(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

No: _____
Addressed to: _____

PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT

INCRED FINANCIAL SERVICES LIMITED

A public limited company incorporated under the Companies Act, 1956
Date and place of Incorporation: The Company was incorporated on January 08, 1991 in Mumbai;
CIN: U74899MH1991PLC340312| **Permanent account number (PAN)**: AAACV3232G| **RBI Registration Number**: B-13.02395
Registered and Corporate Office: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051
Contact Person: Mr. Gajendra Thakur; **E-mail**: incred.compliance@incred.com;
Telephone No.: 022- 4097 7000 **Website**: www.incred.com **Compliance Officer**: Mr. Gajendra Thakur | **Email**: incred.compliance@incred.com

Information Memorandum for issue of Debentures on a private placement basis
Dated: January 17th, 2022

Issue of 150 (One Hundred Fifty) Secured, Rated, Listed, Redeemable, Senior, Principal Protected Market-Linked, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) with a green shoe option of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only) in a single series on a private placement basis (**the** "**Issue**").

Background

This Information Memorandum is related to the Debentures to be issued by Incred Financial Services Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on May 19, 2021 pursuant to Section 42 of the Act read with the applicable rules thereunder, and the Board of Directors of the Issuer on February 17, 2021 read with the resolutions passed by the Finance Committee of the Board of Directors of the Issuer on May 24,, 2021 in accordance with the provisions of the Act and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated [May 19, 2021] in accordance with the provisions of the Companies Act, 2013, the Company has been authorised to borrow and raise funds, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding [INR 1500,00,00,000/- (Rupees One Thousand Five Hundred Crores only)]. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis ("**Information Memorandum**" or "**Disclosure Document**").

This Information Memorandum has not been submitted, cleared or approved by SEBI. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by [CRISIL] ("**Rating Agency**" / "**[CRISIL]**"). The Rating Agency has, *vide* its letter dated 23rd December, 2021 assigned a rating of "PP-MLD A r" (pronounced as "Principal Protected- Market Linked Debenture Single A ") with "Watch Positive" outlook in respect of the Debentures. In accordance with CRISIL Ratings Limited Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the rating letter dated December 23,2021 from the Rating Agency assigning the credit rating above mentioned along with the detailed press release.

Issue Schedule

Issue Opens on/ Issue Opening Date	January 18th, 2022
Issue Closes on/ Issue Closing Date	January 19th, 2022
Deemed Date of Allotment	January 19th, 2022
Date of earliest closing of the Issue	Not Applicable

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange of India ("**BSE**").

ELIGIBLE INVESTORS

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): (a) Mutual Funds; (b) Non-banking financial companies; (c) Provident Funds and Pension Funds; (d) Corporates; (e) Banks; (f) Foreign Institutional Investors (FIIs); (g) Qualified Foreign Investors (QFIs); (h) Foreign Portfolio Investors (FPIs); (i) Insurance Companies; and (j) Any other person (not being an individual or a group of individuals) eligible

to invest in the Debentures. All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Further, Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

BRIEF DETAILS ABOUT THE ISSUE

Details such as coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount and such other information pertaining to the Issue are more particularly set out under Section 5.28 of this Information Memorandum. The Issuer further confirms that no underwriting is proposed to be undertaken in relation to the Issue and the current Issue is not being undertaken by way of electronic book mechanism or through an electronic book provider platform.

Registrar and Transfer Agent	Debenture Trustee
Link Intime India Private Limited C 101, 247 Park B S Marg Vikhroli West, Mumbai - 400 083 Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 Website: www,linkintime.co.in Email: mumbai@linkintime.co.in Contact Person: Mr. Ganesh Jadhav	**Catalyst Trusteeship Limited** Windsor,6th Floor, Office No.604, C.S.T Road, Kalina, Santa Cruz (East), Mumbai 400098 Tel.: 022- 49220555 Fax: 022-49220505 Email: ComplianceCTL-Mumbai@ctltrustee.com Contact Person: Mr. Umesh Salvi Email: umesh.salvi@ctltrustee.com
Credit Rating Agency	**Compliance officer/ company secretary of the Issuer**
CRISIL Ratings Limited (A subsidiary of CRISIL Limited) CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, India Phone: +91-22-3342 3000 Website: www.crisil.com/ratings	Ms. Gajendra Thakur, Company Secretary of the Issuer Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India Tel.: 022- 4097 7000 Email: gajendra.thakur@incred.com
Chief financial officer of the Issuer	**Promoters of the Issuer/Promoters**
Mr. Vivek Bansal Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India	**Bee Finance Limited** 4th floor, Raffles tower, 19, cyber city, ebene 72201, Republic of Mauritis.

Tel.: 022- 4097 7000 Email: vivek.bansal@incred.com	

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as **Annexure IV**.
Board/Board of Directors	**Name of the Director** / **Designation** Mr. Bhupinder Singh — Whole Time Director Mrs. Rupa Rajul Vora — Independent Director Mr. Vivek Bansal — Whole Time Director Mr. Vivek Anand PS — Non Executive Director Mr. Antonius Bruijninckx — Non Executive Director Mr. Debashish Dutta Gupta — Independent Director
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in [Mumbai, India] and "**Business Days**" shall be construed accordingly.
CDSL	Central Depository Services Limited
Client Loan	Each loan made by the Issuer as a lender, and "**Client Loans**" shall refer to the aggregate of such loans.
Debentures / NCDs	[150] (One Hundred Fifty) Secured, Rated, Listed, Redeemable, Senior, Principal Protected Market-Linked, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) with a green shoe option of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only) This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis shall be Rs. Ten lakh.
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	January 19th , 2022
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company *inter alia* for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company *inter alia* setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.

Deed of Hypothecation	The unattested deed of hypothecation to be entered into between the Issuer and the Debenture Trustee prior to the Deemed Date of Allotment, pursuant to which the hypothecation over the Secured Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier (upon any Event of Default or upon the exercise of the Put Option or Call Option), prior to the scheduled Maturity Date or acceleration.
EFT	Electronic Fund Transfer.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents.
Final Fixing Date	The Nifty 50 Index futures expiry date in the month of January, 2025 (i.e. 30th January, 2025, provided that, if such date is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date/ Final Fixing Date)
Final Fixing Level	Official closing level of NIFTY 50 INDEX on Final Fixing Date
Final Settlement Date	The date on which the obligations in relation to the Outstanding Amounts have been irrevocably discharged in full and/or the Debentures, have been redeemed by the Company in full and the Debenture Trustee has provided a written confirmation to the Company in this regard
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
Indian Accounting Standard (IND AS)	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
Issue	private placement of the Debentures.
Issue Opening Date	January 18th, 2022
Issue Closing Date	January 19th, 2022

Issuer/ Company	Incred Financial Services Limited
Initial Fixing Date	January 19th, 2022
Initial Fixing Level	Official closing level of NIFTY 50 INDEX on Initial Fixing Date
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	8th May, 2025 being 1205days (One Thousand Two Hundred and Five days) from the Deemed Date of Allotment, subject to a Put Option or a Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Net Assets	Net Assets shall mean the total assets on the balance sheet of the Issuer excluding any securitised assets and managed (non-owned) loan portfolio.
N.A.	Not Applicable.
NBFC Directions	RBI Master Direction on Non- Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)
NSDL	National Securities Depository Limited.
Operational Circular	Shall mean the circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on August 10, 2021
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 which is annexed to this Information Memorandum and marked as **Annexure IX**.
RBI	Reserve Bank of India.
Reference Index / Underlying Index	NSE Nifty 50 which is an index owned and managed by NSE Indices and the details of which are published on https://www.nseindia.com/.
Rating Agency	CRISIL Ratings Limited registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).

SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Section 5.28.
Tax or Taxes	shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government;
TDS	Tax Deducted at Source.
The Companies Act/ the Act	the provisions of the Companies Act, 2013, along with the rules and regulations made thereunder and the notifications, circulars and orders issued in relation thereto, as amended, modified or supplemented from time to time.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 7.1.
Valuation Agency	Means CRISIL Limited, an AMFI appointed valuation agency as stipulated by SEBI vide circular no. CIR/IMD/DF/17/2011 dated September 28, 2011, as amended from time to time
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI NCS Regulations.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. This Information Memorandum has been prepared in conformity with the SEBI NCS Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating

to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI NCS Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that

recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI NCS Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI NCS Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.4 DISCLAIMER IN RESPECT OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.8 DISCLAIMER RELATING TO THE DEBENTURES

Please refer to Annexure VI setting out the detailed scenario analysis/ valuation matrix showing value of the security under different market conditions along with graphic representation.

2.9 DISCLAIMER OF VALUATION AGENT

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different. The Valuation Agency

will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.

2.10 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. It is the duty of the Debenture Trustee to monitor the maintenance of the security/ asset cover, however, the Debenture Holder(s)' recovery in relation to the Debentures will be subject to and shall depend on the market scenario prevalent at the time of enforcement of the security. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

2.11 DISCLAIMER FROM REFERENCE INDEX/ UNDERLYING SECURITY

The Debentures are not sponsored, endorsed, sold or promoted by NSE Indices Limited formerly known as India Index Services & Products Limited ("NSE Indices"). NSE Indices does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the Nifty 50 index (which is the name of the index) ("NSE Nifty 50") to track general stock market performance in India. The relationship of NSE Indices to the Issuer is only in respect of the licensing of certain trademarks and trade names of the NSE Nifty 50 which is determined, composed and calculated by NSE Indices without regard to the Issuer or the Debentures. NSE Indices does not have any obligation to take the needs of the Issuer or the owners of the Debentures into consideration in determining, composing or calculating the NSE Nifty 50. NSE Indices is not responsible for or has not participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures are to be converted into cash. NSE Indices has no obligation or liability in connection with the administration, marketing or trading of the Debentures.

NSE Indices does not guarantee the accuracy and/or the completeness of the NSE Nifty 50 or any data included therein, and they shall have no liability for any errors, omissions, or interruptions therein. NSE Indices does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the Debentures, or any other person or entity from the use of the NSE Nifty 50 (Name of the Index) or any data included therein. NSE Indices makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the NSE Nifty 50 or any data included therein. Without limiting any of the foregoing, NSE Indices expressly disclaim any and all liability for any damages or losses arising out of or related to the Debentures, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Debentures, will be regarded as having acknowledged, understood and accepted this disclaimer and will be bound by it.

SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Offer Document for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Offer Document r and reach their own views prior to making any investment decision.

3.1 Increasing competitive environment for business.

The successful implementation of the Company's growth plans depends on its ability to face the competition. The main competitors of the Company are NBFCs, financial institutions and banks, alternate investment funds, private wealth management, offshore investors. The Company, being a non-deposit taking NBFC, does not have access to low cost deposits. Many of its competitors may have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base.

3.2 Credit risk of Borrowers.

Any lending and investment activity by the Company is exposed to credit risk arising from interest / repayment default by borrowers and other counterparties. As an NBFC, the Company has lent money for various maturities and with varying security to a variety of clients. The Company is exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons.

The Company has a systematic credit evaluation process and monitors its asset portfolio on a regular basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. Despite these efforts, there can be no assurance that repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof.

In performing its credit assessment, the Company relies primarily on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

3.3 Collateral Risk

A substantial portion of the Company's gross loan portfolio is secured by assets, moveable and immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of the Company's security over the assets comprising its security and the Company

may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

3.4 Legal Risk.

Enforcement proceedings before Indian courts may be time consuming and could expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

3.5 Product Related Risks

A. **The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time.**

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

B. **Structure Risks**

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the Maturity Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Maturity Date. The Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the Maturity Date. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts

payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

C. **Credit Risk**

While the repayment of sums due at maturity is provided by the Issuer, investors should be aware that receipt of any coupon payment and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and investors may or may not recover all or part of the principal amount in case of default by the Issuer.

Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

D. **The Debenture Holders should consult their own tax, legal, accounting experts to determine the impact of any change in valuation, returns etc. of these debentures in case of any prepayment or early redemption or premature exit by the Company relating to Debentures due to linkages to the reference asset**

An investment in Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a "**Reference Value**") will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Debenture Holder shall receive at least the face value of the Debenture only if the investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Maturity Date.

If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agency(ies) based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount. In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the Maturity Date, subject to credit risk of the Issuer, the Debenture Holder of the Debenture will receive at least the principal amount.

The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for the Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold the Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

3.6 Credit Risk of the Company

Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. If bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

3.7 Non Performing Assets (NPA)

The Company makes provisions for NPAs in accordance with the provisions prescribed by the RBI. The Company believes that its overall financial profile and capitalization levels provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs may adversely affect the Company's business, financial results and/or operations.

3.8 Interest Rate Risk.

The Company's interest income from lending is dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

3.9 Access to Capital Market and Commercial Borrowings

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth and financial performance will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings.

3.10 Operational and System Risk

The Company is faced with operational and system risks, which may arise because of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, the Company also faces security risk in terms of system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of the Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

Any inability of the company to attract or retain talented professionals may impact its business operations

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose business opportunities and its business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

3.11 Employee Misconduct

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

3.12 Downgrading in credit rating

CRISIL Ratings Limited has assigned PP-MLD A r [CRISIL A; Watch Positive (Single A; Outlook Watch Positive)] rating to the Debentures of the Issuer for borrowing up to an aggregate amount of INR 200,00,00,000 (Indian Rupees Two Hundred Crore only). The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

3.13 No guarantee

Bee Finance Limited., the Company's holding company has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against Bee Finance Limited., any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

3.14 Debenture Redemption Reserve

NBFCs registered with RBI are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

3.15 Security may be insufficient to redeem the Debentures

The Debentures are proposed to be secured by the assets to the tune of 100% of the principal amounts of the Debentures or as per the terms of this Information Memorandum, in favour of the Debenture Trustee. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. It is the duty of the Debenture Trustee to monitor that the

security/ asset cover is maintained. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.16 Tax and other Considerations

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

3.17 The Debentures may be illiquid

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to settlement of the Debentures. Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

3.18 Future legal and regulatory obstructions

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator and any regulatory action, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations. Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this Offer Document, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

3.19 A slowdown in economic growth in India

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

3.20 Covid 19

Our borrowers may continue to experience stress due to Covid-19 related economic downturn and may find it difficult to service their loans despite moratorium and other relief measures extended by the RBI,

Government of India and us and thus affect asset quality and lead to credit losses

Due to the outbreak of COVID-19 pandemic and the resultant lockdowns and quarantine measures economic activities in India have been severely impacted during the current financial year. Reserve Bank of India (RBI) though various regulatory measures and package announced during the current financial year sought lenders to grant a moratorium for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. The Supreme Court of India also has taken note of the moratorium guidelines and has directed that interest on interest cannot be recovered from the borrowers during the moratorium period and the Company is accordingly required to either refund such interest amount collected from the borrowers or adjust it in future EMIs. In view of the said judgement of the Supreme Court of India will have significant impact of the operations or financial position of the Company. Since the economic situation continues to be stressed and some of the borrowers continue to be impacted by the downturn in the economic activities, their capacity and ability to service the loans after the end of the regulatory moratorium period may still remain compromised. This may lead to a deterioration in asset quality and eventual losses on recoveries and may also lead to lower interest income and may necessitate incremental provisions and mark-down on our loan portfolio thus affecting the profitability and cash flows.

3.21 Material changes in regulations to which the Company is subject

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs.

Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is classified as a NBFC-ND-SI as defined in the RBI guidelines, which is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

3.22 Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business

The Company's financing arrangements may require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangement and such breach continues beyond the stipulated cure period (if any), the Company may be subjected to various consequences because of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company may be required to inform/ obtain prior approval of the lenders/ debenture holders/ debenture trustee for various actions. This may restrict/ delay some of the actions/ initiatives of the Company from time to time.

3.23 Acts of God, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business

Acts of God, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of

business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

3.24 General Risk Factors

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Offer Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this Offer Document.

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended March 31, 2021 are set out in **Annexure V** hereto.

SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI NCS Regulations and Operating Circular and in this section, the Issuer has set out the details required as per Schedule I of the SEBI NCS Regulations and Operating Circular.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last 3 (Three) years audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(d) Copy of the resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on [May 19, 2021] authorizing the issue/offer of non-convertible debentures by the Company for aggregate amounts not exceeding INR 1500,00,00,000/- (Rupees One Thousand Five Hundred Crores only);
(e) Copy of the resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on [March 26, 2019], authorizing the borrowing of the Company up to a limit of INR 4,000,00,00,000/- (Rupees Four Thousand Crores only) and the creation of security by the Company in respect of such borrowings;
(f) Copy of the resolution passed by the Board of Directors dated [February 17, 2021] read with the resolutions passed by the Finance Committee of the Board of Directors of the Company on [May 24, 2021] authorizing the issuance of the Debentures and the list of authorized signatories;
(g) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
(h) Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
(i) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last 3 (Three) years audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
(e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified

Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Issue Schedule

Particulars	Date
Issue Opening Date	January 18th , 2022
Issue Closing Date	January 19th, 2022
Pay In Date	January 18th, 2022 & January 19th, 2022
Deemed Date of Allotment	January 19th, 2022

5.4 Name, logo, address, websites, email address, telephone number and contact person of Issuer, Debenture Trustee, Rating Agency, Registrar, Statutory Auditor and Legal Counsel:

Date of incorporation of the Issuer: January 8, 1991

Name of the Issuer: Incred Financial Services Limited

Registered Office of Issuer: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051

Corporate Office of Issuer: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051

Compliance Officer of Issuer: Mr. Gajendra Thakur, Company Secretary of the Issuer
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India
Tel.: 022- 4097 7000
Email: gajendra.thakur@incred.com

CFO of Issuer: Mr. Vivek Bansal
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India
Tel.: 022- 4097 7000
Email: vivek.bansal@incred.com

Registration Number: B-13.02395

Corporate Identification Number: U74899MH1991PLC340312

Phone No.: 022- 4097 7000

Contact Person: Mr. Gajendra Thakur

Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India
Tel.: 022- 4097 7000

Email: gajendra.thakur@incred.com

Website of Issuer: www.incred.com

Guarantor, if applicable: N.A.

Arranger, if any N.A.

Statutory Auditors of the Issuer: S. R. Batliboi & Associates LLP
12th Floor, The Ruby,
29, Senapati Bapat Marg,
Dadar West, Mumbai-400028
Tel: 022-6819 8000

Debenture Trustee to the Issue: Catalyst Trusteeship Limited
Address: Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098
Email: ComplianceCTL-Mumbai@ctltrustee.com
Contact Person: Mr. Umesh Salvi
Telephone No.: +91 22 4922 0555
Website: www.catalysttrustee.com

Registrar to the Issue: **Link Intime India Private Limited**

C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000
Website: www.linkintime.co.in
Email: mumbai@linkintime.co.in
Contact Person: Mr. Ganesh Jadhav

Credit Rating Agency: CRISIL Ratings Limited

Phone: + 91 22 6172 3560
Website: www.crisil.com/ratings
Email: Vani.ojasvi@crisil.com
Contact Person: Vani Ojasvi

Legal Counsel (if any) N.A.

5.5 A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business:

(a) **Overview**

InCred Financial Services Limited was incorporated as a public limited company on 08/01/1991 by the name of Visu Leasing and Finance Private Limited. The Company changed its name from

Visu Leasing and Finance Private Limited to InCred Financial Services Private Limited w.e.f. 13th August, 2018 and converted into a Public Company w.e.f. 1st November, 2018. The Company is registered with the RBI as a non- deposit accepting NBFC. The Company is a systemically important NBFC. The Company is a new-age financial services platform that leverages technology and data-science to make lending quick and easy and is engaged in granting loans in the nature of Personal Loans, Education Loans and SME Business Loans. The Company has its registered office which is located at Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051. The shares of the Company are not listed on any stock exchange, however the Non-Convertible debentures issued by the Company are listed in BSE WDM platform.

The Company has following subsidiaries as on March 31, 2021.

