

Date: 29 April 2022

Ref: Company Code: 11843

<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400051	<b>BSE Limited</b> Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400001
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**Kind Attn: Head – Listing Department / Dept of Corporate Communications****Sub: Audited Financial Results (Consolidated and Standalone) for the quarter and financial year ended March 31, 2022**

Dear Sir / Madam

Pursuant to Regulations 51, 52 and 54 read with Para A of Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) and other regulations, if applicable, we hereby inform the Exchanges that the Board of Directors of the Company at its Meeting held on April 29, 2022 has, inter alia, approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

Accordingly, please find enclosed the following:

1. Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2022 along with the Audit Report by the Statutory Auditors;
2. Declaration regarding Auditor’s Report with unmodified opinion;
3. Disclosures in accordance with Regulations 52(4) and other provisions of the SEBI Regulations;
4. Disclosure under Chapter XII of the Operational Circular No. SESI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended, on fund raising by issuance of debt securities by large corporates

Further, in accordance with Regulation 52 of the SEBI Regulations, the Company would be publishing the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2022 in the newspapers.

The Board Meeting commenced at 4.30 p.m. and concluded at 7.50 p.m.

We request you to kindly take the above on records.

Thanking you,

Yours faithfully,

**For InCred Financial Services Limited**

**Gajendra Thakur**  
**Company Secretary**  
**Encl: As above**

**INCRED FINANCIAL SERVICES 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,  
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**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To  
The Board of Directors of  
InCred Financial Services Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of InCred Financial Services Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), 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 (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

**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, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone 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 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.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information 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 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 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.

## ***S.R. BATLIBOI & ASSOCIATES LLP***

Chartered Accountants

In preparing the Statement, 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 are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone 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 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 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 Statement, including the disclosures, and whether the Statement represents 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.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

## **Other Matter**

The comparative financial information of the Company for the corresponding year ended March 31, 2021, included in these standalone financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those financial information on May 7, 2021.

The figures for the corresponding quarter ended March 31, 2021, as reported in these standalone financial results have been approved by the Company's Board of Directors, but have not been subjected to an audit.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to 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 & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**

**Sarvesh  
Warty**

Digitally signed by Sarvesh Warty  
DN: cn=Sarvesh Warty,  
email=Sarvesh.Warty@srb.in  
Date: 2022.04.29 19:45:04  
+05'30'

**per Sarvesh Warty**

Partner

Membership No.: 121411

UDIN: 22121411AICRZY1460

Mumbai

April 29, 2022

INCRD 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

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STANDALONE STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs)

Particulars	Quarter ended			Year Ended	
	March 31, 2022 Audited	March 31, 2021 Unaudited	December 31, 2021 Unaudited	March 31, 2022 Audited	March 31, 2021 Audited
	(Refer Note 11)	(Refer Note 11)	(Refer Note 11)		
<b>Revenue From operations</b>					
(i) Interest income	12,341.23	9,903.12	13,179.95	47,334.45	37,711.75
(ii) Net gain on derecognition of financial instruments under amortised cost category	336.68	-	-	336.68	-
(iii) Fees and commission income	307.76	215.13	302.59	1,022.24	557.16
(iv) Net gain on fair value changes	13.37	87.16	33.64	98.29	268.91
<b>(I) Total revenue from operations</b>	<b>12,999.04</b>	<b>10,205.41</b>	<b>13,516.18</b>	<b>48,791.66</b>	<b>38,537.82</b>
(II) Other income	1,112.64	318.27	1,111.51	3,330.04	647.09
<b>(III) Total income (I + II)</b>	<b>14,111.68</b>	<b>10,523.68</b>	<b>14,627.69</b>	<b>52,121.70</b>	<b>39,184.91</b>
<b>Expenses</b>					
(i) Finance costs	6,408.82	3,898.50	6,161.26	21,951.92	15,271.40
(ii) Net loss on derecognition of financial instruments under amortised cost category (Refer note 14)	-	-	1,045.87	1,045.87	-
(iii) Impairment on financial instruments	75.11	2,022.39	1,240.82	4,351.64	8,865.37
(iv) Employee benefits expenses	3,371.67	2,512.12	3,649.14	13,687.26	9,159.37
(v) Depreciation, amortization and impairment	384.92	97.31	284.43	1,070.98	841.79
(vi) Others expenses	697.47	1,386.71	1,543.35	5,196.83	3,805.92
<b>(IV) Total expenses</b>	<b>10,937.99</b>	<b>9,917.03</b>	<b>13,924.87</b>	<b>47,304.50</b>	<b>37,943.85</b>
<b>(V) Profit before tax (III - IV)</b>	<b>3,173.69</b>	<b>606.65</b>	<b>702.82</b>	<b>4,817.20</b>	<b>1,241.06</b>
<b>Tax Expense:</b>					
(i) Current Tax	950.82	200.78	225.75	1,358.68	1,182.98
(ii) Tax pertaining to previous years	-	-	-	-	(47.84)
(iii) Deferred Tax	(162.28)	(55.47)	(32.90)	(153.25)	(917.52)
<b>(VI) Total Tax Expense</b>	<b>788.54</b>	<b>145.31</b>	<b>192.85</b>	<b>1,205.43</b>	<b>217.62</b>
<b>(VII) Profit for the period (V - VI)</b>	<b>2,385.15</b>	<b>461.34</b>	<b>509.97</b>	<b>3,611.77</b>	<b>1,023.44</b>
<b>(VIII) Other comprehensive income</b>					
<b>(A) (i) Items that will not be reclassified to profit or loss</b>					
(a) Remeasurements of the defined benefit plans	(16.91)	(17.25)	(25.97)	(94.84)	(26.29)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	<b>4.26</b>	<b>4.34</b>	<b>6.54</b>	<b>23.87</b>	<b>6.62</b>
<b>Subtotal (A)</b>	<b>(12.65)</b>	<b>(12.91)</b>	<b>(19.43)</b>	<b>(70.97)</b>	<b>(19.67)</b>
<b>(B) Items that will be reclassified to profit or loss</b>					
<b>(i) Items that will be reclassified to profit or loss</b>					
(a) Debt instruments through other comprehensive income	(19.66)	112.49	24.30	(120.30)	118.97
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	252.46	-	(88.92)	103.74	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	<b>(58.60)</b>	<b>(28.31)</b>	<b>16.26</b>	<b>4.17</b>	<b>(29.95)</b>
<b>Subtotal (B)</b>	<b>174.20</b>	<b>84.18</b>	<b>(48.36)</b>	<b>(12.39)</b>	<b>89.02</b>
<b>Other comprehensive income (A + B)</b>	<b>161.55</b>	<b>71.27</b>	<b>(67.79)</b>	<b>(83.36)</b>	<b>69.35</b>
<b>(XI) Total comprehensive income for the period (VII + VIII)</b>	<b>2,546.70</b>	<b>532.61</b>	<b>442.18</b>	<b>3,528.41</b>	<b>1,092.79</b>
<b>(X) Earnings per equity share (EPS) (refer note 5)</b>					
(Face value of INR 10 each)					
Basic (INR)	0.62	0.12	0.13	0.94	0.27
Diluted (INR)	0.61	0.12	0.13	0.93	0.26

