2020, in view of the Supreme Court order dated 3 September 2020.

Further, the extent to which the Covid-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above matters.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

PRANAV

AMOD

GUNE

Digitally signed by
PRANAV AMOD GUNE
Date: 2020.11.06
21:51:37 +05'30'

Pranav Gune

Partner

Membership Number: 121058

ICAI UDIN: 20121058AAAACW1215

Mumbai

06 November 2020

INCREC FINANCIAL SERVICES LIMITED

Corporate Office and Registered Office:

Unit 1203, 12th Floor, B wing, The Capital, Plot no C-70, G Block, Bandra Kurla Complex, Mumbai, India, 400051
CIN: U74899MH1991PLC340312 | Email: incred.compliance@incred.com | Contact: 022-4097 7000 | Website-www.incred.com

STANDALONE BALANCE SHEET

(Rs. In lakhs)

| Particulars | As at September 30, 2020 | As at March 31, 2020 |
|---|-----------------------------|-------------------------|
| | Unaudited | Audited |
| ASSETS | | |
| (1) Financial assets | | |
| (a) Cash and cash equivalents | 1,798.00 | 3,419.63 |
| (b) Bank balance other than cash and cash equivalents | 586.00 | 735.88 |
| (c) Loans | 2,12,334.52 | 2,04,172.53 |
| (d) Investments | 42,726.41 | 8,695.58 |
| (e) Other financial assets | 1,863.49 | 1,712.77 |
| | 2,59,308.42 | 2,18,736.39 |
| (2) Non-financial assets | | |
| (a) Current tax assets (Net) | 79.56 | 787.48 |
| (b) Deferred tax assets (Net) | 1,801.28 | 1,118.43 |
| (c) Property, plant and equipment | 2,939.45 | 2,928.71 |
| (d) Capital work-in-progress | 357.42 | 125.06 |
| (e) Other intangible assets | 305.49 | 295.49 |
| (f) Other non-financial assets | 1,098.64 | 1,006.35 |
| | 6,581.84 | 6,261.52 |
| Total assets | 2,65,890.26 | 2,24,997.91 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| (1) Financial liabilities | | |
| (a) Debt securities | 77,001.86 | 42,105.62 |
| (b) Borrowings (other than debt securities) | 76,850.10 | 74,615.66 |
| (c) Other financial liabilities | 4,932.38 | 3,339.41 |
| | 1,58,784.34 | 1,20,060.69 |
| (2) Non-financial liabilities | | |
| (a) Current tax liabilities (Net) | 934.47 | - |
| (b) Provisions | 134.87 | 153.90 |
| (c) Other non-financial liabilities | 1,501.06 | 2,052.09 |
| | 2,570.40 | 2,205.99 |
| EQUITY | | |
| (a) Equity share capital | 38,617.08 | 38,615.30 |
| (b) Other equity | 65,918.44 | 64,115.93 |
| | 1,04,535.52 | 1,02,731.23 |
| Total liabilities and equity | 2,65,890.26 | 2,24,997.91 |

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STANDALONE STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(Rs. In lakhs)