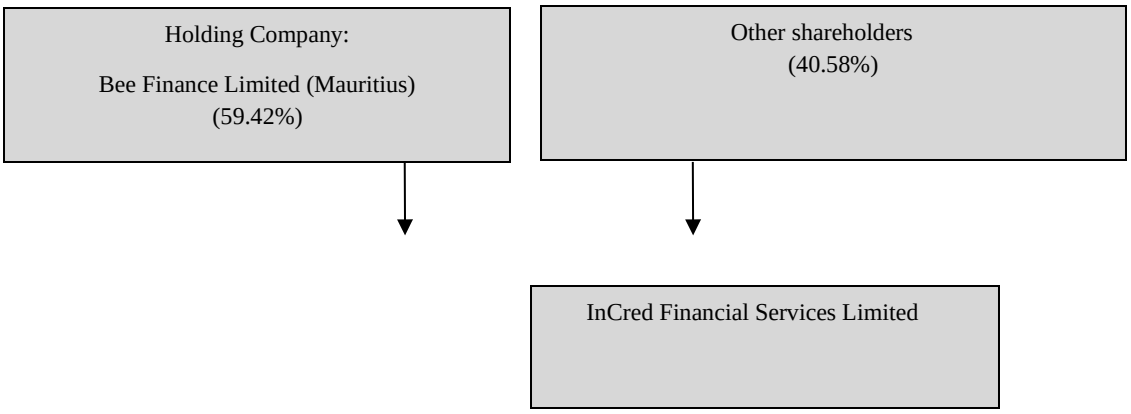
SN.	Name and address of the company	Business	% of shares held	Branches as on March 31, 2021
1	Incred Management & Technology Services Private Limited Regd. office Address: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051	Support services	100%	Nil
2	Booth Fintech private Limited Regd office Address: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051	Activities auxiliary to financial intermediation	100%	Nil

The Company has 19 branch offices as on September 30, 2021.

SN.	Location	State	City	Address
1.	Hyderabad-Raj Bhavan Road	Telangana	Hyderabad	ANKS Tower #6-3-108/A 2nd Floor Raj Bhavan Road Somaji Gudda Hyderabad-500082
2.	Tamilnadu-T Nagar	Tamil Nadu	Chennai	No.1,1st Floor, Nathamuni Street,Tnagar,Chennai,Tamil Nadu-600017
3.	Bengaluru	Karnataka	Bangalore	No 8 Second Floor Feather Lite Vista Building MV Jayaram Road Vasanth Nagar Bangalore-560052
4.	Tamil Nadu-Madurai	Tamil Nadu	Madurai	No:4/225, 2nd floor, Arul Nagar, Bye pass road
5.	Ahmedabad-Navrangpura	Gujarat	Ahmedabad	3rd floor, Kalapurnum Complex, Above CITI Bank, Near municipal market, C.G. Road, Navrangpura, Ahmedabad, Gujarat – 380009

6.	Warangal City Centre	Telangana	Warangal	Unit no. 5, 2nd Floor, Warangal City Centre, Sy no 15-1-237 part, Industrial Estate Mulugu Road, Warangal, Telangana – 506007
7.	Kolkata-Camac Street	West Bengal	Kolkatta	AWFIS 4th Floor, 8/1A Sir William Jones Sarani, 1 Camac Street, Kolkata, - 700071
8.	Pune-Shivajinagar	Maharashtra	Pune	4th floor city square building Maple group near zenith complex behind pride Hotel shivajinagar-411005
9.	Thane-wagle estate	Maharashtra	Thane	316 3rd Floor Tower B Lodha Supremus2 wagle estate Thane-400604
10.	Mumbai-Andheri	Maharashtra	Mumbai	Unit No.303A-02,3rd floor, Kaledonia Building, B-wing, Station Road, Andheri East-400053
11.	New Delhi-Connaught Place	NCT OF DELHI	New Delhi	406, 4th Floor, Competent House, Middle Circle , Connaught Place, New Delhi -110001
12.	Vijayawada-Pantakaluva Road	Andhra Pradesh	Vijayawada	57-2-15, 2nd Floor, Pantakaluva Road, Vijayawada- 520010
13.	Jaipur-Malviya Marg	Rajasthan	Jaipur	Office NO-201, City Corporate Buillding, Malviya Marg, C-Scheme , Jaipur-302001
14.	Hubli-dharawad road	Karnataka	Hubli	307, 3rd floor, Nirwana wali Trade winds, Hosura, oppp. ksrtc bustop, Hubli - dharawad road, Hubli
15.	Coimbatore-RS Puram	Tamil Nadu	Coimbatore	Shop No:36/8, 1st Floor, Ashirwad (Opp Petrol Bunk), D.B.Road, R.S.Puram Coimbatore 641002
16.	Tamil Nadu-Trichy	Tamil Nadu	Trichy	No.63/1, Chitra complex,2nd F-07,Karur by pass road, chatram bus stand, Trichy, Tamil Nadu- 620002
17.	Andhra Pradesh-Nellore	Andhra Pradesh	Nellore	InCred financial Services Limited, D No:218, Ritwik Enclave,1st Floor, Next to Ratnam School, Near Current office, A K Nagar Post, Nellore – 524004
18.	Bangalore-Whitefield	Karnataka	Bangalore	Unit:2, Discover Block, ITPL, Whitefield, Bangalore – 560066
19.	Mumbai - Bandra Kurla complex	Maharashtra	Mumbai	No.1203, B Wing, The capital, Bandra Kurla complex, Mumbai 400051

(b) **Corporate Structure / Organization Structure:**



(c) **Project cost and means of financing, in case of funding new projects:**

Not applicable

(d) **A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of this Information Memorandum or the issue opening date, as may be applicable. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.**

Attached as **Annexure V**

(e) **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.**

Parameters	**Audited INDAS**	**Audited INDAS**	**Audited INDAS**	**Unaudited INDAS**
For Financial Entities	**March 31, 2019**	**March 31, 2020**	**March 31, 2021**	**September 30, 2021**
Balance Sheet				
Net Fixed Assets	14.37	34.00	35.13	33.54
Current assets	768.21	918.89	1,349.48	1,703.71
Non- Current Assets	1,094.92	1,251.44	1,406.79	1,671.88
Total assets	1,877.50	2,204.34	2,791.41	3,375.59
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)		553.97	727.64	
Provisions	835.53			1,380.13

Deferred tax liabilities (net) Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	446.30	626.09	1,017.92	924.62
Equity (equity and other equity)	595.67	1,024.28	1,045.85	1,070.84
Total equity and liabilities	1,877.50	2,204.34	2,791.41	3,375.59
Profit and Loss				
Total revenue - From operations - Other income	290.75	331.57	391.85	233.82
Total Expenses	285.14	318.52	379.44	224.42
Total comprehensive income - Profit / loss - Other comprehensive income	4.16	3.04	10.93	5.40
Profit / loss after tax	3.77	2.75	10.23	7.17
Earnings per equity share: (a) basic; and (b) diluted - Continuing operations - Discontinued operations - Total Continuing and discontinued operations	(a) 0.12 (b) 0.12	(a) 0.07 (b) 0.07	(a) 0.27 (b) 0.26	(a) 0.19# (b) 0.18#
Cash Flow				
Net cash generated from operating activities	(337.46)	(262.80)	(496.11)	(333.01)
Net cash used in / generated from investing activities	(17.13)	(45.35)	(100.10)	(124.75)
Net cash used in financing activities	249.18	325.30	581.62	572.28
Cash and cash equivalents	(55.50)	8.14	(6.46)	108.06
Balance as per statement of cash flows	(55.50)	8.14	(6.46)	108.06
Additional information				
Net worth	558.12	1,009.10	1,020.13	1,050.12
Cash and Cash equivalents	18.46	37.73	13.23	108.06
Current Investments	1.22	10.038	76.65	237.07
Assets Under Management	1762.48	2101.88	2644.65	2,981.04
Off balance sheet assets	NA	NA	NA	NA
Total Debts to Total assets	0.67	0.51	0.60	0.66
Debt Service Coverage Ratios	NA	NA	NA	NA
Interest Income	283.32	311.03	377.12	218.13

Interest Expense	137.84	116.06	152.71	93.81
Interest service coverage ratio	1.04	1.11	1.08	1.10
Provisioning & Write-offs	24.03	55.30	88.65	30.36
Bad debts to Account receivable ratio	0.27%	1.70%	1.69%	1.41%
Gross NPA (%)	1.82%	2.83%	3.43%	3.94%
Net NPA (%)	0.71%	1.34%	1.71%	1.93%
Tier I Capital Adequacy Ratio (%)	29.15	45.37	36.54	31.54
Tier II Capital Adequacy Ratio (%)	0.42	0.56	0.66	0.60

* Gross carrying amount as per IND AS
** Total Debts = Debt securities + Borrowings (other than debt securities)
*** Provisioning & Write off includes ECL provision
# Earnings per equity share for the six months ended September 30, 2021 has not been annualized.

(Rs. in Crores)

(f) **Debt: Equity Ratio of the Company (As on September 30, 2021):**

Before the issue of debt securities	2.12
After the issue of debt securities	2.13

Calculations

As on September 30, 2021, debt-to-equity ratio is calculated as follows:

(Rs. in Crores)

Debt – INR lakhs	2,225.07
Equity – INR lakhs	1,048.93
Debt/Equity	**2.12**

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

(Rs. in Crores)

Debt – INR lakhs	2,240.07
Equity – INR lakhs	1,048.93
Debt/Equity	**2.14**

(g) **Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:**

Particulars (INR IN Crores)	**As at March 31, 2021**	**As at March 31, 2020 (Restated)**
Commitments		
Undrawn committed credit lines	89.75	98.80
Total	**89.75**	**98.80**

The Company does not have any pending litigations and proceedings and hence does not require any provision or mention under contingent liability.

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

5.6 A Brief history of Issuer since its incorporation giving details of its following activities:

(a) **Details of Share Capital as on last quarter end i.e. December 31, 2021:**

Share Capital	No. of shares	Aggregate Nominal Value (Rs.)
Authorized Share Capital		
a) Equity Shares	2,01,10,00,000	20,11,00,00,000
b) Preference shares	9,50,00,000	95,00,00,000
Issued, Subscribed and Paid-up Share Capital		
a) Equity Shares	35,42,59,763	3,54,25,97,630
b) Preference shares	3,34,79,624	33,47,96,260

(b) **Changes in its capital structure as on last quarter end i.e. December 31, 2021, for the last three (3) years:**

Sr. No.	Date of AGM/EGM	Amount (in Rs.)	Particulars
1.	12/01/2016	INR 1,00,00,000	The authorized share capital of the Company was increased from Rs. 25,00,000 (Rupees Twenty-Five Lacs only) divided into 2,50,000 (Two lacs fifty thousand) equity shares of Rs. 10 (Rupees ten only) each to Rs. 1,00,00,000 (Rupees One crore only) divided into 10,00,000 (Ten Lacs) equity shares of Rs. 10 (Rupees ten only) each.
2.	01/02/2017	INR 235,00,00,000	The authorized share capital of the Company was increased from Rs. 1,00,00,000 (Rupees one crore only) divided into 10,00,000 (Ten lakhs) equity shares of Rs. 10 (Rupees ten only) each to Rs. 235,00,00,000 (Rupees Two Thirty-Five crores only) divided into 23,50,00,000 (Twenty-three crores fifty lakhs only) equity shares of Rs. 10 (Rupees ten only) each.
3.	06/03/2017	INR 20,000,000,000	The authorized share capital of the Company was increased from Rs. 235,00,00,000 (Rupees Two Thirty-Five crores only) divided into 23,50,00,000 (Twenty-three crores fifty lakhs only) equity shares of Rs. 10 (Rupees ten only)

			each to Rs. 2000,00,00,000 (Rupees Two thousand crores only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Rs. 10 (Rupees ten only).
4.	09/04/2019	INR 2080,00,00,000	The Authorized Share Capital of the Company be and is hereby increased from Rs 2000,00,00,000 (Rupees Two Thousand Crores Only) comprising of 200,00,00,000 (Two Hundred Crores) equity shares of Rs 10 (Rupees Ten) each **TO** Rs 2080,00,00,000 (Rupees Two Thousand and Eighty Crores Only) comprising of 200,00,00,000 (Two Hundred Crores) equity shares of Rs 10 (Rupees Ten) each and 8,00,00,000 (Eight Crores Only) Cumulative Compulsorily Convertible Preference Shares of Rs. 10 (Rupees Ten) each
5.	03/06/2021	INR 21,06,00,00,000	Pursuant to merger of Incred Housing Finance Private Limited with the Company, the Authorized Share Capital of the Company be and is hereby increased from Rs 2080,00,00,000 (Rupees Two Thousand and Eighty Crores Only) comprising of 200,00,00,000 (Two Hundred Crores) equity shares of Rs 10 (Rupees Ten) each and 8,00,00,000 (Eight Crores Only) Cumulative Compulsorily Convertible Preference Shares of Rs. 10 (Rupees Ten) each **TO** Rs 2106,00,00,000 (Rupees Two Thousand One Hundred and Six Crores Only) comprising of 201,10,00,000 (Two Hundred One Crore and Ten Lkah) equity shares of Rs 10 (Rupees Ten) each and 9,50,00,000 (Nine Crores Fifty Lakhs Only) Cumulative Compulsorily Convertible Preference Shares of Rs. 10 (Rupees Ten) each

(c) **Equity Share Capital History of the Company as on last quarter end i.e. December 31, 2021, for the last three (3) years:**

Date of Allotment	**No. of Equity shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Consideration**	**Nature of Allotment**	**Cumulative**			**Remarks**
						No. of Equity Shares	**Equity Share Capital (Rs.)**	**Equity Share Premium (in Rs.)**	

Date of Allotment	**No. of Equity shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Consideration**	**Nature of Allotment**	**Cumulative**			**Remarks**
03.02.2016	2,59,300	10	13.5	NA	Bonus Issue	5,09,300	50,93,000.00	9,07,550.00	N.A
11.02.2016	2,59,300	10	13.5	NA	Bonus Issue	7,68,600	76,86,000.00	18,15,100.00	N.A
21.02.2017	22,96,04,526	10	16.13	Cash	Rights Issue	23,03,73,126	2,30,37,31,260.00	1,41,00,32,298.00	N.A
11.03.2017	1,10,72,279	10	27.79	Cash	Private Placement	24,14,45,405	2,41,44,54,050.00	1,60,70,57,307.27	N.A
16.03.2017	40,97,438	10	27.79	Cash	Private Placement	24,55,42,843	2,45,54,28,430.00	1,67,99,68,923.74	N.A
21.03.2017	16,84,912	10	27.79	Cash	Private Placement	24,72,27,755	2,47,22,77,550.00	1,70,99,50,989.99	N.A
30.03.2017	1,40,18,413	10	27.79	Cash	Private Placement	26,12,46,168	2,61,24,61,680.00	1,95,94,00,805.27	N.A
21.04.2017	28,34,079	10	27.79	Cash	Private Placement	26,40,80,247	2,64,08,02,470.00	2,00,98,31,655.25	N.A
10.04.2018	3,77,77,340	10	27.79	Conversion of OCDs	Conversion of OCDs	30,18,57,587	3,01,85,75,870.00	2,68,18,90,533.85	N.A
22.06.2018	39,47,202	10	27.79	Cash	Preferential Allotment	30,58,04,789	3,05,80,47,890.00	2,75,21,11,257.43	N.A
11.07.2018	18,24,514	10	27.79	Other than Cash	Preferential Allotment	30,76,29,303	3,07,62,93,030.00	2,78,45,69,361.49	N.A

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Date of Allotment	**No. of Equity shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Consideration**	**Nature of Allotment**	**Cumulative**			**Remarks**
26.04.2019	500	10	54..4	Cash	Private Placement	30,76,29,803	30,76,29,8030.00	2,78,45,91,56.49	N.A
31.07.2019	3125	10	40	Cash	ESOP Allotment	30,76,32,928	307,63,29,280.00	27,85,52,906.49	N.A
08.01.2020	3174	10	40	Cash	ESOP Allotment	30,76,36,102	307,63,61,020	27,86,48,126.49	N.A
12.02.2020	625	10	40	Cash	ESOP Allotment	30,76,36,727	307,63,67,270	27,86,66,876.49	N.A
27.07.2020	13,296	10	40	Cash	ESOP Allotment	30,76,50,023	307,65,00,230	27,90,65,756.49	N.A
03.09.2020	4,475	10	40	Cash	ESOP Allotment	30,76,54,498	307,65,44,980	27,92,00,006.49	N.A
15.11.2021	23,750	10	40	Cash	ESOP Allotment	30,76,78,248	307,67,82,480	27,99,12,506.49	N.A
11.02.2021	25,000	10	40	Cash	ESOP Allotment	30,77,03,248	307,70,32,480	28,06,62,506.49	N.A
10.03.2021	24,688	10	40	Cash	ESOP Allotment	30,77,27,936	307,72,79,360	28,14,03,146.49	N.A
13.07.2021	23,262	10	40	Cash	ESOP Allotment	30,77,51,198	307,75,11,980	28,21,01,006.49	N.A
31.08.2021	25,100	10	40	Cash	ESOP Allotment	30,77,76,298	307,77,62,980	28,28,54,006.49	N.A
23.09.2021	14,00,000	10	40	Cash	ESOP Allotment	30,91,76,298	309,17,62,980	32,48,54,006.49	N.A
13/10/2021	1,87,77,574	10	10	Other than cash	Conversion of CCPS	33,92,13,063	3,39,21,30,630	6,21,64,66,033	N.A
25/10/2021	20,425	10	40	Cash	ESOP Allotment	33,92,33,488	3,39,23,34,880	6,21,70,78,783	N.A
25/10/2021	5,000	10	28	Cash	ESOP Allotment	33,92,38,488	3,39,23,84,880	6,21,71,68,783	N.A
09/11/2021	1,00,00,000	10	10	Other than cash	Conversion of CCPS	34,92,38,488	3,49,23,84,880	6,21,71,68,783	N.A

Date of Allotment	No. of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	Cumulative			Remarks
15/11/2021	7,625	10	28	Cash	ESOP Allotment	34,92,46,113	3,49,24,61,130	6,21,73,06,033	N.A
15/11/2021	11,250	10	40	Cash	ESOP Allotment	34,92,57,363	3,49,25,73,630	6,21,76,43,533	N.A
23/11/2021	2,500	10	40	Cash	ESOP Allotment	34,92,59,863	3,49,25,98,630	6,21,76,88,533	N.A
03/12/2021	4,999,900	10	10	Other than cash	Conversion of CCPS	35,42,59,763	3,54,25,97,630	6,21,76,88,533	N.A

(d) **Details of any Acquisition or Amalgamation in the last 1 (one) year**:

InCred Housing Finance Private Limited merged into InCred Financial Services Limited pursuant to order passed by the National Company Law Tribunal, Mumbai Bench on March 11, 2021, hence, InCred Housing Finance Private Limited has ceased to be the subsidiary of InCred Financial Services Limited.

There has been no acquisition or amalgamation in the last 1 (one) year

(e) **Details of any Reorganization or Reconstruction in the last 1 (one) year**:

There has been no reorganization or reconstruction in the last 1 (one) year.