Notes -

1. Statement of Assets and Liabilities as at March 31, 2022

(INR in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>ASSETS</b>		
<b>(1) Financial assets</b>		
(a) Cash and cash equivalents	5,203.13	1,323.38
(b) Bank balance other than cash and cash equivalents	2,991.36	588.46
(c) Derivative financial instruments	1,181.05	-
(d) Loans	3,73,226.42	2,55,359.84
(e) Investments	8,679.53	12,670.66
(f) Other financial assets	2,736.69	1,821.28
	<b>3,94,018.18</b>	<b>2,71,763.62</b>
<b>(2) Non-financial assets</b>		
(a) Current tax assets (Net)	1,184.47	720.61
(b) Deferred tax assets (Net)	2,038.67	1,857.39
(c) Property, plant and equipment	3,384.80	3,276.35
(d) Capital work-in-progress	293.95	14.49
(e) Other intangible assets	188.63	222.49
(f) Other non-financial assets	1,280.55	1,285.55
	<b>8,371.07</b>	<b>7,376.88</b>
<b>Total assets</b>	<b>4,02,389.25</b>	<b>2,79,140.50</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial liabilities</b>		
(b) Derivative financial instruments	186.87	-
(c) Debt securities	1,06,523.77	73,827.02
(d) Borrowings (other than debt securities)	1,75,065.49	93,422.08
(e) Other financial liabilities	8,157.93	6,620.97
	<b>2,89,934.06</b>	<b>1,73,870.07</b>
<b>(2) Non-financial liabilities</b>		
(a) Provisions	323.27	169.48
(b) Other non-financial liabilities	900.48	516.17
	<b>1,223.75</b>	<b>685.65</b>
<b>EQUITY</b>		
(a) Equity share capital	35,450.27	30,772.79
(b) Preference share capital	3,347.96	7,851.63
(c) Other equity	72,433.21	65,960.36
	<b>1,11,231.44</b>	<b>1,04,584.78</b>
<b>Total liabilities and equity</b>	<b>4,02,389.25</b>	<b>2,79,140.50</b>

