

B S R & Co. LLP

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Independent Auditor's Report

To the Board of Directors of InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of InCred Financial Services Limited (*Formerly Known as Visu Leasing and Finance Private Limited*) (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 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, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 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 on the standalone annual financial results.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
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Independent Auditor's Report (Continued)

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Emphasis of Matter

As described in Note 10 to the standalone annual financial results, in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 10 to the standalone annual financial results, 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 opinion is not modified in respect of the above matters.

Management's and Board of Director's Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 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 these standalone annual financial results.

Independent Auditor's Report (*Continued*)

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (*Continued*)

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 standalone annual financial results, 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 through a separate report on the complete set of financial statements 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 in the standalone financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and 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 appropriateness of this assumption. 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 standalone annual financial results 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.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

B S R & Co. LLP

Independent Auditor's Report (Continued)

InCred Financial Services Limited

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Other Matter

The standalone annual financial results include the results for the half year ended 31 March 2020 and the corresponding half year ended in the previous year being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the half year of the relevant financial year which were subject to limited review by us.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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AR GOENKA

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Kapil Goenka

Partner

Membership No: 118189

UDIN:20118189AAAAAN9883

Mumbai
11 June 2020

INCRD FINANCIAL SERVICES LIMITED

(Formerly Known as Visu Leasing and Finance Private Limited)

Corporate Office: 1502-A, The Capital, C-70, G Block, Bandra Kurla Complex, Mumbai, Maharashtra, India, 400051

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR AND FINANCIAL YEAR ENDED MARCH 31, 2020

(Rs. In lakhs)

Particulars	Half Year Ended		Year Ended	Year Ended
	March 31, 2020 Unaudited	March 31, 2019 Unaudited	March 31, 2020 Audited	March 31, 2019 Audited
Revenue From operations				
(i) Interest income	16,778.17	15,122.16	30,997.60	28,331.82
(ii) Fees and commission income	384.38	333.05	805.82	729.97
(iii) Net gain on fair value changes	79.25	55.14	365.98	(5.14)
(I) Total revenue from operations	17,241.80	15,510.35	32,169.40	29,056.65
(II) Other income	238.18	-	752.25	-
(III) Total income (I + II)	17,479.98	15,510.35	32,921.65	29,056.65
Expenses				
(i) Finance costs	6,441.82	7,360.81	11,861.40	13,783.97
(ii) Impairment on financial instruments (Refer Note 10)	2,972.20	1,562.39	5,530.23	2,383.44
(iii) Employee benefits expenses	4,660.26	3,974.24	9,068.92	7,402.29
(iv) Depreciation, amortization and impairment	663.33	111.34	1,077.41	153.10
(v) Others expenses	2,324.26	2,498.61	4,151.14	4,772.80
(IV) Total expenses	17,061.87	15,507.39	31,689.10	28,495.60
(V) Profit before exceptional items and tax (III - IV)	418.11	2.96	1,232.55	561.05
(VI) Exceptional items (Refer Note 9)	-	-	616.74	-
(VII) Profit before tax (V - VI)	418.11	2.96	615.81	561.05
(VIII) Tax Expense:				
(i) Current Tax	264.68	99.69	508.89	444.48
(ii) Deferred Tax	(170.88)	(98.02)	(326.79)	(260.89)
(IX) Profit for the period (VII - VIII)	324.31	1.29	433.71	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	34.33	19.87	26.31	39.28
(b) Equity instruments through other comprehensive income	-	14.26	0.02	14.26
(ii) Income tax relating to items that will not be reclassified to profit or loss	(18.88)	(11.69)	(0.32)	(15.19)
Subtotal (A)	15.45	22.44	26.01	38.35
(B) Items that will be reclassified to profit or loss	-	-	-	-
Subtotal (B)	-	-	-	-
Other comprehensive income (A + B)	15.45	22.44	26.01	38.35
(XI) Total comprehensive income for the period (IX + X)	339.76	23.73	459.72	415.81
(XII) Earnings per equity share (EPS) (refer Note 5)				
(Face value of Rs. 10 each)				
Basic (Rs.)	0.09	0.00*	0.11	0.12
Diluted (Rs.)	0.09	0.00*	0.11	0.12

*beyond second decimal point

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	3,419.63	1,846.49
(b) Bank balance other than cash and cash equivalents	735.88	267.47
(c) Loans	204,172.53	173,310.29
(d) Investments	8,695.58	7,726.99
(e) Other financial assets	1,712.77	1,208.15
(2) Non-financial assets		
(a) Current tax assets (Net of provision for tax)	787.48	507.69
(b) Deferred tax assets (Net of deferred tax liabilities)	1,118.43	791.96
(c) Property, plant and equipment	2,928.71	1,039.95
(d) Capital work-in-progress	125.06	-
(e) Other intangible assets	295.49	396.96
(f) Other non-financial assets	1,006.35	654.15
Total assets	224,997.91	187,750.10
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(a) Debt securities	42,105.62	47,814.80
(b) Borrowings (other than debt securities)	74,615.66	77,497.73
(c) Other financial liabilities	3,339.41	864.68
(2) Non-financial liabilities		
(a) Provisions	153.90	148.14
(b) Other non-financial liabilities	2,052.09	1,857.90
EQUITY		
(a) Equity share capital	38,615.30	30,762.93
(b) Other equity	64,115.93	28,803.92
Total liabilities and equity	224,997.91	187,750.10

ANNEXURE 3

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at March 31, 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 March 31, 2020:

Sr No	Facility	Amount (Rs. in lakhs)	Rating
1	Long term bank facilities	120,000	A
2	Non-Convertible Debentures	72,500	A
3	Market linked Debentures	10,000	A

There were following changes in the credit ratings assigned to the Company during the half year ended March 31, 2020:

Sr No	Facility	Amount(Rs. in lakhs)	Previous Rating	Current Rating	Name of Credit Rating Agency
1	Commercial Papers*	25,000	A1+	A1	CARE

* Valid upto March 28, 2020

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 March 31, 2020 is 1.15

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	20-Mar-20	Paid	NA	NA

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	INE945W07019 *	22-Jun-20	-	22-Jun-20	415.27	15,000.00
2	INE945W07027	NA	NA	22-Jun-20	NA	6,302.91
3	INE945W07035	26-Apr-20	Paid	26-Apr-21	770.86	-
4	INE945W07084	NA	NA	30-Sep-21	NA	1,946.72
5	INE945W07092	NA	NA	18-Jan-21	NA	1,774.74
6	INE945W07100	NA	NA	03-Feb-21	NA	2,169.94
7	INE945W07118	NA	NA	14-Dec-21	NA	4,282.42
8	INE945W07126	NA	NA	20-Feb-22	NA	4,868.95

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

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. 101,317.31 lakhs

m) **Net profit after tax:** Rs. 433.71 lakhs for the year ended March 31, 2020

n) **Earnings per share:**

- Basic: Rs 0.11
- Diluted: Rs 0.11

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.

NIKITA PRADEEP HULE

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