5.7 Details of the shareholding of the Company as on December 31, 2021:

(a) **Shareholding pattern of the Company as on December 31, 2021**:

Sr. No.	Name of the Shareholder	Number of Shares	Number of shares held in demat form	Percentage of Shareholding
1.	Promoter & Promoter Group	24,69,04,520	24,69,04,520	63.68%
2.	Foreign Companies	2,12,09,243	2,12,09,243	5.47%
3	Others	11,96,25,624	10,74,86,154	30.85%
	Total	**38,77,39,387**	**37,55,99,917**	**100.00%**

Notes: Shares pledged or encumbered by the promoters (if any): NIL

List of Preference Shareholders:

S. N.	Name of the Shareholder	Total number of Preference Shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of Preference Shares

1.	Oaks Asset Management Private Limited	72,37,813	72,37,813	21.62
2.	Vistra ITCL (India) Limited (acting as the trustee of Elevar I-IV AIF)	95,12,768	95,12,768	28.42
3.	Moore Strategic Ventures, LLC	1,26,83,724	1,26,83,724	37.88
4.	V Ocean Investments Ltd (The Fund), Mauritius	4,045,319	4,045,319	12.08
	Total	**3,34,79,624**	**3,34,79,624**	**100**

(b) **List of top 10 holders of equity shares of the Company as on December 31, 2021:**

Sr. No	Name of Shareholder	Total Number of Equity Shares	No of shares in demat form	CCPS	Fully diluted (Ratio 1:1)	% Shareholding
1.	Bee Finance Limited (Mauritius)	23,03,73,125	23,03,73,125	0	23,03,73,125	59.41%
2.	Oaks Asset Management Private Limited	1,86,43,793	1,86,43,793	72,37,813	25,881,606	6.68%
3.	Investcorp Private Equity Fund II	14,241,228	14,241,228	0	14,241,228	3.67%
4.	Moore Strategic Ventures, LLC	100	100	1,26,83,724	1,26,83,824	3.27%
5.	Dalmia Enterprise Holdings	96,28,069	-	0	96,28,069	2.48%
6.	Vistra ITCL (India) Limited (acting as the trustee of Elevar I-IV AIF)	100	100	95,12,768	95,12,868	2.45%
7.	V Ocean Investments Ltd (The Fund), Mauritius	44,80,100	44,80,100	40,45,319	85,25,419	2.20%
8.	Paragon Partners Growth Fund A/C Paragon	46,44,605	46,44,605	0	46,44,605	1.20%

Sr. No	Name of Shareholder	Total Number of Equity Shares	No of shares in demat form	CCPS	Fully diluted (Ratio 1:1)	% Shareholding
	Partners Growth Fund-I					
9.	Bhupinder Singh	25,19,554	25,19,554	0	25,19,554	0.65%
10.	InCred Capital Financial Services Pvt Ltd	1,10,21,974	1,10,21,974		1,10,21,974	2.84%

5.8 Following details regarding the directors of the Company:

(a) **Details of current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors as on the date of this Information Memorandum:

Name, Designation, DIN and Occupation	Age	Address	Date of the Appointment	Details of Other Directorships	Whether willful defaulter (Yes/ No)
Name: Mr. Bhupinder Singh, Designation: Whole Time Director and CEO DIN:07342318 Occupation: Professional	43	Flat No. 3602, 3702, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi Mumbai-400011	13/12/2016	1. InCred Housing Finance Private Limited 2. Booth Fintech Private Limited 3. Incred Management and Technology Services Private Limited 4. InCred Capital Wealth Portfolio Managers Private	No

				Limited (Formerly known as BSH Corporate Advisors and Consultants Private Limited) 5. InCred Capital Financial Services Private Limited (Formerly known as Proud Securities and Credits Private Limited) 6. Mvalu Technology Services Private Limited 7. InCred Wealth Limited (Formerly known as InCred Capital Inclusion Advisory Services) Private Limited 8. InCred. AI Limited 9. B Singh Holdings Limited 10. B Singh & Partners PTE	
Name: Mrs. Rupa Rajul Vora Designation: Independent Director DIN:01831916 Occupation :Professional	56	8, Hyde Park 227 Sher E Punjab Soc, Mahakali Caves, Road Mumbai – 400093	27/10/2017	1.Cravatex Brands Limited 2. Volkswagen Finance Private Limited 3. JM Financial Asset Reconstruction Company Limited	No

Name: Mr. Vivek Anand Designation: Director DIN: 02363239 Occupation: Business	37	No. 19, National High School Road, VV Puram, Bangalore-560004	19/03/2018	1. InCred Housing Finance Private Limited (Formerly Known as Bee Secure Home Finance Private Limited) 2. Inara Capital Advisors Private Limited 3. Alpha Capital Advisors Private Limited	No
Name: Mr. Vivek Bansal Designation: Whole Time Director DIN: 07835456 Occupation: Service	41	J-502, Golden Square, Sunder Nagar Extn., Kalina, Santacruz East, Mumbai 400 098.	12/06/2018	1. InCred Housing Finance Private Limited 2. InCred Capital Financial Services Private Limited (Formerly known as Proud Securities and Credits Private Limited)	No
Debashish Dutta Gupta Designation: Independent Director DIN: 08950317	52	41, Windmills of Your Mind, EPIP Road 5B, Near KTPO Whitefield,	1/12/2020	-	No

Occupation: Professional		Bangalore North Karnataka – 560066			
Karnam Sekar Designation: Independent Director DIN: 07400094 Occupation: Professional	61	D-5, Kinellan Towers, 100-A, Nepean Sea Road, Mumbai Maharashtra , India – 400006	17/12/2021	-	

(b) **Details of change in directors since last three years as on December 31, 2021:**

S.No.	*DIN*	*Name of Director*	*Designation*	*Date of Appointment*	*Date of Cessation*	*Remark*
1	00321077	Veena Gupta	Director	03/05/2004	13/12/2016	-
2	00321085	Anil Gupta	Director	03/05/2004	14/12/2016	-
3	05349747	Nikhil Gupta	Director	07/08/2012	14/12/2016	-
4	00022157	Nitin Agarwal	Director	13/12/2016	31/03/2018	-
5	07342318	Bhupinder Singh	Director	13/12/2016	CONTINUING	-
			Designated as Whole Time Director & CEO	16/05/2019		-
6	01831916	Rupa Rajul Vora	Independent Director	27/10/2017	CONTINUING	-
7	03546341	Raj Vikash Verma	Independent Director	27/10/2017	28/04/2018	-
8	00112657	Girish Nadkarni	Nominee Director	19/03/2018	13/06/2021	-
9	02363239	Vivek Anand	Director	19/03/2018	CONTINUING	-
10	02797996	Sunil Agarwal	Director	19/03/2018	16/05/2019	-
11	07835456	Vivek Bansal	Whole Time Director	12/06/2018	CONTINUING	-
12	00074905	Hoshang Sinor	Independent Director	24/07/2018	05/12/2019	-
13	08589813	Antonius Bruijininckx	Additional Director	06/11/2019	15/12/2021	-
14	03272814	Deepak Narang	Independent Director	04/03/2020	11/06/2021	-
15	02947755	Dr. Parvinder Singh Pasricha	Independent Director	04/03/2020	03/09/2020	-
16	08950317	Debashish	Independent	01/12/2020		-

		Dutta Gupta	Director		CONTINUING	
17	07400094	Karnam Sekar	Independent Director	17/12/2021	CONTINUING	-

5.9 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name	Address	Auditor since	Remarks
S. R. Batliboi & Associates LLP	12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai-400028	24/08/2021	-

(b) **Details of change in auditors since last three years**:

Name	Address	Auditor since	Cessation
BSR & Co LLP	(5th Floor, Lodha Excelus, Apollo mills compound, N.M Joshi Marg, Mahalaxmi, Mumbai-400011)	28/09/2017	24/08/2021

5.10 Details of following liabilities of the Company, as on latest quarter end i.e. December 31, 2021 or if available, a later date:

(a) **Details of outstanding secured loan facilities as on December 31, 2021**:

(Rs. in Crores)

Sr. No.	Name of Lender	Repayment Date	Repayment Terms	Type of Loan	Type of Security	*Type of Charge	Loan Sanctioned	Loan Outstanding	Security Cover
1	IDFC First Bank	28-Jun-23	36 monthly installments	Term Loan	Moveable	Hypothecation	100.00	50.00	1.20
2	IDFC First Bank	29-Oct-24	36 monthly installments	Term Loan	Moveable	Hypothecation	150.00	70.83	1.20
3	IDFC First Bank	30-Nov-24	36 monthly installments	Term Loan	Moveable	Hypothecation		48.61	1.20
4	IDFC First Bank	15-Dec-24	36 monthly installments	Term Loan	Moveable	Hypothecation		25.00	1.20
5	Bank Of Baroda	30-Sep-22	16 Equal quarterly installments	Term Loan	Moveable	Hypothecation	150.00	28.13	1.25
6	Bank Of Baroda	12-Jul-22	36 monthly	Term Loan	Moveable	Hypothecation	150.00	29.17	1.25

			installments						
7	Bank Of Baroda	27-Jan-24	48 Equated Monthly Installments	Term Loan	Moveable	Hypothecation	100.00	93.75	1.25
8	Bank of Maharashtra	26-Jan-24	16 Equal quarterly installments	Term Loan	Moveable	Hypothecation	20.00	11.24	1.25
9	Bank of India	30-Nov-24	18 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	50.00	33.22	1.33
10	State Bank of India	28-Feb-25	19 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	75.00	51.19	1.33
11	State Bank of India	31-Oct-25	16 equal quarterly instalment	Term Loan	Moveable	Hypothecation	200.00	100.00	1.33
12	Central Bank of India	30-Apr-23	12 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	50.00	24.93	1.25
13	Union Bank of India	30-Jun-25	18 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	100.00	77.71	1.25
14	Tata Capital Financial Services Ltd	15-Aug-22	36 monthly installments	Term Loan	Moveable	Hypothecation	40.00	5.79	1.25
15	Nabkisan Finance Ltd	01-Jun-23	12 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	20.00	9.96	1.25
16	Bank of Maharashtra	15-Sep-25	18 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	50.00	41.66	1.25
17	Bank of Maharashtra	31-Dec-26	18 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	100.00	100.00	1.25
18	Maanaveeya Development & Finance Pvt Ltd	24-Dec-23	36 Equal monthly installments	Term Loan	Moveable	Hypothecation	25.00	18.18	1.25
19	Tata Capital Financial Services Ltd	15-Dec-23	36 Equal monthly installments	Term Loan	Moveable	Hypothecation	24.50	17.64	1.25
20	Indian Bank	31-Dec-25	18 equal quarterly Instalments	Term Loan	Moveable	Hypothecation	50.00	44.74	1.25

21	Indian Bank	30-Jan-25	Principal to be repaid in 12 equal quarterly installments (Moratorium Period of 6 Months)	Term Loan	Moveable	Hypothecation	45.00	45.00	1.25
22	Aditya Birla Finance Ltd	15-Feb-24	Equal 36 monthly instalments	Term Loan	Moveable	Hypothecation	40.00	28.89	1.25
23	Canara Bank	28-Mar-26	18 quarterly Instalments	Term loan	Moveable	Hypothecation	50.00	47.22	1.25
24	Hinduja Leyland Finance Ltd	19-Mar-24	36 equal monthly Instalments	Term loan	Moveable	Hypothecation	35.00	27.30	1.20
25	Hinduja Leyland Finance Ltd	28-Dec-24	36 equal monthly Instalments	Term loan	Moveable	Hypothecation	20.00	20.00	1.20
26	Financing for Healthier Lives DAC	02-Jun-26	Bullet payment on maturity	ECB	Moveable	Hypothecation	51.10	51.10	1.20
27	Karnataka Bank Ltd	11-Apr-24	Repayable in 10 equal quarterly installments of Rs.3.18 crore each and last instalment of Rs. 3.20 crore.	Term Loan	Moveable	Hypothecation	35.00	28.63	1.25
28	Nabkisan Finance Ltd	31-May-23	Repayable in 8 quarterly instalments	Term Loan	Moveable	Hypothecation	20.00	15.00	1.25
29	Nabsamruddhi Finance	31-Aug-24	36 equated monthly installments	Term Loan	Moveable	Hypothecation	25.00	22.61	1.10
30	SIDBI	10-Jul-22	Monthly installment	Term Loan	Moveable	Hypothecation	125.00	97.00	1.10
31	Suryoday Small Bank Finance Ltd	05-Sep-23	Equated Monthly Installments	Term Loan	Moveable	Hypothecation	20.00	17.78	1.10

32	ESAF Small Finance Bank Ltd	10-Sep-24	Principal to be repaid in 11 Equal Quarterly Installments after 3 months of Moratorium	Term Loan	Moveable	Hypothecation	30.00	30.00	1.12
33	IDFC First Bank	16-Sep-22	Rollover/ Repayable on Demand	WCDL	Moveable	Hypothecation	20.00	20.00	1.20
34	RBL Bank Ltd		Rollover/ Repayable on Demand	Cash Credit	Moveable	Hypothecation	10.00	-	1.25
35	IDFC First Bank		Rollover/ Repayable on Demand	Cash Credit	Moveable	Hypothecation	30.00	-	1.20
36	Karnataka Bank		Rollover/ Repayable on Demand	Cash Credit	Moveable	Hypothecation	10.00	-	1.10
37	RBL Bank Ltd	28-Feb-22	Rollover/ Repayable on Demand	WCDL	Moveable	Hypothecation	25.00	15.00	1.25
			Total				**2,045.60**	**1,347.27**	

**All the above facilities are secured by way of hypothecation of receivables to the extent of the security cover mentioned above*
*** The above does not include borrowings on account of securitisation transaction.*

(b) **Details of outstanding unsecured loan facilities as on December 31, 2021**: **NIL**

Name of Depositor	Tenor	Coupon	Amount (INR)	Date of Deposit	Redemption Date
Mvalu Technology Services Private Limited	45 Days	7.75%	15,00,00,000	17-12-2021	14-01-2022

(c) **Details of outstanding non-convertible securities as on December 31, 2021:**

Debenture Series	Tenor / Period of Maturity	Coupon	Amount (INR)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security*
IFSL/2019-20/008	729 days	10.90%	39.60 Cr	20/02/2020	18/02/2022	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/001	595 days	10.50%	11.08 Cr	03/07/2020	18/02/2022	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/002	911 days	10.25%	17.60 Cr	03/09/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/003	889 days	10.25%	7.95 Cr	25/09/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/004	862 days	10.25%	8.71 Cr	30/11/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/005	827 days	10.25%	13.30 Cr	26/11/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/006	816 days	10.25%	8.10 Cr	07/12/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/001	1095 days	9.75%	50.00 Cr	22/06/ 2020	22 /06/ 2023	CARE A / Stable	Secured	1.20 times
IFSL/2020-21/003	1095 days	9.75%	100.00 Cr	26 /06/ 2020	26 /06/2023	CARE A / Stable	Secured	1.10 times
IFSL/2020-21/004	546 days	9.50%	50.00 Cr	31 /07/2020	28 /01/2022	CARE A / Stable	Secured	1.20 times
IFSL/2020-21/005	549 days	9.40%	50.00 Cr	10 /08/2020	10/02/2022	CARE A / Stable	Secured	1.10 times
IFSL/2020-21/006	549 days	9.40%	75.00 Cr	11 /09/2020	14/03/2022	CARE A / Stable	Secured	1.20 times
IFSL/2020-21/008	547 days	9.10%	12.50 Cr	04 /12/2020	04/06/2022	CARE A / Stable	Secured	1.25 times
IFSL/2020-21/MLD/007	910 days	INR 253,906	15.00 Cr	29/01/2021	28/07/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2021-22/MLD/001	545 days	Index Linked	37.20 Cr	23/04/2021	20/10/2022	CRISIL PP-MLD A r; Stable	Secured	1.10 times
IFSL/2021-22/MLD/002	1277 days	Index Linked	100 Cr	05/05/2021	04/11/2024	CRISIL PP-MLD AA+r (CE); Stable	Secured	1.28 times

Debenture Series	Tenor / Period of Maturity	Coupon	Amount (INR)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security*
IFSL/2021-22/MLD/003	729 days	Index Linked	15.40 Cr	27/05/2021	26/05/2023	CRISIL PP-MLD A r; Stable	Secured	1.10 times
IFSL/2021-22/MLD/004	1221 days	Index Linked	13.90 Cr	01/06/2021	04/10/2024	CRISIL PP-MLD A r; Stable	Secured	1.10 times
IFSL/2021-22/MLD/005	640 days	Index Linked	75.00 Cr	02/07/2021	03/04/2023	CRISIL PP-MLD AA+r (CE); Stable	Secured	1.46 times
IFSL/2021-22/MLD/006	1011 days	Index Linked	15.00 Cr	20/07/2021	26/04/2024	CRISIL PP-MLD A r; Stable	Secured	1.10 times
10.95%IFSL2027	2191 days	Index Linked	115.00 Cr	27/07/2021	27/07/2027	CRISIL A-Stable	Secured	1.20 times
IFSL/2021-22/MLD/007	518 days	Index Linked	20.00 Cr	29/07/2021	29/12/2022	CRISIL PP-MLD A r; Stable	Secured	1.10 times
IFSL/2021-22/MLD/007	761 days	Index Linked	20.00 Cr	29/07/2021	29/08/2023	CRISIL PP-MLD A r; Stable	Secured	1.10 times
IFSL/2021-22/MLD/008	942 days	Index Linked	32.00 Cr	23/09/2021	22/04/2024	CRISIL PP-MLD A r; Stable	Secured	1.00 times
IFSL/2021-22/MLD/009	912 days	Index Linked	75.00 Cr	29/09/2021	29/03/2024	CRISIL PP-MLD A r; Stable	Secured	1.00 times
IFSL/2021-22/MLD/0010	547 Days	Index Linked	40.00 Cr	23/12/2021	23/06/2023	CRISIL PP-MLD A r; Stable	Secured	1.00 times

*All the above Debentures are primarily secured by way of hypothecation of receivables to the extent of the security cover mentioned above.

(d) **List of Top 10 holders of non-convertible securities in terms of value (in cumulative basis) (as on December 31, 2021)**:

(*Rs. in Crores*)

Name of the holders of non-convertible Securities	No. of Debentures held	Amount	% of total NCS outstanding
UTI INTERNATIONAL	1150	1,15,00,00,000	11.30%

WEALTH CREATOR 4			
UNION BANK OF INDIA	1000	100,00,00,000	9.83%
BANK OF INDIA	1000	100,00,00,000	9.83%
NORTHERN ARC CAPITAL LIMITED	739	73,90,00,000	7.26%
Sporta Technologies Private Limited	600	60,00,00,000	5.90%
VMSALGAOCAR CORPORATION PRIVATE LIMITED	500	50,00,00,000	4.91%
INDIAN BANK	500	50,00,00,000	4.91%
PUNJAB NATIONAL BANK	500	50,00,00,000	4.91%
UNIFI AIF	400	40,00,00,000	3.93%
TULIKA MAHESHWARI	300	30,00,00,000	2.95%

(e) **Details of Commercial Paper:** as on December 31, 2021

ISIN	Tenor / Period of Maturity	Coupon	Amount (INR)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
INE945W14247	179 Days	8.50%	20,00,00,000	19-07-2021	14-01-2022	CRISIL A
INE945W14254	110 Days	7.75%	25,00,00,000	09-12-2021	29-03-2022	CRISIL A1
INE945W14270	90 Days	7.75%	25,00,00,000	16-12-2021	16-03-2022	CRISIL A1
INE945W14262	189 Days	8.00%	25,00,00,000	16-12-2021	23-06-2022	CRISIL A1
INE945W14288	110 Days	8.25%	10,00,00,000	24-12-2021	13-04-2022	CRISIL A1
INE945W14288	107 Days	8.25%	10,00,00,000	27-12-2021	13-04-2022	CRISIL A1

(f) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) NIL as on December 31, 2021:**

Nil

(g) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

Nil

(h) **Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

The Company offers personal loan under various product segments such as Consumer Loans, Education Loans and MSME Loans. Broad descriptions as under:

Category	Product segment	Description
Consumer Loans	Personal Loans	Short term unsecured loans for different needs incl. lifestyle purchases with focus on new to credit & under-served credit
Education Loans	Student Loans	Loans for students pursuing higher education in India and abroad with special focus on educational institutions based in US
	Secured School Financing	Loans to educational institutions for expansion/ upgradation of infrastructure.
MSME Loans	Anchor- backed Business Loans	Business Loans, Supply Chain Finance loans backed by Anchor Partners
	Lending to FIs & Escrow based Lending	Term loans to MFIs and other NBFCs for onward lending purposes and escrow backed lending

Product wise break up and type of loans disbursed by our Company and outstanding as on March 31, 2021:

Product	(INR in Crores)
Personal Loans	793.55
Two- Wheeler Loans *	40.40
Student Loans	330.76
Secured School Financing	572.45
Anchor Backed Business Loans	278.08
Non- Anchor Business Loans	83.18
Lending to FIs & Escrow Backed Lending	535.24
Total	**2,633.66**

* For more focussed approach towards major businesses undertaken by the Company, the Management of our Company has sold the Two-Wheeler Loans product effective from October 01, 2021 to Tatkal Loan India Private Limited.

The details of the products offered by our Company are as under:

1. Personal loans

Personal Loans business at Incred has the maximum digital touch points; built on the foundations of deep data analytics and a best-in-class customer experience.

Central to the digital experience is our in-house built **Android app** which allows customers to apply at their convenience and get in-principle approval in the matter of minutes. In addition to plain vanilla term loans, we offer customers a line of credit facility. This facility once setup, is available on demand and customer can draw down on it with a single swipe. Customers also pay interest only when they utilize the line and hence have full flexibility in managing their credit costs. This is a significantly differentiated offering versus other products in the market.

Aside from the experience element, we also service a large segment of “near-prime” customers who do not have access to credit from more traditional lenders. By combining data from a number of digital

sources, particularly smartphones, we are able to draw a complete risk pen-picture of these customers and offer them loans at the right risk reward.

A number of proprietary scorecards are used to be able to offer the above access coupled with a seamless experience. Some of the major ones include a bureau scorecard, a banking scorecard, a device-data scorecard and a stability scorecard. Meshing together all the information we gather about applicants and running them through the above scorecards is what gives us the required lift in terms of credit performance.

2. Student loans

We have built a specialized product offering for Indian students going abroad for international study. The product is primarily targeted at post graduate study and specifically at students pursuing a STEM degree from the US.