2. Cash Flow Statement for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax	4,817.20	1,241.05
<b>Adjustments to reconcile net profit to net cash generated from / (used in) operating activities</b>		
Depreciation, amortization and impairment	656.90	468.59
Loss on sale of property, plant and equipment	3.40	-
Net (gain) on fair value changes	(98.29)	(268.91)
Interest income	(47,334.45)	(37,711.74)
Finance costs	21,568.06	15,271.40
Impairment on financial instruments	4,356.83	8,865.37
Share based payment to employees	2,442.16	1,027.93
Retirement Benefit expenses	60.52	(21.39)
<b>Operating profit before working capital changes</b>	<b>(13,527.67)</b>	<b>(11,127.70)</b>
<b>Working capital adjustments</b>		
(Increase) in Loans	(1,22,227.31)	(59,179.73)
(Increase) in other financial assets	(915.42)	(102.86)
Decrease / (Increase) in other non financial assets	5.00	(267.35)
Increase in other financial liabilities	1,840.23	1,082.26
(Decrease) / increase in provisions	(1.58)	12.79
Increase in other non financial liabilities	384.28	827.04
<b>Cash generated from operations</b>	<b>(1,34,442.47)</b>	<b>(68,755.55)</b>
Interest received on loans	45,746.66	37,515.45
Interest paid on borrowings and debt	(21,568.06)	(17,429.34)
Income taxes paid (net)	(1,822.50)	(970.03)
<b>Net cash (used in) operating activities</b>	<b>(1,12,086.37)</b>	<b>(49,639.47)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(527.29)	(555.14)
Proceeds from sale of property, plant and equipment	37.77	-
Purchase of intangibles assets	(107.08)	(189.42)
Capital work-in-progress	(279.45)	110.57
Investment in subsidiaries	(999.34)	-
Purchase of investments	(61,273.28)	(1,56,146.89)
Proceeds from sale of investments	66,947.44	1,46,947.67
Investment in term deposits earmarked with banks	(57,430.30)	(96,580.25)
Proceeds from maturity of term deposits earmarked with banks	55,027.40	96,724.72
<b>Net cash (used in) / generated from investing activities</b>	<b>1,395.87</b>	<b>(9,688.74)</b>
<b>Cash flow from financing activities</b>		
Issue of equity shares (including securities premium)	671.64	36.48
Payment of rent expense	(441.55)	(292.95)
Proceeds from borrowings (other than debt securities)	1,55,520.00	72,665.00
Proceeds from issue of debt securities	93,524.29	62,173.39
Repayment of borrowings (other than debt securities)	(74,624.56)	(48,668.11)
Redemption of debt securities	(60,827.55)	(28,044.83)
<b>Net cash generated from financing activities</b>	<b>1,13,822.27</b>	<b>57,868.98</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,131.77</b>	<b>(1,459.23)</b>
Cash and cash equivalents at the beginning of the year	(645.69)	813.54
<b>Cash and cash equivalents at the end of the year</b>	<b>2,486.08</b>	<b>(645.69)</b>

Notes:

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

(b) Cash and cash equivalents comprises of

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	2.84
Balances with banks		
- Current Accounts	4,953.13	1,320.54
Deposit with bank with maturity less than 3 months	250.00	-
<b>Cash and cash equivalents</b>	<b>5,203.13</b>	<b>1,323.38</b>
Less: Bank overdraft and cash credit	(2,717.05)	(1,969.07)
<b>Cash and cash equivalents in cash flow statement</b>	<b>2,486.08</b>	<b>(645.69)</b>

Notes:

3. The above standalone financial results of Incred Financial Services Limited ("the Company") have been reviewed and recommended by the audit committee to the Board of Directors and the same has been approved at the meeting held on April 29, 2022.
4. The standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the 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.
5. Earnings per equity share for the quarter ended March 31, 2022 ; March 31, 2021 and December 31, 2021 have not been annualised.
6. These standalone financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
7. Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31 DOR STR,REC.11/21.04.048/2021-22 dated 5 May 2021

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022#	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans*	5,944.87	523.17	31.83	1,054.51	4,335.37
Corporate persons*	20.42	-	-	11.44	8.98
-Of which MSMEs	20.42	-	-	11.44	8.98
Others	-	-	-	-	-
Total	5,965.29	523.17	31.83	1,065.95	4,344.35

\*includes resolution framework implemented pursuant to OTR 2.0 till September 30, 2021 for personal loans and small business loans

# Accounts written off during the half-year ended March 31, 2022 were classified as NPA prior to being written off

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at December 31, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the quarter ended March 31, 2022	Of (A) amount written off during the quarter ended March 31, 2022#	Of (A) amount paid by the borrowers during the quarter ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans*	5,069.83	154.48	22.63	557.36	4,335.37
Corporate persons*	14.83	-	-	5.85	8.98
-Of which MSMEs	14.83	-	-	5.85	8.98
Others	-	-	-	-	-
Total	5,084.66	154.48	22.63	563.21	4,344.35

\*includes resolution framework implemented pursuant to OTR 2.0 till September 30, 2021 for personal loans and small business loans

# Accounts written off during the quarter ended March 31, 2022 were classified as NPA prior to being written off

8. On August 16, 2021, the Company entered into agreements with KKR India Financial Services Limited ("KIFS") for the demerger of the retail lending, SME lending, housing finance business and ancillary activities of the Company to KIFS ("Proposed Demerger"). The Board of Directors of the Company at their meeting held on September 3, 2021 has approved a composite scheme of arrangement ("Scheme") amongst KKR Capital Markets India Private Limited, Bee Finance Limited, KIFS and the Company and their respective shareholders for the Proposed Demerger. The Scheme has been filed with the National Company Law Tribunal on September 27, 2021. The Scheme will be effective post completion of customary conditions, including receipt of approvals from the relevant statutory authorities. Further, the Company has received no-objection from RBI on December 08, 2021 and in-principle approval from BSE Limited on December 24, 2021. The Equity Shareholders, Preference Shareholders and secured creditors of the Company have also approved the Scheme at their respective meetings convened by the NCLT held on December 15, 2021.
9. In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID19 -Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers. During the current and previous year, the Company had provided loan moratorium in respect of certain loan accounts pursuant to RBI's Resolution Framework 1.0. dated August 6, 2020 and Resolution Framework 2.0. dated May 5, 2021 for COVID-19 induced stress. As at March 31, 2022, the Company holds adequate impairment allowance on the loan portfolio as per requirements of Ind AS 109.



10. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules there under. The ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate and assess the impact of the rules as and when the same are notified. The Company will record any related impact in the period the rules becomes effective.
11. The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the year to date figures up to the end of third quarter of the current and previous year which was subjected to limited review by the auditors.
12. All secured Non Convertible Debentures ("NCDs") issued by the Company are secured by pari-passu charge on the Company's property (wherever applicable) and /or exclusive charge on receivables under book debts to the minimum extent of 100% or such higher security as per the respective term sheets of the outstanding secured NCDs.
13. Pursuant to the RBI circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances – Clarifications" and review of the Company's current policy for measuring expected credit losses as per Ind AS, the Company had aligned its definition of default (i.e. Stage III) with the aforesaid circular for asset classification and provisioning purpose as per Ind AS and the resultant impact had been effected in unaudited quarterly financial results for the period ended December 31, 2021. However, on February 15, 2022 RBI had issued further clarification on the said circular and has granted time till September 30, 2022 to NBFCs to implement the change in default definition. As a consequence, the Company has realigned the definition of change in default to earlier norms. The Company will take necessary steps to ensure compliance with the circular.
14. The Company has sold its existing business of Direct Sourced Two-Wheeler Loans comprising of loan portfolio amounting to Rs. 2,085.87 lakhs for Rs. 1,040.00 lakhs effective October 01, 2021. The sale has resulted in a gross loss of Rs. 1,045.87 lakhs with a corresponding release of loan provision amounting to Rs. 481.67 lakhs, thus resulting in a net charge of Rs.564.20 lakhs for the quarter. Further, disclosures as required by the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 is as under:

**Details of overdue loans (NPA and SMA) transferred during the year:**

<b>(INR in crores)</b>	
<b>Particulars</b>	<b>To permitted transferees</b>
No of Accounts	5417
Aggregate principal outstanding of loans transferred	14.12
Weighted average residual tenor of the loans transferred	< 1 year
Net book value of loans transferred (at the time of transfer)	9.36
Aggregate consideration	4.86
Additional consideration realised in respect of accounts transferred in earlier years	-

15. There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
16. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended March 31, 2022 is attached as Annexure I to these financial results.
17. On 20 September 2021, the Board of Directors had approved investment in equity for an aggregate amount of upto Rs. 999.87 lakhs in Booth Fintech Private Limited ("BFPL") (a wholly owned subsidiary of the Company). Subsequently, BFPL subscribed to 17,240 equity shares of mValu Technology Services Private Limited (an Associate Company of BFPL) at a price of Rs. 5,797 (including premium of Rs. 5,787) per share aggregating to Rs. 999.40 lakhs.
18. 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 SINGH**  
Digitally signed by  
BHUPINDER SINGH  
Date: 2022.04.29  
19:30:47 +05'30'

**Bhupinder Singh**  
Whole Time Director & CEO  
DIN: 07342318

Place: Mumbai  
Date: April 29, 2022

**Annexure 1:**

**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, 2022 with respect to listed secured debentures of the Company issued on a private placement basis.**

a) Omitted

b) Omitted

**Debt equity ratio of the Company**

c) as at March 31, 2022 (Refer Note 1) : 2.58

d) Omitted

e) Omitted

f) Debt service coverage ratio: Not applicable

g) Interest service coverage ratio: Not applicable

h) Outstanding redeemable preference shares (quantity and value): Not applicable

i) Capital Redemption Reserve: Nil

j) Net worth (Refer Note 2): INR 1,09,004.14 lakhs

**k) Net profit after tax:**

Particulars	Year ended March 31, 2022	Quarter ended March 31, 2022
Net profit after tax:	INR 3,611.77 lakhs	INR 2,385.15 lakhs

**l) Earnings per share (not annualised):**

Particulars	Year ended March 31, 2022	Quarter ended March 31, 2022
- Basic:	INR 0.94	INR 0.62
- Diluted:	INR 0.93	INR 0.61

m) Current ratio: Not applicable

n) Long term debt to working capital: Not applicable

o) Bad debts to Account receivable ratio: Not applicable

p) Current liability ratio: Not applicable

q) Total debts to total assets (Refer Note 3): 69.98%

r) Debtors turnover: Not applicable

s) Inventory turnover: Not applicable

t) Operating margin (%): Not applicable

**u) Net profit margin (%) (Refer Note 4):**

Particulars	Year ended March 31, 2022	Quarter ended March 31, 2022
Net profit margin (%) :	6.93%	16.90%

**v) Sector specific ratios:**

Gross NPA ratio (stage III assets) (Refer Note 5)	2.83%
Net NPA ratio (stage III assets) (Refer Note 6)	1.43%
Provision coverage ratio (Refer Note 7)	50.01%
CRAR	28.05%
Liquidity coverage ratio	Not applicable