| Particulars | Half year ended | | Year Ended |
|--|---------------------------------|---------------------------------|---------------------------|
| | September 30, 2020 Unaudited | September 30, 2019 Unaudited | March 31, 2020 Audited |
| Revenue From operations | | | |
| (i) Interest income | 17,502.57 | 14,219.43 | 30,997.60 |
| (ii) Fees and commission income | 159.90 | 421.44 | 805.82 |
| (iii) Net gain on fair value changes | 78.38 | 286.72 | 365.98 |
| (I) Total revenue from operations | 17,740.85 | 14,927.59 | 32,169.40 |
| (II) Other income | 205.19 | 514.07 | 752.25 |
| (III) Total income (I + II) | 17,946.04 | 15,441.66 | 32,921.65 |
| Expenses | | | |
| (i) Finance costs | 7,530.65 | 5,419.58 | 11,861.40 |
| (ii) Impairment on financial instruments | 2,863.48 | 2,558.02 | 5,530.23 |
| (iii) Employee benefits expenses | 4,355.50 | 4,408.66 | 9,068.92 |
| (iv) Depreciation, amortization and impairment | 485.56 | 414.08 | 1,077.41 |
| (v) Others expenses | 1,546.60 | 1,826.88 | 4,151.14 |
| (IV) Total expenses | 16,781.79 | 14,627.22 | 31,689.10 |
| (V) Profit before exceptional items and tax (III - IV) | 1,164.25 | 814.44 | 1,232.55 |
| (VI) Exceptional items | - | 616.74 | 616.74 |
| (VII) Profit before tax (V - VI) | 1,164.25 | 197.70 | 615.81 |
| (VIII) Tax Expense: | | | |
| (i) Current Tax | 995.10 | 244.21 | 508.89 |
| (ii) Deferred Tax | (780.44) | (155.91) | (326.79) |
| (IX) Profit for the period (VII - VIII) | 949.59 | 109.40 | 433.71 |
| (X) Other comprehensive income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurements of the defined benefit plans | (6.03) | (8.02) | 26.31 |
| (b) Equity instruments through other comprehensive income | - | 0.02 | 0.02 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 1.52 | 18.56 | (0.32) |
| Subtotal (A) | (4.51) | 10.56 | 26.01 |
| (B) Items that will be reclassified to profit or loss | | | |
| (i) Items that will be reclassified to profit or loss | | | |
| (a) Debt instruments through other comprehensive income | 393.82 | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | (99.13) | - | - |
| Subtotal (B) | 294.69 | - | - |
| Other comprehensive income (A + B) | 290.18 | 10.56 | 26.01 |
| (XI) Total comprehensive income for the period (IX + X) | 1,239.77 | 119.96 | 459.72 |
| (XII) Earnings per equity share (EPS) (refer note 4) | | | |
| (Face value of Rs. 10 each) | | | |
| Basic (Rs.) | 0.25 | 0.03 | 0.11 |
| Diluted (Rs.) | 0.25 | 0.03 | 0.11 |

Notes:

- Incred Financial Services Limited ('the Company') is a Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India. The above standalone 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, 2020.
- The standalone financial results have been prepared 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. Any application guidance / Clarifications / Directions issued by Reserve Bank of India or other regulators are implemented as and when they are issued / applicable.
- In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of standalone financial results for the half year ended September 30, 2020 has been carried out by the Statutory Auditors of the Company.
- Earnings per equity share for the half year ended September 30, 2020 and September 30, 2019 have not been annualised.
- 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. The Board of Directors of the Company on February 18, 2020 have approved a Scheme of Amalgamation ("Scheme") of InCred Housing Finance Private Limited, a subsidiary of the Company with the Company and its respective Shareholders. The Scheme is subject to approval of the Shareholders and regulatory authorities. The Scheme has been filed with the National Company Law Tribunal on October 6, 2020.
- In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19- Regulatory Package' the Company has granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.
The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.
The Honourable Supreme Court of India through an interim order has directed that the accounts which were not declared non-performing asset till August 31, 2020 shall not be declared non-performing after August 31, 2020. Basis the interim order, the Company has not classified any standard account as of August 31, 2020 as per Indian Accounting Standards, as impaired (Stage 3) after August 31, 2020. Pending disposal of the case, the Company has made provision of such borrower accounts, as if these were classified as impaired (Stage 3) as per Indian Accounting Standards as at September 30, 2020.
- Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.

(Rs. In lakhs)

| Particulars | 30-Sep-20 |
|--|-----------|
| i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended* | 97,678.64 |
| ii) Respective amount where asset classification benefits is extended ** | 67,994.07 |
| iii) Provision made on the cases where asset classification benefit is extended *** | NA |
| In respect of accounts in default but standard where moratorium is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 10 per cent of the total outstanding of such accounts as applicable as at September 30, 2020. | |
| iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions | NA |

* Outstanding as on September 30, 2020 on account of all cases where moratorium benefit is extended by the Company upto August 31, 2020.

** Outstanding on account of cases where the asset classification benefit is extended as on September 30, 2020 for cases which were entitled to a moratorium until August 31, 2020.

*** The Company has made adequate provision for impairment loss allowance (as per ECL model) for the period ended September 30, 2020.