There are many aspects of differentiation versus other market offering. Firstly, a bulk of our loans are collateral free. Our proprietary risk model assesses the future potential income of students and uses that to determine loan eligibility. This is the core need of many students who come from modest family backgrounds. We are able to provide 100% financing so that students are not required to provide their own funds.

3. Secured School Financing

We provide funding only to K-12 schools which are operational since last 10 years and Class 10th verifiable results are available for last 5 years. Such lending is based on Hypothecation of fees and the end use of the funds should be for increasing the existing infrastructure capacity not for building the new schools.

4. Anchor Backed Business Loans- Supply chain financing

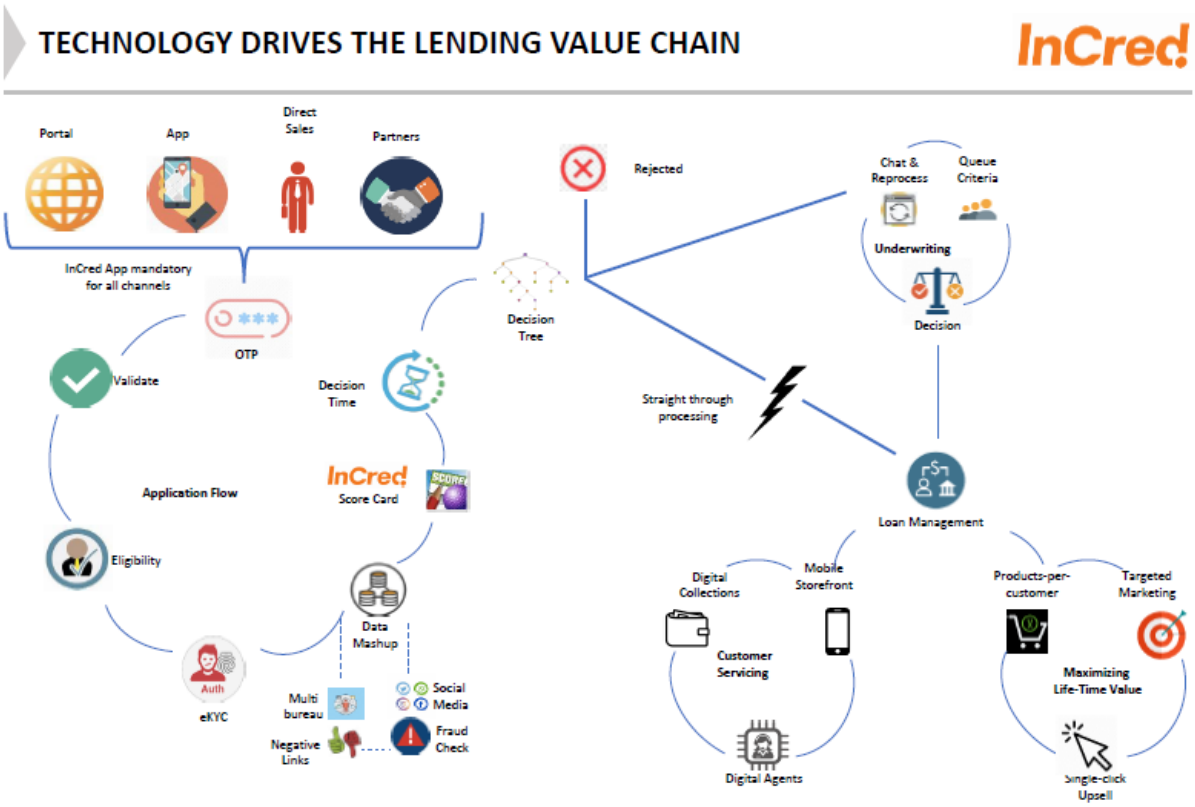
We provide anchor based business loans to small businesses to provide adequate supply chain financing. Such customers are sources through Anchor tie-ups (national distributors/OEM) with automated disbursements which acts as checks on limit utilization, overdue status and limit renewals. The credit assessment for such loan facility is based on past trading history and business dependence with anchor, working capital requirement assessment and Financial analysis / Bureau / ROC / open market due diligence.

5. Lending to FIs & Escrow Backed Lending

We also provide funding to RBI regulated companies having NBFC / NBFC-MFI registration, investment grade rated corporate (Grading in case of MFIs), with high proportion of cash collateral / liquid investments. The evaluation of past credit history, promoter/management background, investor commitment and the amount of equity invested in the business is critical to the credit assessment. The loans are secured by receivables of loans disbursed out of Incred's facility. Incred also has discretion of defining borrower's credit criteria for customer selection

Lending Policy

The standard process adopted by the company from sourcing to collection is enumerated as under:



1. Credit Appraisal Process

InCred's credit appraisal process is based on universal, time-tested principles. While the principles are universal, and therefore span all product, the application of these principles to each product is unique, and is set out in the annexures.

The universal time-tested principles that InCred's credit appraisals are based on are:

1.1. **Need for credit**: the borrower's need for credit will be assessed, as per the context of the product segment. The intent is to ensure that the credit is targeted for use in a constructive way, to improvements to the borrower's earning or to improve the quality of life

1.2. **Affordability**: an assessment of the borrower's ability to service the loan will be conducted in all cases. While the assessment methodology may vary across product, the intent is always to set product features such as the disbursal amount and tenure such that the loan is affordable (within the context of the product)

1.3. **Credit rating**: the borrower's credit history, and track record in managing debt, will be considered in all applications. Where appropriate, the credit history of linked parties, like a group company, spouse or guarantor are also considered. In certain product, new to credit borrowers are targeted. Regardless, the absence of a credit history is a factor that is considered as an input into the credit process.

1.4. **Holistic borrower understanding**: the credit appraisal process seeks to understand the borrower's situation, and therefore credit needs as holistically as possible. In some product, this is achieved by consuming more digital-data about the customer. In others, it is with in-depth interactions with the customer to assess their repayment plans. In all cases, InCred's approach is

to have a holistic a customer understanding as possible, to provide services that are both relevant from a demand viewpoint, and appropriate from the risk viewpoint

2. **Credit Pricing**

2.1. Credit will be priced after considering InCred's cost of funds, expected credit cost, the operational cost and expected RoA.

2.2. From a credit risk viewpoint, the pricing will be linked to expected risk levels. This will be at the product level, wherein product associated with a higher risk profile charge a higher price. This will also be within each product segment, wherein lower risk customers will be offered a lower price, and vice versa

This principle with be followed within the constraints of market and competitive conditions in the relevant product segment

2.3. Pricing may be varied through the term of the loan or credit facility, based on product needs. In addition to fixed rate loans, interest rates may be floating and reset to reflect market conditions during the term of the loan

2.4. InCred may change default interest rates on a loan or credit facility if the customer is delinquent of repayments. This would reflect the addition risk associated with serving such a customer

3. Credit Approval and Denials

3.1. The credit approval follows the credit appraisal process. The approval can be done digitally, based on an algorithm, especially in the case of smaller ticket consumer lending products. In the case of larger ticket loans, or loans where discretion or credit judgment is required, or loans that do no fall within the boundaries wherein an algorithm can reliably make a decision, a competent credit manager or loan officer will be appointed to make a credit sanction

3.2. In complex cases, or in cases that do not fall within a credit manager's remit, the credit manager will seek approval from a more senior authority as defined by a deviation matrix

3.3. Approvals will be clearly documented to leave an auditable trail of credit considerations and deviations requested. This may be done through communications that are suited to the operational needs of each product

3.4. Programmatic approvals, for multiple loans that are targeting a new product, will be presented to and approved by the RMC, along with the relevant Policy annexure. Similarly, any withdrawal from a product will also be governed along similar lines through the RMC

3.5. Each product has an approval and deviation matrix set out in the annexures. This is reviewed and updated by the RMC on a quarterly basis

3.6. In additional, the day-to-day functioning of the credit approval and deviation matrix process will be reviewed periodically by a competent party outside the product team. Any irregularities observed, and recommendations to make the process more rigourous, will be synthesized and presented to the RMC.

4. Security, insurance and charge

4.1. Security management involves creation of enforceable charge over the borrower's/ third party assets in favour of InCred, before the disbursement of a loan

4.2. Proper valuation, storage and maintenance of the assets so charged is necessary, to ensure that InCred's loans are appropriately covered by the value of the assets charged to it. To subserve this objective, the charged assets will be valued at periodic intervals on a conservative basis, and stipulated margins will be maintained at all times. Each product vertical shall have a detailed operating procedure for empanelment of valuers, covering aspects like qualifications and experience. Empaneled valuers will be reviewed and renewed annually by the RMC

4.3. The specific details of the assets charged should be clearly mentioned in the loan documentation. Enhanced provisions will be required for the unsecured portion of any loan, compared to the secured portion

4.4. Assets charged to InCred would be adequately insured against all applicable risks to protect InCred. The adequacy of insurance cover relative to the loan value is specified for each product segment, and would be renewed periodically until InCred's exposure to the borrower exists

4.5. Monitoring of InCred's collateral will be specified as a part of the responsibilities of credit professional attached to each of the product "verticals". Deviations, if any, should be brought to the notice of the respective product risk head and business head. Remedial measures must be taken to set right the deviations

5. Credit Documentation

5.1. The purpose of credit documentation is to clearly establish the debt obligation of the borrower to InCred. Credit documents used in all product would be approved by the Legal department

5.2. In most cases, the credit documents would be standardized. In cases where a standard format has not been prescribed, or is not appropriate, case to case loan documentation would be done in consultation with the Legal Department

5.3. The primary responsibility for ensuring that the loan documents are executed by the borrowers or guarantors typically lies with Sales/ Relationship Management. Safekeeping of documents would be the responsibility of the prescribed officer in Operations. Documents would be reviewed, and searches effected to ensure continued safety of and legal enforceability of InCred's documents

5.4. Document checklists would be maintained for all product. Sales/ Relationship Management and Operations would refer to the checklist of documents to ensure completeness before loan disbursal, in line with the needs of each individual product

6. Credit Administration and Monitoring

6.1. Credit administration and monitoring involves follow-up and supervision of InCred's individual loans, as well as the entire loan portfolio, with a view to maintaining asset quality at a desirable level, through proactive corrective actions aimed at controlling the risks to InCred. While the specific actions involved in credit administration vary by product-vertical, the general principles that apply across multiple verticals include the following:

6.1.1. Ensure compliance with the terms and conditions of the loan sanctioned

6.1.2. Ensure end-use of InCred's funds as per the approved purposes, and prevent diversion of funds for unauthorized purposes, to the extent possible in the product-market context. This will include periodic on-site supervision of borrower operations in certain cases

6.1.3. Evaluate previous lending decisions through a process of hind-sighting, by a competent but independent party, to identify and implement opportunities for credit process improvement

6.1.4. Assess the financial health and credit worthiness of the borrower periodically. Metrics that many be considered include income trends, borrowing or indebtedness trends, and substantial changes in personal or business circumstances

6.1.5. Periodic review of the loan portfolio at the InCred and/or the product level, to guide changes or adjustments in credit strategy and portfolio design

6.2. The credit administration and monitoring process will include an Early Warning Signal (EWS) process in all product. The product specific algorithms or processes underlying the EWS are set out in the annexures. Actions or remedial measures taken as a result of identified early warning signs would vary by product, but would typically include the following:

6.2.1. Reduction or curtailment of additional exposure to that borrower

6.2.2. Enhanced supervision or monitoring of the borrower's business and financial activity, to guard against over-leverage, divergence of funds, etc.

6.2.3. Accelerated Collections activity, to maximize loan repayments while the borrower at risk is still able to make payments

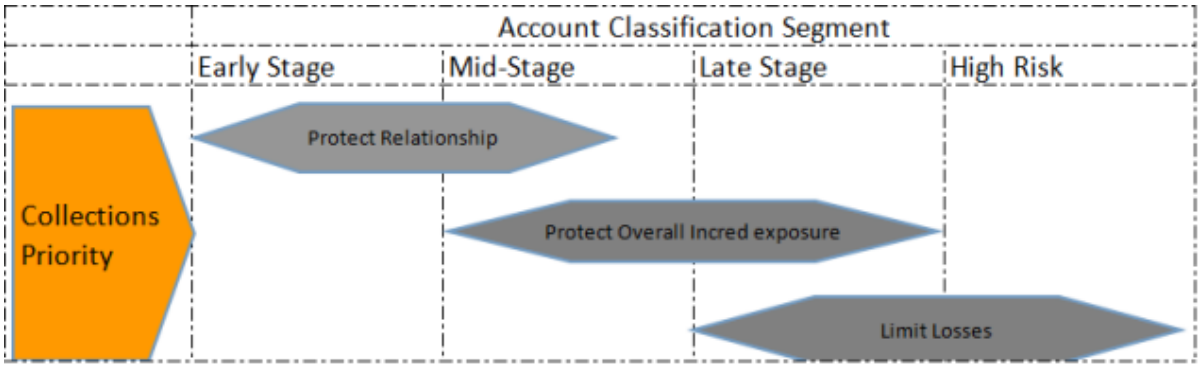
Collections and Recoveries

In line with InCred's customer and risk centric vision, and to increase the efficiency and intensity of Collections Activities, we have modelled our strategies of Early Stress accounts debt management covering broad areas of Accountability, Communications & Feedback Management & Reporting.

	Dpd Mapping	**Account Classification**	**Bucket Status**
All Products	Current	Regular	0
	0-30 days or 1 emi overdue)	Early Stage Delinq	1
	31 - 60 days or 2 emi's overdue	Mid Stage Delinq	2
	61 - 90 days or 3 emi's overdue	Late Stage Delinq	3
	91 – 120 days or 4 emi's overdue	High Risk Stage / NPA	4
	> 120 days or 5 emi's overdue	High Risk Stage / NPA	5 & above

We have segmented overdue accounts on the basis of the number of delinquent days as above.

This segmentation would be the basis for Allocation & Treatment Strategies detailed below. The table highlights the Accountability for each Risk Classification categories along-with the main Collections Priority.



Retail Products

For smaller ticket size accounts, like Personal Loans and Two-Wheeler businesses, all overdue accounts are allocated to collections on receipt of bounce / non-payment, post the cycle date. Operations would communicate the list of accounts which have not been cleared on the cycle date.

The Collections Team have empanelled Tele-calling vendors in each zone that we operate in, and the accounts are allocated to them upon receipt of bounce information. The Tele-calling agents (part of the empanelled Tele-calling Vendors) call on these overdue accounts for intimation of overdue and follow-up on collection.

Bucket	Mode of Collections	PR
Bkt 0	- SMS & Reminder Calling - SMS & Calling post bounce - Field Visits on broken PTP's and identified sticky accounts	Tele-calling Agencies
B1	- Legal Notices - Tele-Calling - Intensive Field Visits	Collections Managers & Field Agencies Litigation Team
B2-3	- Legal Notices & Sec 138 (case to case basis) - Intensive Field Visits	Collections Managers & Field Agencies
B4 +	Action under Arbitration / SARFAESI (if applicable) Intensive field visits	Collections Managers & Field Agencies

Collections Tools	Early Stage	Mid Stage	Late Stage	High Risk
Tele-calling	Y			
Payment Gateway	Y	Y	Y	Y
Auto Cure (Representation)	Y	Y		
Field Collections Agencies	Y	Y	Y	Y
Skip Tracing Agencies	Y	Y	Y	Y
SMS Reminders	Y			
Dunning Letters	Y	Y		
Legal - Sec 138 / 25			Y	Y
Settlements			Y	Y
Restructuring		Y	Y	Y
Arbitration			Y	Y

We also have a tele-calling set up augmenting our field efforts in the early delinquency bucket. For all cases where we have a NACH registered, we have representation done on all non-technical bounces.

Intimation of overdue to customers is being done through SMS, Dunning Letters and Lawyer notices. Lawyer notices typically would be sent once an account crosses 30 dpd.

Once an account flows in Bucket 1 (>1 emi overdue), typically the accounts gets allocated to Field Collections Agencies (External Vendors empanelled by our Collections Team basis thorough pre-empanelment checks and market references) for field follow-up.

All vendors need to comply with stipulated Code of Conduct pertaining to Debt-Management efforts.

When an account moves into Sub-Standard Asset classification, we begin Arbitration proceedings to take possession of the mortgaged property (if available). Even in unsecured, we will proceed with Arbitration to attach collaterals of clients to augment recovery.

In Late Stage / High Risk stage delinquency, settlement tools are used in order to precipitate recovery and limit our losses on such accounts. Typically, the settlement waivers are approved by the Chief Risk Officer & Head of Collections, basis recommendation of National Collections Manager.

SME and Institutional Products

In SME and institutional products, Business and risk teams would be directly managing overdue collection activity in the Early Delinquency phase. With focus in early delinquency being on managing and nurturing the relationships, we would have the business and risk teams to coordinate with the clients for follow up and collection of overdue monies.

When an account is between 30-60 days, the Business RM would hand-over the case to Collections team. During this stage, Business RM would conduct joint visits with Collections as part of the Hand-over activity. Collections would handle the account with robust liaison with Legal team. Here, the focus on collections would be to stabilize and rollback the overdues and to protect the exposure of InCred.

Collections team would however, would continue to take the help of Business team as and when required in collection efforts irrespective of stage of delinquency.

In Late or High Stage Delinquency, we would employ legal tools to help recovery of overdue money. This would include actions under Sec 138 / 25 and actions under SARFAESI Act (for exposures > 1 Cr) and Arbitration.

Collections Tracking & MIS

Daily MIS of accounts resolved and resolution MIS would be shared by the Central Collections Team, basis receipt of confirmation of payments received on overdue accounts.

Asset Classification and Provisioning

The classification of NPA's is done on the month-end by the Finance Team and provisions are taken thereof as per regulatory / internal provisioning policy norms.

a. Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues.

b. *Utilisation of Issue Proceeds of the previous Issues by our Company and Group Companies*

Our Company:

The company has utlised the proceeds of the previous issues for onward lending activities of the company.

Group Companies:

Nil

c. Description of our loan portfolio

i. Type of loans:

The detailed break-up of the type of loans given by the Company as on March 31, 2021 is as follows:

Sr No	Types of loans	INR in Crs
1	Secured	1,367.66
2	Unsecured	1,276.99
	Total Assets Under Management	**2,644.65**

ii. *Sectoral Exposure as on March 31, 2021:*

Sr No	Segment wise break up of AUM	%of AUM
1	Retail	
A	Mortgages (including HL and LAP)	1.05%
B	Gold Loans	0.00%
C	Vehicle Finance	3.48%
D	MFI	14.31%
E	MSME*	38.46%
F	Capital market funding (LAS, Margin funding)	0.00%
G	Others	42.69%
2	Wholesale	
A	Infrastructure	0.00%
B	Real estate (including builder loans)	0.00%
C	Promoter Funding	0.00%
D	Any other sector (as applicable)	0.00%
E	Others	0.00%
	Total	**100.00%**

* MSME includes Secured School Financing portfolio

iii. Segment wise break up and type of loans:

Segments (INR IN Crores)	
Personal Loans	793.75
Two Wheeler Loans	40.40
Student Loans	330.76
Secured School Financing	572.45
Anchor Backed Business Loans	277.88
Non Anchor Business Loans	83.18
Lending to FIs & Escrow Backed Lending	535.24
Total	**2,633.66**

iv. *Residual Maturity Profile of Assets and Liabilities as on March 31, 2021:*

INR in Crs

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances*	206.37	170.77	168.17	278.80	408.90	682.97	239.94	397.69	2,553.60
Investments	10.98	5.42	1.67	41.30	17.28	10.95	0.00	39.11	126.71
Borrowings	143.69	22.36	75.69	165.42	579.19	587.57	98.58	0.00	1,672.49
Foreign currency assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign currency liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Net of Provision

v. *Denomination of the loans outstanding by ticket size as on March 31, 2021:*

Sr No	Ticket size (at the time of origination)	% of AUM
1	upto Rs 2 lakhs	23.99%
2	2-5 lakhs	9.98%
3	5-10 lakhs	3.53%
4	10-25 lakhs	12.28%
5	25-50 lakhs	4.19%
6	50 lakh - 1 crore	5.17%
7	1-5 crore	22.09%
8	5-25 crore	18.77%
9	25-100 crore	0.00%
10	> 100 crore	0.00%
	Total	100.00%

vi. *Denomination of loans outstanding by LTV as on March 31, 2021:*

Sr No	LTV at the time of origination	% of AUM
1	upto 40%	29.20%
2	40-50%	10.75%
3	50-60%	8.24%
4	60-70%	5.58%
5	70-80%	3.35%
6	80-90%	5.20%
7	>90%	37.67%
	Total	**100.00%**

vii. *Geographical classification of our borrowers as on March 31, 2021*

Sr No	State Name	% of AUM
1	Maharashtra	25.38%
2	Delhi	19.95%
3	Tamil Nadu	18.59%
4	Telangana	15.15%
5	Karnataka	13.39%
6	Gujarat	4.00%
7	Rajasthan	2.07%
8	West Bengal	1.47%
	Total	100.00%

viii. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2021:

Particulars (INR IN Crs)	As at March 31, 2021
Total advances to twenty largest borrowers	236.22
Percentage of advances to twenty largest borrowers to total advances of the NBFC	8.97%

ix. Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2021:

Particulars (INR IN Crs)	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	236.22

Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	8.67%

x. Details of Loans overdue and classified as non performing in accordance with RBI's guidelines as on 31st March , 2021:

Movement of Gross NPA	INR in Cr
Opening Gross NPA	59.43
Additions during the year	107.92
Reductions during the year	76.99
Closing balance of gross NPA	90.36

Movement of Net NPA	INR in Cr
Opening Net NPA	27.83
Additions during the year	52.84
Reductions during the year	36.43
Closing balance of Net NPA	44.25

Movement of Provisions	INR in Cr
Opening balance	31.60
Provision made during the year	55.08
Write off/ write back during the year	40.56
Closing balance	46.12

xi. Segment-wise gross NPA as on March 31, 2021:

Sr No	**Segment wise break up of NPA**	**Gross NPA %**
1	Retail	
A	Mortgages (including HL and LAP)	4.46%
B	Gold Loans	0.00%
C	Vehicle Finance	7.13%
D	MFI	0.09%
E	MSME*	44.75%
F	Capital market funding (LAS, Margin funding)	0.00%
G	Others	43.57%
2	Wholesale	
A	Infrastructure	0.00%
B	Real estate (including builder loans)	0.00%
C	Promoter Funding	0.00%

D	Any other sector (as applicable)	0.00%
E	Others	0.00%
	Total	**100.00%**

* MSME includes Secured School Financing portfolio

xii. Classification of loans/advances given to associates, entities/persons relating to the Board, senior management, Promoters, others, etc.