**Notes:**

1 Debt to equity ratio = (Debt securities + Borrowings other than debt securities) / Net-worth.

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

3 Total debt to total assets = (Debt securities + Borrowings other than debt securities) / Total assets.

4 Net profit margin = Net profit for the period / Total income for the period.

5 Gross NPA ratio = Stage III gross carrying amount / Gross carrying amount.

6 Net NPA ratio = (Stage III gross carrying amount - Impairment allowance on Stage III loans) / (Gross carrying amount - Impairment allowance on Stage III loans)

7 Provision coverage ratio = Impairment allowance on Stage III gross carrying amount / Stage III gross carrying amount.

**Independent Auditor's Report on the Annual Consolidated Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To  
**The Board of Directors of  
InCred Financial Services Limited,**

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of consolidated financial results of InCred Financial Services Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Holding 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 Statement:

- i. includes the results of the following entities;
  - Holding Company**
    - a. InCred Financial Services Limited
  - Subsidiaries**
    - b. InCred Management and Technology Services Private Limited
    - c. Booth Fintech Private Limited
    - d. InCred.AI Limited
  - Associate**
    - e. mValu Technology Services Private Limited
- 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 income and other financial information of the Group for the year ended March 31, 2022.

**Basis for Opinion**

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

### **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 income and other financial information of the Group including and its associate 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 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate 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 associate 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 associates 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 associate continue as a going concern. If we conclude that a material uncertainty exists,

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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 associate 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 associate 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.

## **Other Matter**

The accompanying Statement includes the audited financial results and other financial information, in respect of 1 subsidiary, whose financial results include total assets of Rs 20.00 lakh as at March 31, 2022, total revenues of Rs 19.04 lakh, total net profit after tax of Rs. 0.88 lakh, total comprehensive income of Rs. 0.88 lakh, for the year ended on that date respectively, and net cash inflows of Rs. 10.33 lakh for the year ended March 31, 2022, as considered in the Statement which have been audited by their respective independent auditor.

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.

The comparative financial information of the Group, and its associate for the corresponding year ended March 31, 2021, included in these consolidated financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial information on July 23, 2021.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Sarvesh**  
**Warty**

Digitally signed by Sarvesh Warty  
DN: cn=Sarvesh Warty,  
email=Sarvesh.Warty@srb.in  
Date: 2022.04.29 19:45:28  
+05'30'

**per Sarvesh Warty**

Partner

Membership No.: 121411

UDIN: 22121411AICSHO8155

Mumbai

April 29, 2022

## INCRD 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](mailto:incred.compliance@incred.com) | Contact: 022-4097 7000 | Website-[www.incred.com](http://www.incred.com)

### CONSOLIDATED STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

(INR in lakhs)

Particulars	Year ended March 31, 2022 Audited	Year ended March 31, 2021 Audited
<b>Revenue From operations</b>		
(i) Interest income	47,340.06	37,723.45
(ii) Net gain on derecognition of financial instruments under amortised cost category	336.68	-
(iii) Fees and commission income	1,022.24	557.16
(iv) Net gain on fair value changes	104.17	268.91
<b>(I) Total revenue from operations</b>	<b>48,803.15</b>	<b>38,549.52</b>
(II) Other income	3,624.09	698.13
<b>(III) Total income (I + II)</b>	<b>52,427.24</b>	<b>39,247.65</b>
<b>Expenses</b>		
(i) Finance costs	21,946.81	15,275.74
(ii) Net loss on derecognition of financial instruments under amortised cost category	1,045.87	-
(iii) Impairment on financial instruments	4,352.02	8,868.63
(iv) Employee benefits expenses	13,921.43	9,448.81
(v) Depreciation and amortisation	1,227.80	1,015.98
(vi) Others expenses	5,326.87	3,936.45
<b>(IV) Total expenses</b>	<b>47,820.80</b>	<b>38,545.61</b>
<b>(V) Profit before share of loss of Associates (III - IV)</b>	<b>4,606.44</b>	<b>702.04</b>
(VI) Share of loss of associates	420.90	349.57
<b>(VII) Profit before tax (V - VI)</b>	<b>4,185.54</b>	<b>352.47</b>
<b>Tax Expense:</b>		
(1) Current Tax	1,358.99	1,231.51
(2) Tax pertaining to previous years	-	(96.38)
(3) Deferred Tax	(256.21)	(999.71)
<b>(VIII) Total Tax Expense</b>	<b>1,102.78</b>	<b>135.42</b>
<b>(IX) Profit for the year (VII - VIII)</b>	<b>3,082.76</b>	<b>217.05</b>
<b>(X) Other comprehensive income</b>		
<b>(A) (i) Items that will not be reclassified to profit or loss</b>		
(a) Remeasurement gain/(loss) of the defined benefit plans	(94.84)	(26.29)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	<b>23.87</b>	<b>6.62</b>
<b>Subtotal (A)</b>	<b>(70.97)</b>	<b>(19.67)</b>
<b>(B) (i) Items that will be reclassified to profit or loss</b>		
(a) Debt instruments through other comprehensive income	(120.30)	118.97
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	103.74	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	<b>4.17</b>	<b>(29.95)</b>
<b>Subtotal (B)</b>	<b>(12.39)</b>	<b>89.02</b>
<b>Other comprehensive income (A + B)</b>	<b>(83.36)</b>	<b>69.35</b>
<b>(XI) Total comprehensive income for the year (IX + X)</b>	<b>2,999.40</b>	<b>286.40</b>
<b>Profit is attributable to:</b>		
Owners of the Group	3,082.76	217.05
Non controlling interests	-	-
<b>Other Comprehensive Income is attributable to:</b>		
Owners of the Group	(83.36)	69.35
Non controlling interests	-	-
<b>Total Comprehensive Income is attributable to:</b>		
Owners of the Group	2,999.40	286.40
Non controlling interests	-	-
<b>(XIV) Earnings per equity share (Face Value : INR 10 per share)</b>		
Basic (INR)	0.80	0.06
Diluted (INR)	0.79	0.06