- The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company as per the said circular has implemented the same.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
- The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For InCred Financial Services Limited

BHUPINDER
BHUPINDER SINGH
ER SINGH 2020-11-06
20:06:13

Bhupinder Singh

Whole Time Director & CEO

DIN: 07342318

Place: Mumbai

Date: November 6, 2020

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, 2020 with respect to listed secured 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 as on September 30, 2020:

| Sr No | Facility | Amount (Rs. in lakhs) | Rating |
|-------|----------------------------|--------------------------|---------------------|
| 1 | Long term bank facilities | 1,20,000 | A; Negative outlook |
| 2 | Non-Convertible Debentures | 77,500 | A; Negative outlook |
| 3 | Market linked Debentures | 20,000 | A; Negative outlook |
| 4 | Commercial Papers | 25,000 | A1 |

There were following changes in the credit ratings assigned to the Company during the half year ended September 30, 2020:

| Sr No | Facility | Amount (Rs. in lakhs) | Previous Rating | Current Rating | Name of Credit Rating Agency |
|-------|----------------------------|--------------------------|-------------------|---------------------|---------------------------------|
| 1 | Long term bank facilities | 1,20,000 | A; Stable outlook | A; Negative outlook | CARE |
| 2 | Non-Convertible Debentures | 77,500 | A; Stable outlook | A; Negative outlook | CARE |
| 3 | Market linked Debentures | 20,000 | A; Stable outlook | A; Negative outlook | CARE |

b) **Asset cover available:** As per the first proviso to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requirement of disclosing Asset Cover is not applicable to the Company being a Non-Banking Financial Company registered with Reserve Bank of India.

c) **Debt equity ratio:** The debt equity ratio of the Company as at September 30, 2020 is 1.50

d) **Previous due date for the payment of interest/repayment of principal of the listed debt securities & whether the same has been paid or not:**

| Sr No. | ISIN No. | Previous due date for payment of interest | Status of Payment | Previous due date for payment of principal | Status of Payment |
|--------|---------------|--|-------------------|---|-------------------|
| 1 | INE945W07019* | 22-Jun-20 | Paid | 22-Jun-20 | Paid |
| 2 | INE945W07027 | 22-Jun-20 | Paid | 22-Jun-20 | Paid |
| 3 | INE945W07035 | 27-Apr-20 | Paid | NA | NA |

* The Company has prepaid Rs 2,500 lakhs along with the accrued interest in the month of April 2020

e) **Next due date for the payment of interest/repayment of principal of the listed debt securities & whether the same has been paid or not:**

| Sr No. | ISIN No. | Next due date for payment of interest | Status of Payment | Next due date for payment of principal | Interest amount due in next payment (Rs. in lakhs) | Redemption amount due in next payment (Rs. in lakhs) |
|--------|--------------|--|-------------------|---|--|--|
| 1 | INE945W07167 | 31-Jan-21 | NA | NA | 239.45 | NA |
| 2 | INE945W07191 | 11-Mar-21 | NA | NA | 349.60 | NA |
| 3 | INE945W07209 | 16-Dec-20 | NA | 16-Dec-20 | 166.44 | 9,000.00 |
| 4 | INE945W07092 | 18-Jan-21 | NA | 18-Jan-21 | 214.74 | 1,560.00 |
| 5 | INE945W07100 | 03-Feb-21 | NA | 03-Feb-21 | 249.94 | 1,920.00 |

f) **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.

g) **Debt service coverage ratio:** As per the first proviso to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requirement of disclosing Debt Service Coverage Ratio is not applicable to the Company being a Non-Banking Financial Company registered with Reserve Bank of India.

h) **Interest service coverage ratio:** As per the first proviso to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requirement of disclosing Interest Service Coverage Ratio is not applicable to the Company being a Non-Banking Financial Company registered with Reserve Bank of India.

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

j) **Capital Redemption Reserve – Nil**

k) **Debenture Redemption Reserve:** The Company is not required to create Debenture redemption reserve in terms of the Companies (Share Capital & Debenture) Rules, 2014 read with the Companies (Share Capital & Debentures) Amendment Rules, 2019.

l) **Net worth:** * Rs. 102,428.75 lakhs

m) **Net profit after tax:** Rs. 949.59 lakhs for the period ended September 30, 2020

n) **Earnings per share:**

- Basic: Rs 0.25
- Diluted: Rs 0.25

o) 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.

Annexure 3

Statement with respect to material deviations in use of proceeds of issue of non-convertible debt securities for the half year ended September 30, 2020

Pursuant to Regulation 52(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do hereby confirm that there were no deviations in the use of proceeds of issue of the non-convertible debt securities from the objects stated in respective offer document(s) for the half year ended September 30, 2020

Thanking you

Yours sincerely,

For InCred Financial Services Limited



Gajendra Thakur
Company Secretary



Date: November 06,2020