Nil

xiii. Any change in promoters holding in NBFC during the last Financial Year beyond the threshold prescribed by the RBI

Nil

5.11 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year:

Nil

5.12 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.13 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of this Information Memorandum against the promoter of the Issuer:

None

5.14 Details of default and non-payment of statutory dues:

None

5.15 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention:

As set out in **Annexure VI**

5.16 Details of Promoters of the Company:

(a) Profile of the Promoters:

M/s. Incred Financial Services Limited (IFSL) is a part of the InCred Group, promoted by Mr. Bhupinder Singh (Founder & CEO), who has over two decades of experience in financial services industry. Prior to this venture, he was associated with Deutsche Bank as head of corporate finance division and co-headed fixed income, Equities, Investment Banking divisions for Asia pacific region.

Bee Finance Limited (BFL), Mauritius is holding company of the company. BFL is an investment entity and initial round of equity was routed through this entity as promoter was non resident at that point of time. There are no other business activities in the entity. As on March 2021, BFL holds 59.64% in IFSL.

Further, the Company confirms that the Permanent Account Number, Aadhaar Number, Driving License

Personal details of the Promoter		
a.	Full name	Mr. Bhupinder Singh
b.	Date of Birth	14.11.1974
c.	Age	47 years
d.	Permanent Address	Flat No. 2302, 2403, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi Mumbai- 400011
e.	Present Address	Flat No. 2302, 2403, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi Mumbai- 400011
f.	E-mail Address / Telephone Number	incred.compliance@incrd.com
g.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	ANVPS2558R
h.	Educational Qualifications	Undergraduate degree in engineering and post graduate diploma in management from the Indian Institute of Management, Ahmedabad.
i.	Relevant Background and Experience	Founder director of InCred group. Prior to this, Mr. Singh was head of the Corporate Finance division of Deutsche Bank and co-headed the Fixed Income, Equities and Investment Banking divisions for the Asia Pacific region. Mr. Singh is heading all the segment of business of the company.
j.	Directorship Held	1. InCred Housing Finance Private Limited 2. Booth Fintech Private Limited 3. Incred Management and Technology Services Private Limited 4. InCred Capital Wealth Portfolio Managers Private Limited (Formerly known as BSH Corporate Advisors and Consultants Private Limited) 5. InCred Capital Financial Services Private Limited (Formerly known as Proud Securities and Credits Private Limited) 6. Mvalu Technology Services Private Limited 7. InCred Wealth Limited (Formerly known as InCred Capital Inclusion Advisory Services) Private Limited 8. InCred. AI Limited 9. B Singh Holdings Limited B Singh & Partners PTE

Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the BSE, at the time of filing the draft offer document.

(b) **Details of Promoter Holding in Company as on latest quarter end, i.e. December 31, 2021:**

S. N.	Name of the shareholders	Total no. of Equity Shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of Shares Pledged	% of Shares pledged with respire
1	Bhupinder Singh	25,19,554	25,19,554	0.65%	Nil	Nil
2	Bee Finance Limited (Mauritius)	23,03,73,125	23,03,73,125	59.42%	Nil	Nil

5.17 Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter along with the detailed press release from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

5.18 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned ratings of "PP-MLD A r" (pronounced as "Principal Protection-Market Linked Debenture Single A") with "**Watch Positive**" outlook to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

5.19 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable.

5.20 Disclosure of Cashflow with the date of interest/ dividend/ redemption payment as per day count convention.

Please refer to **Annexure VI** of this Information Memorandum for details.

5.21 Disclosures pertaining to willful defaulter.

Please refer to Section 6 below for details.

5.22 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained on [-], 2022 in this regard.

5.23 Other details:

(a) **Debenture Redemption Reserve Creation:**

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

(b) **Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI NCS Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the applicable RBI guidelines.

(c) **Default in Payment:**

As provided under Section 5.28 of this Information Memorandum

(d) **Delay in Listing:**

As provided under Section 5.28 of this Information Memorandum.

(e) **Delay in allotment of securities:**

As provided under Section 5.28 of this Information Memorandum.

(f) **Application process:**

The application process for the Issue is as provided in Section 8 of this Information Memorandum.

(g) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

Please refer to Annexure IX of this Information Memorandum.

(h) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not Applicable

5.24 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated February 17, 2021 read with the resolutions passed by the Finance Committee of the Board of Directors of the Company dated May 24, 2021 authorizing the issue of Debentures offered under terms of this Disclosure Document
3	Shareholder Resolution dated May 19, 2021 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution under Section 180(1)(c) and Section 180(1)(a) of the Act dated March 26, 2019, authorizing the borrowing limits of the Company and the creation of security in respect of such borrowings.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated December 23, 2021.
7	Letter from Catalyst Trusteeship Limited dated January 20, 2021 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent dated January 12th 2022.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL / CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures

5.25 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of up to Rs. 15 crores **by issue of Secured, Rated, Listed, Redeemable, Senior, Principal Protected Market-Linked, Non-convertible Debentures with a green shoe option of up to Rs. 30 crores** , on a private placement basis. For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Clause 5.28 of this Information Memorandum.

5.26 Issue Size

The aggregate issue size for the Debentures is upto Rs. 15 Crores with a green shoe option of up to Rs.30 crores aggregating to Rs. 45 crores

5.27 Utilization of the Issue Proceeds

The monies raised through the issue the Debentures shall be used for funding requirements in the ordinary course of business of the Company, general corporate purpose, investment including refinancing of

existing indebtedness.

5.28 Issue Details

Issuer	Incred Financial Services Limited (IFSL) ("Company", "Issuer")
Type of Instrument	Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture (NCD)
Debenture Trustee	Catalyst Trusteeship Ltd.
Security Name	IFSL/2021-22/MLD/0011/Market Linked Coupon/May 2025
ISIN	INE945W07415
Nature of Instrument	Secured
Seniority	Senior Debt
Principal Protection	Principal is protected at maturity
Mode of Issue	Private Placement
Underlying/ Reference Index	NIFTY 50 INDEX
Listing (including the name of the Stock exchange(s) where it will be listed and timeline of listing	The Debentures shall be listed on the Wholesale Debt Market segment of the BSE within a period of 4 (Four) trading days from the closing date of the Issue. The Company shall at all times comply with Applicable Law in relation to the issuance of the Debentures and the listing of the Debentures on the BSE and shall further ensure all approvals required from any Governmental Authority and resolutions required to issue, list or maintain such listing of the Debentures are in place. The Company does hereby agree and undertake that it shall (furnish all such information and documents as may be required by the BSE and by SEBI for the continuous listing of the Debentures. All expenses, costs, charges incurred for the purpose of listing of the Debentures shall be borne and paid by the Company. The stock exchange(s) shall list Debentures only upon receipt of a due diligence certificate as per format specified in the SEBI Due Diligence Circular from Debenture Trustee confirming creation of charge and execution of the Debenture Trust Deed.

Rating of Instrument	CRISIL PP-MLD A r [CRISIL A; Watch Positive (Single A; Outlook Watch Positive)]
Eligible Investors	The investor to whom this Disclosure Document is specifically addressed, is eligible to apply for this private placement of Debentures subject to fulfilling its respective investment norms/rules and compliance with laws applicable to it by submitting all the relevant documents along with the Application Form. The persons to whom the Disclosure Document has been circulated to, may include but not limited to: 1. Financial Institutions: registered under the applicable laws in India which are duly authorized to invest in Bonds; 2. Insurance companies 3. Provident, Gratuity, Pension & Superannuation Funds 4. Regional Rural Banks 5. Mutual Funds 6. Companies, Bodies Corporate authorized to Invest in bonds 7. Trusts, Association of Persons, Societies registered under the applicable laws in India which are duly authorized to invest in bonds 8. FPIs 9. Individuals 10. Scheduled Commercial Banks 11. Co-operative Bank 12. Partnership Firms 13. HUF through Karta Any other Investors eligible to invest in these Debentures
Issue Size	Private placement of up to 150 (One Hundred Fifty) non-convertible debentures aggregating up to Rs.15,00,00,000/- (Rupees Fifteen Crores only) with a green shoe option of upto 300 (Three Hundred) non-convertible debentures.
Green Issue/ Ability to Retain Oversubscription Upto	INR 30,00,00,000 (Rupees Thirty Crores Only)
Total Issue Size including green shoe	INR 45,00,00,000/- (Rupees Forty Five Crores Only)
Minimum application Size	10 Debentures bearing face value of Rs. 10,00,000/- each and in multiples of 1 debenture(s) thereafter
Face Value	Rs. 10,00,000/- Per Debenture
Issue price	Rs. 10,00,000/- Per Debenture
Tenor in Days	1205 (One Thousand Two Hundred and Five) Days from the Deemed Date of Allotment
Issue Opening Date	18 January 2022
Issue Closing Date	19 January 2022
Initial Fixing Date	19 January 2022

Initial Fixing Level	Official closing level of NIFTY 50 INDEX on Initial Fixing Date
Final Fixing Date	The Nifty 50 Index futures expiry date in the month of January, 2025 (i.e. 30th January, 2025, provided that, if such date is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date/ Final Fixing Date)
Final Fixing Level	Official closing level of NIFTY 50 INDEX on Final Fixing Date
Redemption Date	8 May, 2025
Coupon Amount	**A) If Final > Initial** Principal Amount * Performance **Or** **B) If Final <= Initial** Nil Where, "Performance" = **MAX (0%, PR * (Final/Initial – 1))** "PR" = Participation ratio will be in the range of 120% to 125%. Final PR for this series will be communicated on the allotment date. "Initial" = $\left(\frac{1}{3}\right) \times \sum_{i=1}^{3} \boldsymbol{Level(i)}$ "Level(i)" = Official Closing Level of the Reference Index on each Initial Performance Observation Dates, rounded to next hundred. "Final"= $\left(\frac{1}{3}\right) \times \sum_{j=1}^{3} \boldsymbol{Level(j)}$ "Level(j)= Official Closing Level of the Reference Index on each Subsequent Performance Observation Dates.
Pay-in-Date	18 January, 2022 & 19 January, 2022

Deemed Date of Allotment	19 January, 2022
Step up/Step down coupon rate	Not Applicable.
Coupon payment frequency	On Maturity
Coupon payment dates	On Maturity
Coupon type	Reference Index Linked Nifty 50 India Index Services & Products Limited (IISL)
Observation Dates	Each Initial Performance Observation Date and Subsequent Performance Observation Date as under: **<u>Initial Performance Observation Dates*</u>**: 1. The Initial Valuation Date 2. 24th February 2022 and 3. 31st March 2022 **<u>Subsequent Performance Observation Date*:</u>** 1. 28th November 2024 2. 26th December 2024 and 3. 30th January 2025 * Provided that, if any such date, except for The Initial Valuation Date, is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis	Actual/Actual. For this purpose, the year to comprise of 365 days. In the case of the leap year, if February 29, falls during the tenor of the security, then the no. of days shall be reckoned as 366 days for a whole one year (SEBI Circular- CIR/IMD/DF/1/22/2016 dated November 11, 2016)
Default interest rate	Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any default, in making payment of the Outstanding Amounts as per the Debenture Documents or upon occurrence of any Event of Default, the Company shall be liable to pay default interest which shall be calculated at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate.

	In the event that the Debentures are not listed on BSE within a period of 4 (Four) trading days from the closing date of the Issue, the Company shall pay default interest calculated at the rate of 1% (One Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period commencing from the Deemed Date of Allotment and expiring on the date the Debentures are listed on BSE.
Proposed time schedule for which the disclosure document is valid	Till redemption
Redemption Premium / Discount	Not Applicable
Premature Redemption	Not Applicable
Put Option	None
Put Option Price	Not Applicable
Put Notification Time	Not Applicable
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Security	The Debentures shall be secured by way of First ranking pari passu charge on the loan receivables (Hypothecated Receivables) to be created pursuant to the deed of hypothecation to be executed within 90 days from deemed date of allotment between the company and the Debenture Trustee; between the issuer and Catalyst Trusteeship Limited (Debenture Trust Deed). The Hypothecated Receivables shall always be equal to 1.00x the value of debenture principal. Hypothecated Receivables will be termed as Secured Assets. And excluding the specific charge created in favour of certain creditors as intimated to the Debenture Trustee. The issuer undertakes to the following and covenants as follows: a) to ensure that the security provided by the Hypothecated Receivables at all times is equal to 1.00x (One Decimal Point Zero Zero) time or 100.0% (One

	Hundred Percent) of the aggregate amount of principal outstanding under the NCDs where at least 1.00x (One Decimal Point Zero Zero) time or 100.0% (One Hundred Percent) of the security cover is maintained from principal receivables of the Company ("Security Cover"); b) to pay a default interest of 2.0% (Two Percent) p.a. over the Coupon Rate in case there is any delay in the creation and perfection of the security over the Hypothecated Assets for the period of default; c) to provide a CA Certified book debt statement on a Quarterly basis, of hypothecated loan receivables/ book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("**Quarterly Hypothecated Asset Report**"); d) to hypothecate and charge fresh / additional loan assets in favour of the Debenture Trustee pursuant to the Deed of Hypothecation to ensure that the Security Cover is maintained and the value of the Hypothecated Assets is equal to 1.00x (One Decimal Point Zero Zero) time or 100.0% (One Hundred Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.00x (One Decimal Point Zero Zero) time or 100.0% (One Hundred Percent) of the Security Cover is maintained from principal receivables of the Company; e) to replace any Hypothecated Receivables that become overdue by 90 days with additional/current/ standard receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the original receivables becoming overdue by 90 days; f) Form CHG 9 with respect to the additional receivables charged in favour of the Debenture Trustee will also be filed within the aforementioned 30 days' timeline; g) Security perfection to be completed within 90 days from date of allotment. h) the Company has obtained all relevant pari passu letters and consents from its existing lenders/creditors required to perfect the security created over the Hypothecated Receivables. i) Financial Indebtedness (includes all secured and unsecured loans, guarantees issued, any contractual obligations with recourse to the company, etc.) shall not exceed more than 6x of adjusted Net Owned Funds (as defined by Reserve Bank of India). This covenant would be tested every year from the Audited financials provided by the company.

	Eligibility Criteria for the Hypothecated Receivables: a) the receivables are existing at the time of selection and have not been terminated or pre-paid; b) the receivables are standard and have not been restructured or rescheduled; c) all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India; d) Each loan must satisfy the Company's underwriting and credit policies e) No loan in the Hypothecated Receivables should be more than 90 days DPD for the tenor of this NCD. Issuer will replace such loans within 15 days of such loans becoming overdue g) Receivables shall be the principal amount of the underlying asset. The assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or paripassu charge on the assets of the issuer has been obtained from the earlier creditor.
Financial Covenants	Debt/Equity <= 6x Net NPA <= 5% CAR >= 20%
Ranking	The first ranking charge to be created on the Hypothecated Receivables. shall rank *pari passu* with the present and future lenders and debenture holders of the Company having first charge over the Secured Assets. The Company reserves the right to create further *pari passu* charge or encumbrances on the Secured Assets without seeking the consent of the Debenture Trustee or the Debenture Holders so long as the security cover of 1.00x times of the face value of Debentures is maintained. The Security provided in relation to this Issue shall be shared *pari passu* with other issuances and lenders of the Company at the discretion of the Company.
Purpose and objects of the Issue	General corporate purposes, business operations, investments, repayment of existing debt.
Settlement	All payments must be made by ECS, NEFT, RTGS, or such other online payment mechanism permitted under the SEBI Debt Listing Regulations.
Depositories	NSDL/ CDSL, as the case maybe
Business Day Convention	"**Business Day**" means any day of the week (excluding Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are open for general business in Mumbai, India) shall be a Business Day for the purpose of the Debenture Trust Deed. In the event that any of the Record Dates falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the

	effective date(s) for that payment or determination, as the case may be. In the event that the date for performance of any event or the Coupon Payment Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date for that payment or the date for performance of such event. In the event that the Scheduled Maturity Date falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.
Interest on Application Money	The Company shall be liable to pay the Debenture Holders interest on application money, at 4.50% p.a. for the period commencing from the credit of subscription monies in respect of the Debentures in the account of Company, until the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders, together with Coupon payable, on the Maturity Date. Where Pay-in Date and Deemed Date of Allotment are the same, no Interest on Application money is to be paid.
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e. persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
All covenants of the issue (including side letters, accelerated payment clause, etc.)]	i. The capital adequacy ratio (as defined in RBI Regulations) shall be equal to 20% or above at all points in time. ii. The cumulative Asset – Liability Mismatch should always be within the limits prescribed by RBI/Company's ALM Policy. iii. Net NPA/Net advances % of the company should be less than 5% iv. TOL/NOF ratio should be less than 6 "Gross Loan Portfolio" shall include on balance sheet and off balance sheet portfolio "Off Balance Sheet Portfolio" shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever "PAR-90" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.