Notes -

1. Statement of Consolidated Assets and Liabilities as at March 31, 2022

(INR in lakhs)

Particulars	As at March 31, 2022 Audited	As at March 31, 2021 Audited
<b>ASSETS</b>		
<b>(1) Financial assets</b>		
(a) Cash and cash equivalents	5,505.98	1,457.92
(b) Bank balance other than cash and cash equivalents	2,991.36	588.46
(c) Derivative financial instruments	1,181.05	-
(d) Receivables		
(I) Trade receivables	108.34	3.76
(II) Other receivables	-	-
(e) Loans	3,73,226.42	2,55,359.84
(f) Investments	8,119.65	12,457.43
(g) Other financial assets	2,754.80	1,852.48
	<b>3,93,887.60</b>	<b>2,71,719.89</b>
<b>(2) Non-financial assets</b>		
(a) Current tax assets (net)	1,209.98	737.72
(b) Deferred tax assets (net)	2,038.67	1,857.41
(c) Property, plant and equipment	3,479.68	3,440.94
(d) Capital work-in-progress	293.95	14.49
(e) Goodwill	652.65	652.65
(f) Other intangible assets	433.27	547.43
(g) Other non-financial assets	1,468.76	1,482.78
	<b>9,576.96</b>	<b>8,733.42</b>
<b>Total assets</b>	<b>4,03,464.56</b>	<b>2,80,453.31</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial liabilities</b>		
(a) Derivative financial liabilities	186.87	-
(b) Debt securities	1,06,523.77	75,786.75
(c) Borrowings (other than debt securities)	1,75,065.49	91,062.13
(d) Other financial liabilities	8,198.31	6,684.48
	<b>2,89,974.44</b>	<b>1,73,533.36</b>
<b>(2) Non-financial liabilities</b>		
(a) Provisions	324.46	169.90
(b) Deferred tax liabilities (net)	728.89	832.27
(c) Other non-financial liabilities	918.06	516.58
	<b>1,971.41</b>	<b>1,518.75</b>
<b>EQUITY</b>		
(a) Equity share capital	35,450.27	30,772.79
(b) Preference share capital	3,347.96	7,851.63
(c) Other equity	72,720.48	66,776.78
	<b>1,11,518.71</b>	<b>1,05,401.20</b>
<b>Total liabilities and equity</b>	<b>4,03,464.56</b>	<b>2,80,453.31</b>

2. Statement of Consolidated Cash Flow Statement for the year ended March 31, 2022

(Rs. in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax	4,185.54	352.47
<b>Adjustments to reconcile net profit to net cash generated from / (used in) operating activities</b>		
Depreciation and amortisation	813.72	598.33
Loss on sale of property, plant and equipment	3.40	-
Net (gain) on fair value changes	(104.17)	(268.91)
Interest Income	(47,340.06)	(37,723.45)
Finance Cost	21,562.20	15,275.74
Impairment loss	4,350.54	8,868.63
Provision for employment benefits	60.92	(20.98)
Share based expense	2,446.59	1,027.90
Share in loss of associate	420.90	349.57
<b>Operating cash flow before working capital changes</b>	<b>(13,600.42)</b>	<b>(11,540.70)</b>
<b>Working capital adjustments</b>		
(Increase) in other trade receivables	(99.87)	137.25
Decrease in other receivables	-	4.75
(Increase) in Loans	(1,22,227.31)	(59,183.00)
(Increase) in other financial assets	(902.32)	(1,078.78)
Decrease / (Increase) in other non financial assets	14.03	(304.47)
Increase in other financial liabilities	1,817.10	1,210.00
Increase in provisions	0.38	12.79
Increase in other non financial liabilities	401.47	804.56
<b>Cash generated from operations</b>	<b>(1,34,596.94)</b>	<b>(69,937.60)</b>
Interest received on loans	45,746.63	35,299.79
Interest paid on borrowings and debt	(21,562.20)	(17,585.83)
Income taxes paid	(1,831.74)	(567.01)
<b>Net cash (used in) operating activities</b>	<b>(1,12,244.25)</b>	<b>(52,790.65)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(534.11)	(567.36)
Proceeds from sale of property, plant and equipment	37.77	-
Purchase of intangibles assets	(107.08)	(590.93)
Capital work in progress	(279.45)	110.57
Investment in associate	(999.40)	-
Purchase of investments	(61,273.28)	(1,53,919.53)
Proceeds from sale of investments	66,880.30	1,48,749.18
Investment in term deposits	(57,680.30)	1,05,146.56
Proceeds from maturity of term deposits	55,277.40	(1,05,002.11)
<b>Net cash (used in) investing activities</b>	<b>1,321.85</b>	<b>(6,073.62)</b>
<b>Cash flow from financing activities</b>		
Issue of equity shares (including securities premium)	671.64	36.48
Payment of lease liability	(441.55)	(292.95)
Proceeds from borrowings (other than debt securities)	1,55,520.00	72,265.00
Proceeds from issue of debt securities	93,524.29	62,173.39
Redemption of borrowings (other than debt securities)	(74,224.35)	(48,668.31)
Redemption of debt securities	(60,827.55)	(28,044.83)
<b>Net cash generated from financing activities</b>	<b>1,14,222.48</b>	<b>57,468.78</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,300.08</b>	<b>(1,395.48)</b>
Cash and cash equivalents at the beginning of the year	(511.14)	884.34
<b>Cash and cash equivalents at the end of the year</b>	<b>2,788.94</b>	<b>(511.14)</b>

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	2.84
Balances with banks		
- Current Accounts	5,255.98	1,455.08
Deposit with bank with maturity less than 3 months	250.00	-
<b>Cash and cash equivalents</b>	<b>5,505.98</b>	<b>1,457.92</b>
Less: Bank overdraft and cash credit	(2,717.05)	(1,969.07)
<b>Cash and cash equivalents in cash flow statement</b>	<b>2,788.93</b>	<b>(511.15)</b>



Notes:

3. The above consolidated financial results of Incred Financial Services Limited ("the Company") and its subsidiaries (the "Group") have been reviewed and recommended by the audit committee to the Board of Directors and the same has been approved at the meeting held on April 29, 2022.
4. The consolidated financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the 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.
5. These consolidated financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
6. On August 16, 2021, the Company entered into agreements with KKR India Financial Services Limited ("KIFS") for the demerger of the retail lending, SME lending, housing finance business and ancillary activities of the Company to KIFS ("Proposed Demerger"). The Board of Directors of the Company at their meeting held on September 3, 2021 has approved a composite scheme of arrangement ("Scheme") amongst KKR Capital Markets India Private Limited, Bee Finance Limited, KIFS and the Company and their respective shareholders for the Proposed Demerger. The Scheme has been filed with the National Company Law Tribunal on September 27, 2021. The Scheme will be effective post completion of customary conditions, including receipt of approvals from the relevant statutory authorities. Further, the Company has received no-objection from RBI on December 08, 2021 and in-principle approval from BSE Limited on December 24, 2021. The Equity Shareholders, Preference Shareholders and secured creditors of the Company have also approved the Scheme at their respective meetings convened by the NCLT held on December 15, 2021.
7. In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID19 -Regulatory Package', the Group had granted moratorium up to six months on the payment of instalments which became due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers. During the current and previous year, the Group had provided loan moratorium in respect of certain loan accounts pursuant to RBI's Resolution Framework 1.0. dated August 6, 2020 and Resolution Framework 2.0. dated May 5, 2021 for COVID-19 induced stress. As at March 31, 2022, the Group holds adequate impairment allowance on the loan portfolio as per requirements of Ind AS 109.
8. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules there under. The ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate and assess the impact of the rules as and when the same are notified. The Group will record any related impact in the period the rules becomes effective.
9. All secured Non Convertible Debentures ("NCDs") issued by the Group are secured by pari-passu charge on the Group's property (wherever applicable) and /or exclusive charge on receivables under book debts to the minimum extent of 100% or such higher security as per the respective term sheets of the outstanding secured NCDs.
10. Pursuant to the RBI circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances – Clarifications" and review of the Group's current policy for measuring expected credit losses as per Ind AS, the Group had aligned its definition of default (i.e Stage III) with the aforesaid circular for asset classification and provisioning purpose as per Ind AS and the resultant impact had been effected in unaudited quarterly financial results for the period ended December 31, 2022. However, on February 15, 2022 RBI had issued further clarification on the said circular and has granted time till September 30, 2022 to NBFCs to implement the change in default definition. As a consequence, the Group has realigned the definition of change in default to earlier norms. The Company will take necessary steps to ensure compliance with the circular.
11. The Group has sold its existing business of Direct Sourced Two-Wheeler Loans comprising of loan portfolio amounting to Rs. 2,085.87 lakhs for Rs. 1,040.00 lakhs effective October 01, 2021. The sale has resulted in a gross loss of Rs. 1,045.87 lakhs with a corresponding release of loan provision amounting to Rs. 481.67 lakhs, thus resulting in a net charge of Rs.564.20 lakhs for the quarter. Further, disclosures as required by the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 is as under:

**Details of overdue loans (NPA and SMA) transferred during the year:**

(INR in crores)	
Particulars	To permitted transferees
No of Accounts	5417
Aggregate principal outstanding of loans transferred	14.12
Weighted average residual tenor of the loans transferred	< 1 year
Net book value of loans transferred (at the time of transfer)	9.36
Aggregate consideration	4.86
Additional consideration realised in respect of accounts transferred in earlier years	-