	"Client Loan" means each loan made by the Company as a lender. "Gross NPA" shall have the meaning in accordance with the guidelines issued by the RBI. All covenants (except Financial covenant) would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 30th June 2021 on consolidated and standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter. Company may redeem or repurchase the NCDs; in whole or in part, subject to any required statutory approvals, upon obtaining prior approval from the Debenture Holders/ Trustee.
Transaction Documents	• Memorandum and Articles of Association of the Company. • Consent Letter dated January 20, 2021 from Catalyst Trusteeship Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures. • Debenture Trust deed dated 15thApril, 2021 executed between Company and Catalyst Trusteeship Limited • Certified copy of the Board Resolution passed on February 17, 2021. • Certified copy of the Shareholders Resolution passed on May 19, 2021. • Letter from CRISIL Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Consent Letter dated 12th January 2022 from Link Intime India Private Limited for acting as Registrars to the Issue. • Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form. • Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form. • Valuation Agreement dated 31st August 2020 entered with CRISIL LIMITED and amendments thereafter to the respective agreements, as may be applicable.
Conditions Precedent to Pay In	The Company shall have submitted the following to the Debenture Trustee: 1. Certified true copy of the constitutional documents of the Company. 2. Certified true copies of the special resolutions of the shareholders of the Company under Sections 42 of the Act and under Section 180 of the Act (if applicable). 3. A certified true copy of the resolution of the board of directors of the Company under Sections 71 and 179 of the Act, (i) approving the issue of the Debentures (ii) approving the terms of the transactions contemplated by the relevant Debenture Documents; (iii) resolving to

	execute the relevant Debenture Documents (iv) authorising a specified person or persons to execute the relevant Debenture Documents on its behalf and to do all such acts and things as may be necessary to give effect to the relevant Debenture Documents and the transactions contemplated by the relevant Debenture Documents. 4. The Company shall have filed the resolutions (if applicable) specified in 2 and 3 above with the Registrar of Companies prior to issuing the Disclosure Document. 5. A certificate of an independent practicing chartered accountant, certifying that there are no proceedings pending against the Company (as an assessee) under the Income Tax Act, 1961 which would warrant the requirement of permission / certificate from the Assessing Officer under Section 281 of the Income Tax Act, 1961 for the creation of Security. 6. Execution of the Debenture Documents as may be required by the Debenture Trustee. 7. Issuance of this Disclosure Document containing disclosures required in terms of the SEBI (ILDS) Regulations and the Companies Act. 8. The Company shall have submitted to the Debenture Trustee its audited account statements for the most recent Financial Year. 9. Receipt of in principle approval from BSE in respect of listing of the Debentures. 10. Certificate from the Chief Financial Officer of the Company containing certifications including (i) absence of Material Adverse Effect; (ii) issuance of Debentures will not cause any borrowing limit binding on Company to be exceeded; (iii) regulatory requirements for issue of Debentures have been complied; (iv) representation and warranties made in the Debenture documents are true and correct. 11. The Company shall have made relevant disclosures/intimations to concerned stock exchanges with respect to raising funds through Debentures as per SEBI guidelines, if applicable. 12. The Issuer shall create charge /hypothecate the receivables in favour of Debenture Trustee within 30 days from the date of execution of DOH. 13. The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale; 14. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 15. Evidence that all the conditions precedent have been satisfied by the Company to the satisfaction of the Debenture Trustee and the receipt by the Debenture Trustee of a conditions precedent compliance certificate in this regard, in a form and manner acceptable to the Debenture Trustee.
Conditions Subsequent to Deemed Allotment	1. The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs within 2 (Two) Business Days from the Deemed Date of Allotment. 2. Filing of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 by the Issuer, with the registrar of companies, within 15 (Fifteen) days from the Deemed Date of Allotment. 3. The Company shall ensure that the Debentures are listed and traded on the BSE within 4 (Four) trading days from the closing date of the Issue. 4. Registration of hypothecation over the property over which the Security

	Interest is created in terms of the Debenture Documents, with the Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) within a maximum period of 30 (thirty) days from the Deemed Date of Allotment. 5. A certificate by an independent practicing chartered accountant certifying the Purpose of the proceeds of the Debentures, to be submitted within 30 (Thirty) days from the Deemed Date of Allotment. 6. The Company shall make all applicable regulatory filings within the timelines prescribed under Applicable Law.
Event of Default	As per the Debenture Trust Deed dated 15th April, 2021 and/or breach of any of the conditions/ covenants mentioned in this Term Sheet
Consequences of Event of Default	The consequences of default will, include but not be limited to the following: • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; • To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer; • Enforce its right under the Transaction Documents; • Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue; • Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists; • Any cost incurred on any of the above shall be borne by the Issuer. The Recall option shall be exercised at PAR along with accrued interest, with a prior notice of 30 calendar days to the Issuer
Creation of recovery expense fund	SEBI has issued *vide* circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 ("**SEBI REF Circular**"), the guidelines/ instructions in relation to creation of Recovery Expense Fund ("**REF**") in order to enable the debenture trustees to take prompt action for enforcement of security in case of 'default' in listed debt securities to be used in the manner decided in the meeting of the holders of debt securities. The Company will create and maintain a Recovery Expense Fund as per the provisions of the regulations issued by SEBI and the SEBI REF Circular, as amended form time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance of the Recovery Expense Fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary. Details:

	The Company shall within the timelines prescribed under the SEBI REF Circular create REF in relation to the Issue, by deposit of an amount equal to 0.01% of the Issue size subject to maximum of Rs. 25 lakhs towards REF with BSE in such form as prescribed under the SEBI REF Circular. Purpose: In the event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security and shall inform the same to BSE. BSE will release the amount lying in the REF to the Debenture Trustee within 5 working days of receipt of such intimation. The REF will be refunded to the Issuer in accordance with the SEBI REF Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)]	Please refer to details provided in Section Consequence of Event of Defaults section.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee	**Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):** Debenture Trustee Agreement has been executed as per required SEBI regulations before the Issue Opening Date i.e. on April 15, 2021. The Debenture Trustee shall be responsible to oversee and monitor the overall transaction for and on behalf of the Debenture Holders in accordance with the terms and conditions as set out in the Debenture Trust Deed and the Debenture Trustee Agreement. The Company shall pay to the Debenture Trustees so long as they hold the office, remuneration for their services as debenture trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and the other Transaction Documents to be executed to give effect to the creation of security for securing the Debentures and any other expenses like advertisement, notices, letters to Debenture Holders, and additional professional fees/ expenses that would be incurred upon the occurrence of an Event of Default. The remuneration of the Debenture Trustee shall be as per the offer letter number CL/MUM/20-21/DEB/931 dated January 20, 2021 as may be amended/modified from time to time. **Details of security to be created:** Please refer to row titled (*Security*).

Process of due diligence carried out by the Debenture Trustee:

The Debenture Trustee has independently carried out the due diligence process in accordance with the SEBI circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 207 dated November 03, 2020 ("**SEBI Due Diligence Circular**"), in the following manner:

The due diligence ("**DD**") will be carried out as per the Securities Exchange Board of India (Debenture Trustee) Regulations, 1993 as amended from time to time and the relevant circulars issued by SEBI from time to time, which broadly includes following:

(i) A Chartered Accountant ("**CA**") will be appointed by the Debenture Trustee who carry out an independent DD as per the scope provided, regarding Security given for the issue by the Company.

(ii) The CA will verify and ensure that the asset provided by the Company for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(iii) The CA will do an independent DD as per information provided by the Company.

(iv) The periodical DD will be carried out as per the SEBI circulars issued from time to time as per nature of security provided.

(v) A DD certificate will be issued by the CA and will be available with the stock exchanges from time to time for the information of the Debenture Holders.

(vi) As mentioned in this Information Memorandum even though the Debentures are secured to the extent of 100% of the principal or as per the terms of this Information Memorandum, in favour of Debenture Trustee, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

(vii) The DD will be carried out for maintenance of security cover depending on information provided by the Company and the CA appointed by the Debenture Trustee or Debenture Trustee himself will not be responsible for misinformation provided by the Company.

<u>Due Diligence Certificate</u>

The Debenture Trustee has issued a due diligence certificate in the format as set out under the SEBI Due Diligence Circular which certificate has been attached hereto.

The Debenture Trustee has verified that the necessary consents have been approved from the existing charge holders for creation of first ranking *pari passu* charge for the purposes of securing the Debentures. The following are the details of the charge holders and the no-objection certificates received from the aforesaid charge holders:

Sr. No	Lender/ Charge	Date of the NoC

<table>
<tr><td></td><td>
<table>
<tr><th></th><th>Holder</th><th></th></tr>
<tr><td>1.</td><td>Yes bank</td><td>NoC dated April 21, 2021 with reference number YBL/MUM/IFIB/NOC/0008/2021 - 2022 issued to Incred Financial Services Limited</td></tr>
<tr><td>2.</td><td>Axis Trusteeship Services Limited</td><td>NoC mail dated July 16, 2021</td></tr>
<tr><td>3.</td><td>Catalyst Trusteeship Limited</td><td>NoC mail / Letter dated 12th January 2022</td></tr>
<tr><td>4.</td><td>Axis Trusteeship Services Limited</td><td>NoC Mail dated 13th Sep. 2021</td></tr>
</table>
</td></tr>
<tr><td>Roles and Responsibilities of Debenture Trustee</td><td>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. All rights and remedies under the Debenture Documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture Holders. Any payment made by the Company to the Debenture Trustee, for the benefit of the Debenture Holders, shall discharge the Company to the Debenture Holders.</td></tr>
<tr><td>Risk factors pertaining to the issue]</td><td>Please refer to Section II - Risk Factors Disclosure Document dated 17th January, 2022</td></tr>
<tr><td>Governing Laws and Jurisdiction</td><td>The Debentures and the Transaction Documents (including the Debenture Trust Deed) are governed by and will be construed in accordance with the Indian laws.

The courts and tribunals of Mumbai, India have exclusive jurisdiction to settle any dispute arising out of or in connection with the Debentures or the Transaction Documents.

Notwithstanding anything to the contrary contained in any other Transaction Document/Disclosure Document, the Debenture Trustee/Debenture Holders may commence any legal action/proceedings arising out of the Debentures or the Transaction Documents in a court, tribunal or any other appropriate forum in India and the Company hereby consents to that jurisdiction</td></tr>
<tr><td>Valuation Agent</td><td>CRISIL Limited</td></tr>
<tr><td>Valuation Frequency and Publication</td><td>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.

The latest and historical valuations for these Debentures will be published on</td></tr>
</table>

	the website of the Issuer and the Valuation Agency(ies). Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.
Valuation Agency Fees	The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 2.0 bps p.a on the face value of the Debentures.
Cost & Expenses	All costs and expenses associated with the transaction including the arranger's fees, fees for engaging lawyers, security trustee, rating agency, registrars, independent valuer's fees, etc. and stamp duties incurred and documented in relation to preparation, negotiation and execution of the Transaction Documents shall be to the account of the Issuer. These Cost and Expenses will be pre-approved by the Company and payable directly by the company.

Note: While the debt securities are secured to the tune of 100% of the principal amount or as per the terms of offer document/ information Memorandum , in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

Note:

1. If there is any change in Coupon Rate rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
2. The procedure used to decide the dates on which the payment can be made and adjusting payment dates in response to days when payment can't be made due to any reason like sudden bank holiday etc., should be laid down.
3. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
4. While the debt securities are secured to the tune of 100% (One Hundred Percent) of the principal amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
5. The Company has provided granular disclosures in this Information Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue.

Creation of Security: The Issuer shall give an undertaking in the Information Memorandum that the assets on which charge is created are free from any encumbrances and in cases where the assets are

already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor

The Issuer hereby undertakes that the permission to create the first ranking *pari passu* charge over the Secured Property created / proposed to be created by the Company in favour of the Debenture Trustee to secure the obligations of the Company in relation to the Debentures under the terms of the Deed of Hypothecation, has been taken by the Issuer from the Other Security Holders (as defined in the Deed of Hypothecation).

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI NCS Regulations*:

A. **Name of the Bank declaring the entity as a Wilful Defaulter:** NIL

B. The year in which the entity is declared as a Wilful Defaulter: NIL

C. **Outstanding amount when the entity is declared as a Wilful Defaulter:** NIL

D. **Name of the entity declared as a Wilful Defaulter:** NIL

E. Steps taken, if any, for the removal from the list of wilful defaulters: NIL

F. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** NIL

G. Any other disclosure as specified by the Board: NIL

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(c) Deed of Hypothecation whereby the Issuer will create an first ranking *pari passu* charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and

(d) Such other documents as agreed between the Issuer and the Debenture Trustee and/or the Debenture Holder(s).

The Debenture Trustee Agreement, the Debenture Trust Deed shall be executed on or prior to the Issue Closing Date and the Deed of Hypothecation shall be executed prior to the Deemed Date of Allotment.

7.2 Representations and Warranties of the Issuer

The Company hereby, makes the following representations and warranties to the Debenture Trustee and the Debenture Holders and the Company acknowledges that each of the Debenture Holders have subscribed to the Debentures in reliance inter alia on the representations of the Company set out herein.

(i) The Company is a company duly incorporated and validly existing under Applicable Law and the Company is duly qualified and authorised to enter into the Debenture Documents.

(ii) The Debenture Documents have been duly and validly executed and delivered by the Company and constitutes a legal and binding obligation of the Company enforceable against the Company in accordance with its terms.

(iii) The execution, delivery and performance by Company of the Debenture Documents does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:

A. any law to which the Company is subject or the constitutional documents of the Company; or

B. any order, judgment or decree applicable to the Company; or

C. any term, condition, covenant, undertaking, agreement or other instrument to which the Company is a party or by which the Company is bound.

(iv) The Company is in compliance with all Applicable Law for the performance of its obligations with respect to this Issue as set out in the Debenture Documents including the Act and the rules made thereunder, as amended from time to time.

(v) All consent or Governmental approval to, from or with any person, including the existing lenders of the Company that is required on the part of the Company for borrowing by way of the issue of Debentures or in connection with the execution, delivery and performance of the Debenture Documents or any other related document including the deed of hypothecation to be executed for creation of charge over receivables, the compliance by any of them with any of the provisions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby have been obtained.

(vi) Notice of Proceedings

The Company has not received any notice or intimation till date, of:

(i) any taxes or any other sums due and payable by the Company to the Government of India, and/ or;

(ii) any proceedings pending and/ or initiated and/ or threatened against the Company for or on account of any taxes or any other sums, which may be due and payable by the Company to the Government of India;

(iii) which may materially affect the creation and enforcement of security in terms of the provisions of the Debenture Trust Deed or which is prejudicial to the Debenture Holders;

(vii) Material Adverse Effect

There is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

(viii) Event of Default

The Company hereby represents that there is no Event of Default that has currently occurred or is continuing as on the date hereof.

(ix) NBFC

The Company is registered as a non-banking finance company with the RBI.

(x) Net worth

The Issuer has a minimum net worth of at least Rs. 100,00,00,000/- (Rupees One Hundred Crores Only).

(XI) Information

All information provided by the Company, in writing, is true and accurate in all respects as at the date it was provided or as at the date at which it was stated and is not misleading whether by reason of omission to state a material fact or otherwise. The Company confirms that all necessary disclosures have been made in the Disclosure Document including but not limited to statutory and other regulatory disclosures.

(xii) Nature of Representations and Warranties

The Company hereby expressly represents and warrants that each of the representations and warranties set out hereinabove is true and accurate as on the date hereof and shall continue to be true and accurate on each day until the Final Settlement Date, and nothing contained in the said representations and warranties is / will be misleading or designed to create an inaccurate, incomplete or false picture.

7.3 Covenants of the Issuer

7.3.1. Information Covenants

a) The Company hereby undertakes to:

A. Submit a quarterly report to the Debenture Trustee within 7 (seven) days of the relevant board meeting or within 45 (forty five) days from the end of the relevant quarter containing the following particulars:

I. Updated list of names and address of all Debenture Holders;

II. Details of interest due but unpaid and reasons for the same and timely and accurate payment of the interest on the Debentures;

III. The number and nature of grievances received from the Debenture Holders and (1) resolved by the Company and (2) unresolved by the Company and the reasons for the same;

IV. Statement that the assets of the Company available as Security are sufficient to discharge the claims of the Debenture Holders as and when the same become due;

B. Furnish the following to the Debenture Trustee:

I. its duly audited annual accounts, within 120 (One Hundred and Twenty) days from the close of its accounting year;

II. copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges;

III. a one-time certificate from the Chartered Accountant of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds

have been completely deployed toward the proposed end-uses and not later than 90 (ninety) days from the Deemed Date of Allotment;

IV. such other information in relation to the Security / Secured Property that the Debenture Trustee may reasonably request (in a format which shall be provided to the Debenture Trustee from time to time) for the purpose of diligence by the Debenture Trustee to monitor the asset cover and shall also submit to the Debenture Trustee a certificate from the Chief Financial Officer/ Director of the Company on quarterly basis, certifying the value of the Receivables as agreed in the Debenture Documents;

V. a certificate from the Chartered Accountant of the Company on a annual basis, regarding maintenance of Minimum Security Cover, certifying the value of the Receivables and compliance with the covenants set out in the Disclosure Document, along with annual financial results;

VI. a half-yearly certificate along with half yearly results from the Chartered Accountant regarding maintenance of hundred percent asset cover or asset cover as per the terms of Disclosure Document/Prospectus/ Offer Letter and/or the Debenture Trust Deed, including compliance with all the covenants, in respect of the Debentures;

C. Send to the Stock Exchange for dissemination, as required by the listing agreements entered into by the Company with the Stock Exchanges along with the half yearly financial results, a half- yearly communication certificate from the Debenture Trustee under Regulation 52(4) and 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 containing inter-alia the following information:

I. credit rating;
II. asset cover available;
III. debt-equity ratio;
IV. previous due date for the payment of interest/principal and whether the same has been paid or not;
V. next due date for the payment of interest/principal;
VI. Debenture Redemption Reserve;
VII. net worth;
VIII. net profit after tax;
IX. earnings per share;

D. Forward/ intimate the following to the Debenture Trustee promptly:

(I) If applicable, a copy of annual report at the same time as it is issued along with a copy of certificate from Independent Chartered Accountant in respect of utilisation of funds during the implementation period of the project for which the funds have been raised. In case the Debentures are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the Chartered Accountant certificate may be submitted at the end of each Financial Year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved;

(II) any revision in the rating assigned to the Debentures;

(III) any default in timely payment of interest or redemption amounts or both in respect of the Debentures;

(IV) failure to create the Security; and

(V) all covenants of the issue (including side letters, accelerated payment clause, etc.)

E. Submit periodical status/ performance reports within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter whichever is earlier.

F. The Company shall submit/ provide to the Debenture Trustee relevant documents/ information, as applicable, including the reports / certifications set out below, to enable the Debenture Trustee to submit the reports / certifications to the stock exchanges as required under the SEBI circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 as may be amended from time to time:

A. a certificate maintenance of Minimum Security Cover by the Company on a quarterly basis, in such form as may be required by the Debenture Trustee within 60 (Sixty) calendar days from end of each quarter or within such timelines as prescribed under Applicable Law;

B. a statement of value with respect to the Security being offered in relation to the Debentures on a quarterly basis, within 60 (Sixty) days from end of each quarter or within such timelines as prescribed under Applicable Law;

C. a valuation report, if applicable, for the Secured Property on an annual basis, within 75 (Seventy Five) days from end of each Financial Year or within such timelines as prescribed under Applicable Law

D. Such other documents/ information as may be required under the SEBI circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020, within the timelines set out therein.

E. Submit to the Debenture Trustee, a copy of all notices, resolutions and circulars relating to:

(I) new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities;

(II) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;

F. Submit to the Debenture Trustee, till the Final Settlement Date, its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit and Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, within the timelines as stipulated in simplified listing agreement issued by SEBI as may be amended from time to time;

G. Submit such other disclosure to the Debenture Trustee as may be required under the SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws; and

H. Provide any and all information required under any Applicable Law at all times, during the currency of Debentures as may be called upon by the Debenture Trustee.

b) The Company shall provide/ cause to be provided information in respect of the following promptly and no later than 15 (Five) Business Days from the occurrence of such event:

i. Inform the Debenture Trustee of any change in the nature and conduct of its business before such change;

ii. Promptly inform the Debenture Trustee of any change in its name, any change in the composition of its board of directors which may amount to change in control as defined in Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

iii. Inform the Debenture Trustee of any merger, consolidation, reorganisation scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

iv. Inform the Debenture Trustee of commencement of any proceedings directly affecting the Secured Property.

v. Notify the Debenture Trustee in writing of any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company or if a receiver is appointed of any of its properties or business or undertaking;

vi. Notify the Debenture Trustee in writing of any one or more events, conditions or circumstances that exist or have occurred that has, had or could reasonably be expected to have a Material Adverse Effect or occurrence of any Event of Default;

vii. Notify the Debenture Trustee in writing of any event which constitutes an Event of Default or of circumstances existing which could give rise, with the passage of time or otherwise, to an Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;

viii. Notify the Debenture Trustee in writing of any change in the shareholding of the Company, in the event that the equity shareholding (taken on a fully diluted basis) of the Promoters in the Company (directly or indirectly) falls below 15% (Fifteen Percent);

ix. Notify the Debenture Trustee details of any material litigation, arbitration or administrative proceedings initiated or pending against the Company involving a potential liability on the Company; and

x. Notify the Debenture Trustee of any change to the constitutional documents of the Company.