12. There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.
13. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022 is attached as Annexure I to these financial results.
14. The previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For InCred Financial Services Limited

**BHUPINDER SINGH**  
Digitally signed by  
BHUPINDER SINGH  
Date: 2022.04.29  
19:18:01 +05'30'

**Bhupinder Singh**  
Whole Time Director & CEO  
DIN: 07342318

Place: Mumbai  
Date: April 29, 2022

**Annexure 1:**

**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, 2022 with respect to listed secured debentures of the Company issued on a private placement basis.**

a) Omitted

b) Omitted

**Debt equity ratio of the Group**

c) as at March 31, 2022 (Refer Note 1) : 2.57

d) Omitted

e) Omitted

f) Debt service coverage ratio: Not applicable

g) Interest service coverage ratio: Not applicable

h) Outstanding redeemable preference shares (quantity and value): Not applicable

i) Capital Redemption Reserve: Nil

j) Net worth (Refer Note 2): INR 1,09,775.66 lakhs

**k) Net profit after tax:**

Particulars	Year ended March 31, 2022
Net profit after tax:	INR 3,082.76 lakhs

**l) Earnings per share (not annualised):**

Particulars	Year ended March 31, 2022
- Basic:	INR 0.80
- Diluted:	INR 0.79

m) Current ratio: Not applicable

n) Long term debt to working capital: Not applicable

o) Bad debts to Account receivable ratio: Not applicable

p) Current liability ratio: Not applicable

q) Total debts to total assets (Refer Note 3): 69.79%

r) Debtors turnover: Not applicable

s) Inventory turnover: Not applicable

t) Operating margin (%): Not applicable

**u) Net profit margin (%) (Refer Note 4):**

Particulars	Year ended March 31, 2022
Net profit margin (%) :	5.88%

**v) Sector specific ratios:**

Gross NPA ratio (stage III assets) (Refer Note 5)	2.83%
Net NPA ratio (stage III assets) (Refer Note 6)	1.43%
Provision coverage ratio (Refer Note 7)	50.01%
CRAR	Not applicable
Liquidity coverage ratio	Not applicable

**Notes:**

1 Debt to equity ratio = (Debt securities + Borrowings other than debt securities) / Net-worth.

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

3 Total debt to total assets = (Debt securities + Borrowings other than debt securities) / Total assets.

4 Net profit margin = Net profit for the period / Total income for the period.

5 Gross NPA ratio = Stage III gross carrying amount / Gross carrying amount.

6 Net NPA ratio = (Stage III gross carrying amount - Impairment allowance on Stage III loans) / (Gross carrying amount - Impairment allowance on Stage III loans)

7 Provision coverage ratio = Impairment allowance on Stage III gross carrying amount / Stage III gross carrying amount.

Date: 29 April 2022

Ref: Company Code: 11843

<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400051	<b>BSE Limited</b> Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400001
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**Kind Attn: Head – Listing Department / Dept of Corporate Communications****Sub: Declaration regarding Audit Reports with unmodified opinion for the Financial Year ended on March 31, 2022 pursuant to Regulation 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

Dear Sir / Madam

Pursuant to the requirement of Regulation 52(3)(a) of Listing Regulations, we hereby declare that S.R. Batliboi & Co., Chartered Accountants, Statutory Auditors of the Company have submitted Audit Reports for annual audited financial results (standalone and consolidated) of the Company for the financial year ended March 31, 2022 with an unmodified opinion(s).

We request you to kindly take the above on records.

Thanking you,

Yours faithfully,

**For InCred Financial Services Limited**

**BHUPINDER SINGH**  
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Digitally signed by  
BHUPINDER SINGH  
Date: 2022.04.29  
17:42:10 +05'30'

**Bhupinder Singh**  
**Whole-time Director & CEO**

**INCRED FINANCIAL SERVICES 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

April 8, 2022

To,  
**BSE Limited,**  
Listing Department,  
1<sup>st</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai- 400 001

To,  
**National Stock Exchange of India  
Limited**  
Exchange Plaza  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400051

**Subject: Non-applicability of SEBI Circular- SEBI/HO/DDHS/CIR/P/2018/144 dated  
November 26, 2018 with respect to fund issuance of debt securities by Large Entities**

**Ref: Company Code: 11843**

Dear Sirs / Madam,

This is with reference to the SEBI Circular - SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 in respect of fund issuance of debt securities by Large Entities and disclosures and compliances thereof by such Large Corporate, we would like to inform you that our company, InCred Financial Services Limited does not fall under Large Corporate category as per the framework provided in the aforesaid Circular.

We request you to kindly take the above on records and acknowledge receipt of this letter.

Thanking you,

Yours truly,

**For InCred Financial Services Limited**

GAJENDR Digitally signed  
by GAJENDRA  
A SINGH SINGH THAKUR  
THAKUR Date: 2022.04.08  
11:43:08 +05'30'

**Gajendra Thakur  
Company Secretary**

INCREDFINANCIALSERVICESLIMITED

Corporate Office:  
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The Capital, Plot No C-70, G Block,  
Bandra Kurla Complex, Mumbai,  
Maharashtra, India, 400051

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