7.3.2. Affirmative Covenants

The Company undertakes and covenants that the Company shall until the Final Settlement Date:

a. keep proper books of account and keep the said books of account and all other books,

registers and documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Secured Property and the Debentures shall, upon notice and during the regular working hours of the Company be open for inspection of the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, for that purpose appoint, and the Debenture Trustee or such person or persons so appointed shall be entitled to take copies or extracts of the registers of the company available for inspection.

b. permit the Debenture Trustee and such person, as the Debenture Trustee shall from time to time for that purpose appoint, to enter into or upon and to view and inspect the state and condition of all the Secured Property, with prior written notice of 7 (Seven) days to the Company, together with all records, registers relating to the Secured Property.

c. give to the Debenture Trustee any information, relating to the business, property and affairs of the Company, pursuant to a monitoring or servicing request of the Debenture Holders.

d. keep the Secured Property adequately insured, if applicable and in a proper condition.

e. punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable including in relation to the Secured Property and when required by the Debenture Trustee produce the receipts for such payments and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company in respect of or any part of the Secured Property;

f. utilise the funds raised through the Issue solely towards the Purpose and shall not utilise the funds raised through the Issue or any part thereof directly/indirectly towards any other activity.

g. ensure compliance with corporate governance and fair practices code prescribed by the RBI.

h. obtain, comply with and maintain all consents / licenses / authorisations as may be necessary for performing its obligations in relation to this Issue and for its business.

i. perform all of its obligations under the terms of the applicable Debenture Documents and maintain in full force and effect each of the Debenture Documents to which it is a party.

j. maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing such monies from being used for money laundering or illegal purposes.

k. execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under these presents and the Debentures or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Property and in particular the Company shall execute all transfers, conveyances,

assignments and assurance of the Secured Property whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

l. at all times act and proceed in relation to its affairs and business in compliance with Applicable Law including inter alia the provisions of the Act, the listing agreement and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any successor regulation thereto as in force from time to time, in so far as they are applicable to the Debentures and shall furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable the Debenture Trustee to comply with the provisions of Regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures.

m. duly cause these presents to be registered in all respects, if so required, so as to comply with the provisions of the Companies Act or any act, ordinance or regulation and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents; and

n. promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustees and shall advise the Debenture Trustees periodically of the compliance.

7.3.3 *Further Borrowing*

The Issuer will be entitled to borrow/raise loans or avail of financial assistance in whatever form including issue of Debentures/other securities in any manner having such ranking in priority, Exclusive, Pari-passu or otherwise and change the capital structure including the issue of shares of any class/any convertible instruments, on such terms and conditions as the Company may think appropriate without having any need to obtain the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection. The Company would not be required to obtain the NOC for creation of charge/security for such borrowings on the assets being charged in favour of Debenture Trustee, as far as the Security Cover ratio is maintained as stipulated in this Disclosure Document. Such Security Cover ratio may be tested on the basis of Chartered Accountants Certificate as on the date of such Borrowings.

7.3.4 *Negative Covenants*

The Company undertakes and covenants that, the Company shall until the Final Settlement Date:

a. In the event of the occurrence of an Event of Default, the Company shall not, without the prior consent of the Debenture Trustee and until the Company has paid or made satisfactory provision for the payments (including the principal amount and Coupon) due on the Debentures in any year, declare any dividend to the shareholders of the Company,

or make any other distributions to the holders of common equity.

b. Save and except as required under Applicable Law, the Company shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without the prior consent of the Debenture Trustee.

c. Any sale of assets/business/division by the Company that has the effect of exiting the business or re-structuring of the existing business, shall not be undertaken without the prior consent of the Debenture Trustee.

d. The Company shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without the prior consent of the Debenture Trustee. Notwithstanding anything contained above, the Debenture Trustee shall not unreasonably deny its consent under this sub-Clause (h) if majority of the institutional investors of the Company have agreed to the same.

7.3.5 *Certified Covenants*

a. The Company shall maintain a capital adequacy ratio of (i) Tier I Capital and Tier II Capital (as defined by RBI under the relevant prudential guidelines applicable to the Company) to (ii) aggregate of risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items, of at least 20% (Twenty Percent) during the term of the Debentures; provided that in the event the minimum ratio prescribed by RBI is higher than the ratio stipulated hereinabove, the Company shall ensure compliance with such higher ratio;

b. The Company shall ensure that ratio of its Debt to Equity is not more than 6:1. For the purposes of this clause, 'Debt' shall mean aggregate Financial Indebtedness of the Company and 'Equity' shall mean paid up equity share capital of the Company along with free reserves excluding revaluation reserve.

c. The Company shall ensure that its net non-performing assets of the Company forming part of the Company's AUM shall not exceed 5% (Five Percent) of its Assets Under Management. For the purposes of this clause the net non-performing assets shall be calculated as gross non-performing assets less provisioning for non-performing assets.

The covenants identified in this Clause shall be tested on annual basis and the Company shall submit to the Debenture Trustee on annual basis, within 120 (one hundred twenty) days from the end of every Financial Year, certificates signed by a director or the Chief Financial Officer of the Company, confirming the Company's compliance with Clause 1.2.5 herein on the basis of standalone audited balance sheet of the Company for the relevant Financial Year.

7.3.6 *Events of Default*

As defined in Debenture Trust Deed dated 15th April, 2021 executed between the Company and Trustee

7.3.7 *Consequences of an Event of Default*

a) On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall:

I. declare that all or part of the Outstanding Amounts be immediately due and payable;

II. exercise all the rights available to the Debenture Trustee and / or Debenture Holder(s) including if so directed by the Majority Debenture Holder(s), enforce the charge over the Secured Property in accordance with the terms of the Transaction Documents;

III. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Debenture Documents or under Indian law;

b) appoint any independent agency to inspect and examine the working of the Company and provide a report of the same to Debenture Holders/ the Debenture Trustee. The Company shall provide full co-operation and necessary assistance to such agency and bear all costs and expenses incurred in relation to appointment of such agency;

I. The Debenture Trustee shall be entitled to appoint a Nominee Director on the board of the Company in accordance with Clause 1.2.9 below if the Debentures are not redeemed within 30 (Thirty) days.

c) Until the happening of any of the the Event(s) of Default, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business thereof. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

7.3.8 *<u>Appointment of a Nominee Director</u>*

I. Upon the occurrence of an Event of Default, if the Debentures are not redeemed with 30 (Thirty) days from the date of occurrence of such Event of Default, the Debenture Trustee shall subject to Applicable Law, be entitled to appoint and remove from time to time 1 (one) nominee director on the board of the Company (such Director is hereinafter referred to as "**Nominee Director**"). Such Nominee Director shall exercise such powers and duties as may be approved by the Debenture Trustee and have such rights as are usually exercised by or are available to a whole-time director in the management of the affairs of the Company. Such Nominee Director shall not be required to hold qualification shares nor be liable to retire by rotation and shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Debenture Trustee. Such Nominee Director shall have the right to receive notices, agenda etc of and attend all general meetings and Board meetings or any committee(s) of the Company. Any expenses that may be incurred by the Debenture Trustee or such Nominee Director in connection with their appointment or directorship shall be paid or reimbursed by the Company to the Debenture Trustee or, as the case may be, to such Nominee Director.

II. If, at any time, the Nominee Director is not able to attend a meeting of the board or any of its committees of which he is a member, the Debenture Trustee on the instruction of the Debenture Holders, may depute an observer ("**Observer**") to attend the meeting. If, at any time, the Observer is not able to attend a meeting of the board or any of its

committees the Debenture Trustee may depute any other person to attend such meetings. The expenses incurred by the Debenture Trustee in this connection shall be borne and payable by the Company.

III. The Nominee Director/ the Observers shall furnish to the Debenture Trustee, a report of the proceedings of all such meetings and the Company, shall not have any objection to the same.

IV. The appointment/ removal of the Nominee Director/Observer shall be by a notice in writing by the Debenture Trustee addressed to the Company, and shall (unless otherwise indicated by the Debenture Trustee) take effect forthwith upon such a notice being delivered to the Company.

V. Provided however if no Nominee Director has been appointed by the Debenture Trustee, the Debenture Trustee shall be entitled to receive notices, agenda etc. of and attend all general meetings and Board meetings of the Company.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture

Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under applicable laws. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

(a) Creating of any additional security; and
(b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to

the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures.

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.10 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Application

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to potential investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Bank Name	IDFC First Bank Ltd
Bank Account No.	10053461320
Beneficiary Name	INCRED FINANCIAL SERVICE LIMITED -NCD A/c
Account Type	Current Account
Bank Branch Name and Address	BKC - Naman Chamber
IFS Code	IDFB0040101

8.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

(a) Mutual Funds
(b) Non-banking financial companies
(c) Provident Funds and Pension Funds
(d) Corporates
(e) Banks
(f) Foreign Portfolio Investors (FPIs)
(g) Foreign Institutional Investors (FIIs)
(h) Qualified Foreign Investors (QFIs)
(i) Insurance Companies
(j) Investment holding companies of high net worth individuals
(k) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 Procedure for Applying for Dematerialised Facility

(a) The applicant must have at least one beneficiary account with any of the DPs of NSDL / CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading “Details for Issue of Debentures in Electronic/Dematerialised Form”.

(c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

(f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with NSDL / CDSL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with

other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

8.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

8.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

In case any Coupon Payment Date falls on a day which is not a Business Day, the payment to be made on such Coupon Payment Date, as the case may be, shall be made on the immediately succeeding Business Day. When the Maturity Date (including the last Coupon Payment Date) and/or the Put Option Date and/or the Call Option Date, falls on a day which is not a Business Day, all payments to be made on such date (including accrued Coupon and outstanding principal amount), shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source by the Company. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this issuance is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed), including if the Company shall be required legally to make any payment for tax from the interest/coupon payable under the Issue, ("**Tax Deduction**"), the Company shall make such Tax Deduction, and shall simultaneously pay to the Debenture Holders, such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within 2 (Two) Business Days from the Deemed Date of Allotment or within such timelines as permissible under applicable law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is January 19th, 2022 by which date the Investors would be intimated of allotment.

8.28 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

Interest shall be payable on the application monies received at the Coupon Rate of 4.50%p.a. gross of Taxes. Such interest shall be payable from the date of realisation of application monies in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL / CDSL and accordingly the account of the Debenture Holder(s) with NSDL / CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 9: DECLARATION

The Issuer declares that:

(a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, the Companies Act and the rules and regulations made thereunder;

(b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;

(c) the monies received under the offer shall be used only for the purposes and objects indicated in this Information Memorandum;

(d) whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

For **Incred Financial Services Limited**

Authorised Signatory

Name: Gajendra Thakur
Title: Company Secretary
Date: 17th January, 2022

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I: TERM SHEET

AS PER CLAUSE 5.28 (ISSUE DETAILS) ABOVE

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/VLEAFP/283590/LTPPMLD/1221/23011/98455733
December 23, 2021

Mr. Ashish Singhal
Vice President
Incred Financial Services Limited
The Capital, Unit No. 1502A
15th Floor - B Wing,
Bandra Kurla Complex
Mumbai City - 400051

Dear Mr. Ashish Singhal,

Re: Review of CRISIL Rating on the Rs.200 Crore Long Term Principal Protected Market Linked Debentures of Incred Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL PPMLD A r (pronounced as CRISIL PPMLD A r rating) rating on the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. However, the rating continues to be under "Rating Watch with Positive Implications". The Rating Watch reflects an emerging situation, which may affect the credit profile of the rated entity.

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Poonam Upadhyay
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisil.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.*

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crisilratings.com

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

December 22, 2021 | Mumbai

Incred Financial Services Limited

Ratings continues on 'Watch Positive'; rated amount enhanced for Commercial Paper

Rating Action

Total Bank Loan Facilities Rated	**Rs.2250 Crore**
Long Term Rating	**CRISIL A/Watch Positive (Continues on 'Rating Watch with Positive Implications')**

Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A r /Watch Positive (Continues on 'Rating Watch with Positive Implications')**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A r /Watch Positive (Continues on 'Rating Watch with Positive Implications')**
Rs.150 Crore Non Convertible Debentures&	**CRISIL A/Watch Positive (Continues on 'Rating Watch with Positive Implications')**
Rs.825 Crore Non Convertible Debentures	**CRISIL A/Watch Positive (Continues on 'Rating Watch with Positive Implications')**
Rs.200 Crore (Enhanced from Rs.150 Crore) Commercial Paper	**CRISIL A1/Watch Positive (Continues on 'Rating Watch with Positive Implications')**

& Public issue
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings' **'CRISIL A/CRISIL PPMLD A r/CRISIL A1'** ratings on existing long term bank loan facilities, non-convertible debenture, long term principal protected market linked debentures and commercial paper programme of Incred Financial Services Limited (Incred), continue to be on **'Rating Watch with Positive Implications'**.

The ratings on debt instruments of Incred were placed on Watch Positive after the company's board approved the proposed corporate reorganization inter alia involving the demerger of the company's retail lending portfolio into KKR India Financial Services Limited (KIFSL). The proposed reorganization is expected to come into effect by the first half of calendar year 2022 and, is subject to receipt of necessary approvals under applicable law, including approvals from the creditors, debenture holders, National Company Law Tribunal (NCLT), other relevant governmental/regulatory authorities and third parties. CRISIL Ratings understands that Incred had filed the composite scheme of arrangement between itself, Bee Finance Limited, KKR Capital Markets India Private Limited, KIFSL and their respective shareholders with NCLT Mumbai on September 27, 2021. Further, a joint application had been made by Incred and KIFSL to RBI for prior approval of change in control and no objection on the NCLT application and, RBI's approval on the same has been received on December 8, 2021. The Company has received an NCLT order dated November 10, 2021 pursuant to which a meeting of the Equity shareholders, Preference shareholders and secured creditors is being called on December 15, 2021.

The resultant entity (post the reorganization subject to necessary approvals) is expected to use the brand name 'InCred Financial Services Ltd' and will be spearheaded by the current leadership team of InCred. The company's existing investors are expected to hold over 65% stake in the resultant entity and KKR Singapore – as a strategic investor in the resultant entity – will hold the single largest stake of ~35%.

The Watch with positive implications factors in the likely improvement in the merged entity's financial risk profile after the reorganization. The resultant entity is expected to benefit from the significant increase in net worth to upwards of Rs 2,000 crore on consummation of the reorganization. InCred's operating profitability and overall earnings profile are also expected to improve by the end of fiscal 2022. In addition, it is expected that there will be a steady improvement in Incred's asset quality metrics with a reduction in the level of stressed assets.

CRISIL Ratings believes that there are many steps and developments, which may potentially need to be considered and approved by regulators before the reorganization comes into effect. The rating watch will be resolved and final rating action will be taken once there is adequate progress on receipt of requisite approvals for the reorganization and, after taking into consideration other developments pertaining to the amalgamation scheme and company's performance. Should the rating change, it is unlikely to be by more than a notch.

The outstanding ratings continue to reflect InCred's experienced leadership team, strong capitalisation with healthy gearing, backed by a high pedigree investor base and diversified loan portfolio. These strengths are partially offset by the moderate scale of operations and profitability, constrained by a one-time special provision/expense and moderate asset quality.

Having commenced operations in February 2017, Incred has built a diversified portfolio with assets under management (AUM) of Rs 2,634 crore as on March 31, 2021. The company provides a wide range of loan products that include personal loans, small and medium enterprise (SME) business loans, education loans, school financing loans and loans to financial institutions (FIs). As on October 31, 2021, the AUM stood at Rs 3,006 crore, which marks a 14% growth (un-annualized) from the AUM as on March 31, 2021 and, was primarily driven by traction in Q2 2022.

With gradual pick-up in business activity, monthly collection efficiency had revived in the second half of fiscal 2021 with the overall collection efficiency for the non – NPA portfolio improving to 100% in March 2021. However, in the aftermath of the pandemic's second wave, the rate of collections declined marginally in Q1 2021 and has started to improve thereafter. For October 2021, the collection efficiency for the non-NPA portfolio was 97%. Monthly disbursements also exhibited a similar trend. After dropping to Rs 29 crore in April 2020, a gradual ramp up in business alongside increasing economic activity resulted in disbursements of Rs 279 crore in December 2020 and Rs 419 crore in March 2021. Thereafter, a temporary slowdown was observed in April 2021 due to the pandemic's second wave followed by gradual revival over rest of the quarter. In the near to medium term, the company's ability to improve collections to pre-Covid levels on a steady-state basis remains a key monitorable.

Considering the gap between current and pre-Covid collection levels, there is a risk of increase in credit losses. Early bucket delinquencies (0-60 days) may remain elevated over the coming months. The company made provisions and write offs of Rs 88.6 crore (including Rs 42.4 crore of write offs) in fiscal 2021 and Rs 30.4 crore (including Rs 14.7 crore of write offs) in H1 2022. Asset quality has remained volatile amidst the on-going pandemic and lockdown, the 90+ days past due (dpd) stood at 3.7% as on October 31, 2021, compared with 3.4% as on March 31, 2021. Further, as part of the one-time restructuring scheme related to Covid-19 announced by the Reserve Bank of India (RBI), the company had a restructured portfolio of Rs 117.6 crore as on September 30, 2021. Over the medium term, InCred's ability to manage asset quality and maintain healthy collections amidst evolving Covid-19 scenario, remains a key monitorable.

Analytical Approach
For arriving at the rating, CRISIL Ratings has evaluated the standalone business, financial, and management risk profile of Incred.

Key Rating Drivers & Detailed Description
Strengths:
*** Strong capitalisation position supported by high pedigree of investor base**
Incred is well-capitalised, with networth of Rs 1,071 crore with low gearing of 2.1 times as on September 30, 2021. This marks a significant improvement from Rs 595 crore of networth as on March 31, 2019. The company commenced its operations with a networth of around Rs 500 crore, mainly contributed by the founder's company – Bee Finance Ltd (Mauritius). In fiscal 2019, Incred raised optionally convertible debentures (OCDs) in fiscal 2017, and converted them to equity in fiscal 2019 (April 2018) to the tune of Rs 116 crore from Investcorp (IDFC Private Equity) and Paragon Partners. Furthermore, during April and May 2019, Incred raised compulsorily convertible preference shares (CCPS) of Rs 427 crore from institutional investors such as FMO (the Netherlands Development Finance Company), OAKS Asset Management (Formerly known as Alpha Capital), Moore Strategic Ventures, and Elevar Equity. CRISIL Ratings believes Incred's capital position is strong with regards to its scale and nature of operations, supported by its demonstrated ability to raise capital from existing as well as new investors. After the proposed reorganization comes into effect, further accretion to networth is expected.

*** Experienced promoters and senior management team**
Incred was promoted in 2016, by Mr Bhupinder Singh, Managing Director and Chief Executive Officer. Having been associated with Deutsche Bank with his last stint as head of the Corporate Finance division and the co-head of the Fixed Income, Equities and Investment Banking divisions for the Asia Pacific region, Mr Singh has a rich professional experience of over two decades. Over its operating history, the company's senior management team has gained strength, and now comprises renowned professionals from various industry sections.

Mr Vivek Bansal, Incred's Chief Financial Officer (CFO), has experience of two decades, which include leadership stints in Fidelity Investments (London) and Standard Chartered (Mumbai). Prior to Incred, Mr Bansal served as deputy CFO of YES Bank and Group Head of Finance. Mr Rahul Bhargava, who is the Chief Product and Technology Officer, had been associated with companies such as Amazon, PayPal and Amex over the past two decades. He has been instrumental in laying the foundation of Incred's digital operating framework and interface. The business side is headed by Mr Saurabh Jhalaria who has over 18 years of work experience and was earlier Managing Director – Singapore operations at Deutsche Bank. Mr Prithvi Chandrasekhar (Chief Risk Officer), has held various positions across several companies, including Capital One and McKinsey over a professional stint of 25 years. This team of senior executives reports to a board comprising veterans from the financial services industry. These include independent directors, nominee directors from investor bodies and a few representatives from the senior management team of Incred Financial. Post reorganization, the existing management of Incred will continue to lead the resultant entity.

*** Diversified loan portfolio**
InCred had a diversified loan portfolio of Rs 2,634 crore as on March 31, 2021 which has further increased to Rs 3,006 crore as of October 31, 2021. The AUM mix consists of personal loans (34%), secured school financing (19%), student loans (14%), lending to NBFCs (15%) and anchor-backed business lines (17%). The company's portfolio also comprises non anchor backed business loans (1%) which has been discontinued by the company.

In the initial phase, growth in the loan portfolio was driven by higher focus on wholesale segments such as supply chain financing and lending to financial institutions and escrow-backed lending which, cumulatively formed 76% of the total loan book as on June 30, 2017. These two segments were followed by unsecured business loans, which formed another 18% of the loan portfolio with slightly higher degree of granularity. However, eventual growth corresponded with diversification across asset segments with more focus on retail or consumer loans. Thereafter, the company ventured into segments such as personal loans and two-wheeler loans, and also tapped the niche segment of education loans via student loans and secured school funding. Over the quarters, concentration around wholesale segments has reduced and the loan book has diversified across retail segments. Presently, 48% of AUM is composed of retail loans and the balance consists of loans to SMEs and NBFCs. Also, given low correlation between these segments, CRISIL Ratings believes that the diversified loan portfolio supports the overall business profile, especially in case of pressure in any one segment.

Weakness:
*** Moderate earnings profile**
Owing to the nascent scale of operations, operating expenses of Incred, though correcting, have remained high attributed to head office costs, especially employee and technology-linked expenses. Furthermore, on-boarding of senior management to lead respective asset segments has also contributed to the high employee expenses. In fiscal 2020, the company focused on optimizing cost and overall operating expenses increased by only 19%. However, the business growth was less than what was budgeted, as AUM grew at 17% over the year on account of cautious origination in some segments and overall challenging macroeconomic environment for most part of the year. Disbursements in the last quarter of fiscal 2020 were also impacted because of the lockdown. Resultantly, the operating expense ratio for the year remained high at 6.9%. During this period, the company's strategic exit from its housing finance subsidiary led to recognition of Rs 6.2 crore as impairment which also contributed to the high operating expenses. Additionally, write-offs of Rs 35 crore primarily in the personal loans and non-anchor supply chain segments and dedicated Covid-19 linked provisioning of Rs 5 crore further constrained the profitability. This translated to a low RoMA of 0.2% for fiscal 2020 (0.2% for fiscal 2019). However, upon adjusting for one-time impairment loss and Covid-19 provisioning, RoMA stood at 1.1% for fiscal 2020.

For fiscal 2021, Incred has reported a net profit of Rs 10 crore, after factoring in higher provisioning and write offs of Rs 89 crore and non-cash ESOP expenses of Rs 9.4 crore. Consequently, the RoMA for fiscal 2021 was 0.4%, and after adjusting for this one-time/ non-cash expenses, annualised RoMA is estimated at ~1.6%. Credit cost rose to 3.7% in fiscal 2021, compared with 2.6% in fiscal 2020. For H1 2022, the company reported an annualized RoMA of 0.5% corresponding to a net profit of Rs 7 crore. After adjusting for non-cash ESOP expenses, the annualized RoMA for the period was about 1.2%.

Given the provisioning policy, coupled with sustained focus on tightening costs and operating expenses, CRISIL Ratings expects Incred's profitability to improve from the third quarter of fiscal 2022 in the normal course of business. However, as a result of the pandemic and weak economic activity, AUM growth may be challenging. In this milieu, Incred's ability to scale up the portfolio, enhance recoveries and improve profitability while keeping credit costs low, will be a key rating sensitivity factor.

*** Asset quality remains a monitorable**
Given the short track record of operations and low seasoning in the loan portfolio, asset quality of the book remains untested. While a small section of the portfolio has completed one cycle, a sizable chunk still lacks seasoning. As on March 31, 2020, GNPA stood at 2.8%, as compared to 1.8% as on March 31, 2018. Elevation in non-performing assets stemmed from challenges faced within personal loans and non-anchor business loan segments wherein the company also took write-offs of Rs 35 crore. During fiscal 2021, GNPAs rose to 4.5% by December 31, 2020 amidst tepid economic environment. However, following the recovery in Q4 2021, GNPAs reduced to 3.4% as of March 31, 2021 which – after the pandemic's second wave, again elevated marginally to 3.7% as on October 31, 2021. As on September 30, 2021, the company had a restructured portfolio of Rs 117.6 crore and almost 80% of it was current (0 dpd) and 9.3% was in the 90+ dpd bucket.

In terms of collections, when calculated after giving benefit of over-dues, collections improved to 100% in March 2021, from 89% in September 2020. However, impacted by the pandemic's second wave and the sporadic lockdown that followed, monthly collection efficiency for the non – NPA portfolio, over Q1 2022 has ranged between 96-98%. For October 2021, it was 97%. Going forward, the company's ability to scale up operations, while maintaining asset quality and profitability at adequate levels amidst the current challenges, will be key rating sensitivity factors. Nevertheless, CRISIL Ratings notes that Incred has adequate equity capital to absorb high credit cost, if any, in the next 2-3 quarters.

*** Moderate scale of operations and market position with limited seasoning**
As on March 31, 2021, Incred's AUM stood at Rs 2,634 crore, as compared to Rs 2077 crore, a year ago - registering a growth of 27% over this period. However, the AUM is spread across seven asset classes. While this gives Incred the benefit of diversity, scale of operations and market position remains moderate within each asset class. In the aftermath of the pandemic's second wave, the AUM dipped marginally to Rs 2,553 crore as at the close of Q1 of fiscal 2022 however, has revived to Rs. 3,006 crore as on October 31, 2021. Bulk of the loan portfolio has not yet seasoned and the company's ability to profitably scale the portfolio across diverse segments remains to be demonstrated.

Liquidity: Adequate
As on November 30, 2021, the company had liquidity balance of Rs 424 crore (includes cash and equivalents, cash credit and working capital demand lines and excludes committed term loans and any upcoming collections). This balance covers the estimated outflow towards debt obligations and operating expenses scheduled for the succeeding 2 months, by over 1.1 times. Incrementally, the company has raised external funds of about Rs 1400 crore in fiscal 2021 and Rs 1340 crore in the first half of fiscal 2022.

Rating Sensitivity factors
Upward factors:

- Improvement in earnings profile with ROMA reaching to 2% by fiscal 2022 and thereafter settling at closer to 2.5% on steady state basis.
- Sustenance in asset quality metrics with 90+ days past due (dpd) (including write-offs) remaining below 4% on steady-state basis over the medium term
- Increase in scale of operations while maintaining comfortable adjusted gearing

Downward factors:

- Steady-state adjusted gearing of over 4 times, or inability to raise capital to fund growth
- Any adverse movement in asset quality with 90+ dpd (including write-offs) seeing material deterioration over the medium term
- Earnings profile remaining sub-optimal with inability to achieve a sustained RoMA level of >1.5% over the near to medium term.

About the Company

InCred is a non-deposit taking, non-banking financial company headquartered in Mumbai. Incorporated in January 1991 as Visu Leasing and Finance Pvt Ltd (VLFL), this company was acquired by Incred in 2016, after which, its name was changed to the current one. Incred is a new-age financial services platform that leverages technology and data science, throughout its lending chain, thereby reducing the turnaround time. Since operations began in February 2017, Incred has built a diversified portfolio with AUM of Rs 3,006 crore as on October 31, 2021.

Key Financial Indicators

As on/for the year ended March 31	Unit	2021	2020^	2019
Total assets	Rs crore	2,791	2,204	1,874
Advances	Rs crore	2,634	2,077	1,745
Total income	Rs crore	392	332	291
Profit after tax (PAT)	Rs crore	10.2	2.7	4
Gross NPA	%	3.4	2.8	1.8
Gearing	Times	1.6	1.1	2.1
Return on assets	%	0.4	0.2	0.2

^includes the amalgamation impact of InCred Housing Finance Private Limited

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity Levels	Rating outstanding with outlook
NA	Non-Convertible Debenture (Public Issue)^	NA	NA	NA	150	Simple	CRISIL A/Watch Positive
NA	Non-Convertible Debenture^	NA	NA	NA	260	Simple	CRISIL A/Watch Positive
INE945W07134	Non Convertible Debenture	22-Jun-20	NA	22-Jun-23	50	Simple	CRISIL A/Watch Positive
INE945W07142	Non Convertible Debenture	23-Jun-20	NA	20-Dec-21	100	Simple	CRISIL A/Watch Positive
INE945W07159	Non Convertible Debenture	26-Jun-20	NA	26-Jun-23	100	Simple	CRISIL A/Watch Positive
INE945W07167	Non Convertible Debenture	31-Jul-20	NA	28-Jan-22	25	Simple	CRISIL A/Watch Positive
INE945W07167	Non Convertible Debenture	31-Jul-20	NA	28-Jan-22	25	Simple	CRISIL A/Watch Positive
INE945W07175	Non Convertible Debenture	10-Aug-20	NA	10-Feb-22	50	Simple	CRISIL A/Watch Positive
INE945W07191	Non	11-Sep-20	NA	14-Mar-	50	Simple	CRISIL A/Watch

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	Convertible Debenture			22			Positive
INE945W07191	Non Convertible Debenture	11-Sep-20	NA	14-Mar-22	25	Simple	CRISIL A/Watch Positive
INE945W07225	Non Convertible Debenture	04-Dec-20	NA	04-Jun-22	25	Simple	CRISIL A/Watch Positive
INE945W07316	Non-Convertible Debenture	27-Jul-21	NA	27-Jul-27	115	Simple	CRISIL A/Watch Positive
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	170	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07308	Long Term Principal Protected Market Linked Debentures	20-Jul-21	NIFTY 50 LINK	26-Apr-24	30	Highly Complex	CRISIL PPMLD A r/Watch Positive
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	3.5	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07290	Long Term Principal Protected Market Linked Debentures	02-Jul-21	NIFTY 50 LINK	02-Jul-26	75	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07258	Long Term Principal Protected Market Linked Debentures	23-Apr-21	NIFTY 50 LINK	20-Oct-22	37.2	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07274	Long Term Principal Protected Market Linked Debentures	27-May-21	NIFTY 50 LINKED	26-May-23	15.4	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07282	Long Term Principal Protected Market Linked Debentures	01-Jun-21	NIFTY 50 INDEX LINKED	04-Oct-24	13.9	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07308	Long Term Principal Protected Market Linked Debentures	20-Jul-21	NIFTY 50 INDEX LINKED	26-Apr-24	15	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07324	Long Term Principal Protected Market Linked Debentures	29-Jul-21	10Y G-SEC LINKED	29-Dec-22	20	Highly Complex	CRISIL PPMLD A r/Watch Positive
INE945W07332	Long Term Principal Protected Market Linked Debentures	29-Jul-21	10Y G-SEC LINKED	29-Aug-23	20	Highly Complex	CRISIL PPMLD A r/Watch Positive

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NA	Commercial Paper	NA	NA	7 to 365 Days	200	Simple	CRISIL A1/Watch Positive
NA	Term Loan	17-Feb-21	NA	15-Feb-24	40	NA	CRISIL A/Watch Positive
NA	Term Loan	29-Sep-18	NA	30-Sep-22	150	NA	CRISIL A/Watch Positive
NA	Term Loan	12-Jul-19	NA	12-Jul-22	150	NA	CRISIL A/Watch Positive
NA	Term Loan	13-Feb-20	NA	30-Nov-24	50	NA	CRISIL A/Watch Positive
NA	Term Loan	27-Jan-20	NA	27-Jan-24	20	NA	CRISIL A/Watch Positive
NA	Term Loan	04-Dec-20	NA	15-Sep-25	50	NA	CRISIL A/Watch Positive
NA	Term Loan	30-Apr-20	NA	30-Apr-23	50	NA	CRISIL A/Watch Positive
NA	Term Loan	22-Nov-18	NA	22-Nov-21	40	NA	CRISIL A/Watch Positive
NA	Term Loan	28-May-19	NA	27-May-23	100	NA	CRISIL A/Watch Positive
NA	Term Loan	22-Feb-21	NA	15-Feb-26	50	NA	CRISIL A/Watch Positive
NA	Term Loan	15-Dec-20	NA	31-Dec-23	25	NA	CRISIL A/Watch Positive
NA	Term Loan	06-Mar-20	NA	30-Jun-23	20	NA	CRISIL A/Watch Positive
NA	Term Loan	29-Feb-20	NA	28-Feb-25	75	NA	CRISIL A/Watch Positive
NA	Term Loan	30-Aug-19	NA	15-Aug-22	40	NA	CRISIL A/Watch Positive
NA	Term Loan	03-Dec-20	NA	15-Dec-23	24.5	NA	CRISIL A/Watch Positive
NA	Term Loan	17-Jun-20	NA	30-Jun-25	100	NA	CRISIL A/Watch Positive
NA	Term Loan	14-Jun-21	NA	11-Mar-24	35	NA	CRISIL A/ Watch Positive
NA	Term Loan	31-Mar-21	NA	28-Mar-26	50	NA	CRISIL A/Watch Positive
NA	Term Loan	19-Mar-21	NA	19-Mar-24	35	NA	CRISIL A/Watch Positive
NA	Term Loan	17-Jun-21	NA	17-Jun-23	20	NA	CRISIL A/Watch Positive
NA	Term Loan	22-Jul-21	NA	Jun-22	125	NA	CRISIL A/Watch Positive
NA	Term Loan	23-Jul-21	NA	Aug-24	25	NA	CRISIL A/ Watch Positive
NA	Term Loan	14-Aug-21	NA	Aug-23	20	NA	CRISIL A/Watch Positive
NA	Term Loan	24-Aug-21	NA	Aug-25	200	NA	CRISIL A/Watch Positive
NA	Term Loan	18-Aug-21	NA	Feb-25	45	NA	CRISIL A/Watch Positive
NA	Term Loan	30-Sep-21	NA	Sep-24	150	NA	CRISIL A/Watch Positive
NA	Term Loan	09-Sep-21	NA	Sep-25	100	NA	CRISIL A/ Watch Positive
NA	Term Loan	22-Sep-21	NA	Sep-24	30	NA	CRISIL A/Watch Positive
NA	Cash Credit and Working Capital Demand Loan	NA	NA	NA	105	NA	CRISIL A/Watch Positive
NA	Proposed Long Term	NA	NA	NA	325.5	NA	CRISIL A/Watch Positive

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	Bank Loan Facility						

^Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2250.0	CRISIL A/Watch Positive	13-12-21	CRISIL A/Watch Positive	02-07-20	CRISIL A1		--		--	--
			--	18-11-21	CRISIL A/Watch Positive		--		--		--	--
			--	22-09-21	CRISIL A/Watch Positive		--		--		--	--
			--	20-08-21	CRISIL A/Watch Positive		--		--		--	--
			--	10-08-21	CRISIL A/Stable		--		--		--	--
			--	04-03-21	CRISIL A1 / CRISIL A/Stable		--		--		--	--
			--	25-02-21	CRISIL A1		--		--		--	--
Commercial Paper	ST	200.0	CRISIL A1/Watch Positive	13-12-21	CRISIL A1/Watch Positive		--		--		--	--
			--	18-11-21	CRISIL A1/Watch Positive		--		--		--	--
			--	22-09-21	CRISIL A1/Watch Positive		--		--		--	--
			--	20-08-21	CRISIL A1/Watch Positive		--		--		--	--
			--	10-08-21	CRISIL A1		--		--		--	--
			--	04-03-21	CRISIL A1		--		--		--	--
Non Convertible Debentures	LT	975.0	CRISIL A/Watch Positive	13-12-21	CRISIL A/Watch Positive		--		--		--	--
			--	18-11-21	CRISIL A/Watch Positive		--		--		--	--
			--	22-09-21	CRISIL A/Watch Positive		--		--		--	--
			--	20-08-21	CRISIL A/Watch Positive		--		--		--	--
			--	10-08-21	CRISIL A/Stable		--		--		--	--
			--	04-03-21	CRISIL A/Stable		--		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	400.0	CRISIL PPMLD A r /Watch Positive	13-12-21	CRISIL PPMLD A r /Watch Positive		--		--		--	--
			--	18-11-21	CRISIL PPMLD A r /Watch Positive		--		--		--	--
			--	22-09-21	CRISIL PPMLD A r /Watch Positive		--		--		--	--
			--	20-08-21	CRISIL PPMLD A r /Watch Positive		--		--		--	--
			--	10-08-21	CRISIL PPMLD A r /Stable		--		--		--	--

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			--	04-03-21	CRISIL PPMLD A r /Stable		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit & Working Capital Demand Loan	10	The Karnataka Bank Limited	CRISIL A/Watch Positive
Cash Credit & Working Capital Demand Loan	35	RBL Bank Limited	CRISIL A/Watch Positive
Cash Credit & Working Capital Demand Loan	10	YES Bank Limited	CRISIL A/Watch Positive
Cash Credit & Working Capital Demand Loan	50	IDFC FIRST Bank Limited	CRISIL A/Watch Positive
Proposed Long Term Bank Loan Facility	325.5	Not Applicable	CRISIL A/Watch Positive
Term Loan	400	Bank of Baroda	CRISIL A/Watch Positive
Term Loan	50	Bank of India	CRISIL A/Watch Positive
Term Loan	70	Bank of Maharashtra	CRISIL A/Watch Positive
Term Loan	50	Central Bank Of India	CRISIL A/Watch Positive
Term Loan	75	Hinduja Leyland Finance Limited	CRISIL A/Watch Positive
Term Loan	250	IDFC FIRST Bank Limited	CRISIL A/Watch Positive
Term Loan	95	Indian Bank	CRISIL A/Watch Positive
Term Loan	25	Maanaveeya Development & Finance Private Limited	CRISIL A/Watch Positive
Term Loan	20	Nabkisan Finance Limited	CRISIL A/Watch Positive
Term Loan	20	Suryoday Small Finance Bank Limited	CRISIL A/Watch Positive
Term Loan	275	State Bank of India	CRISIL A/Watch Positive
Term Loan	64.5	Tata Capital Financial Services Limited	CRISIL A/Watch Positive
Term Loan	100	Union Bank of India	CRISIL A/Watch Positive
Term Loan	30	ESAF Small Finance Bank Limited	CRISIL A/Watch Positive
Term Loan	40	Aditya Birla Finance Limited	CRISIL A/Watch Positive
Term Loan	50	Canara Bank	CRISIL A/Watch Positive
Term Loan	35	The Karnataka Bank Limited	CRISIL A/Watch Positive
Term Loan	20	Nabkisan Finance Limited	CRISIL A/Watch Positive
Term Loan	125	Small Industries Development Bank of India	CRISIL A/Watch Positive
Term Loan	25	Nabsamruddhi Finance Limited	CRISIL A/Watch Positive

This Annexure has been updated on 22-Dec-2021 in line with the lender-wise facility details as on 22-Sep-2021 received from the rated entity

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt

Media Relations	Analytical Contacts	Customer Service Helpdesk

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CL/MUM/20-21/DEB/931

20-Jan-2021

Incred Financial Services Limited
Unit No. 1203, 12th floor,B Wing,
The Capital Plot No. C - 70,
G Block, BKC Mumbai - 400051

Kind Attn:-**Amit Saini**

Dear Sir,

Consent to act as Trustee for Secured, Listed, Unrated, Redeemable, Non-Convertible Debentures aggregating to upto Rupees 500 Crores to be issued by your Company

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Unrated, Redeemable non-convertible debentures aggregating upto 500 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

For Incred Financial Services Limited

Incred Financial Services Limited

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (022) 4922 0555 **Fax** +91 (022) 4922 0505
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CIN No. U74999PN1997PLC110262 **Email** dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

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ANNEXURE IV: APPLICATION FORM

INCRED FINANCIAL SERVICES LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: January 08, 1991; **CIN**: U74899MH1991PLC340312
Registered and Corporate Office: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051
Contact Person: Mr. Gajendra Thakur; **E-mail**: incred.compliance@incred.com;
Telephone No.: 022- 4097 7000 **Website**: www.incred.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**		

ISSUE OF UP TO 150 (ONE HUNDRED FIFTY) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, PRINCIPAL PROTECTED MARKET-LINKED, NON-CONVERTIBLE DEBENTURES OF INCRED FINANCIAL SERVICES LIMITED HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH, AGGREGATING UP TO RS. 15,00,00,000/- (RUPEES FIFTEENCRORE ONLY) WITH A GREEN SHOE OPTION OF 300 (THREE HUNDRED) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, PRINCIPAL PROTECTED MARKET-LINKED, NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH, AGGREGATING UP TO RS. 30,00,00,000/- (RUPEES THIRTY CRORE ONLY)
, FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures _____ In words _____

Amount Rs. _____/-_ in words Rupees _____
_____Crores only

DETAILS OF PAYMENT:

RTGS
No. _____ Drawn on_____

Funds transferred to **Incred Financial Services Limited**
Dated _____

Total Amount Enclosed
(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		**PHONE**		**FAX**	

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

The Issuer understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and/or (ii) the hedging price being acceptable to the Applicants.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

- ACKNOWLEDGMENT SLIP -

(To be filled in by Applicant) **SERIAL NO.**			/					-		

Received from _____

Address_____
_____

Cheque/Draft/UTR # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debenture

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

Abridged standalone Balance Sheet as at (pursuant to Clause 219(1)(b)(iv) of the companies Act 2013)

Particulars			**Standalone**	**Standalone**	**Standalone (Restated)**	**Standalone**
			September 30, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
			Reviewed	**Audited**	**Audited**	**Audited**
I		EQUITY ASSETS				
	1	Financial Assets				
	(a)	Cash and cash equivalents	1,08,06,41,532	13,23,38,067	37,72,83,149	18,46,49,096
	(b)	Bank balance other than cash and cash equivalents	18,33,23,406	5,88,45,636	7,35,88,393	2,67,46,585
	(c)	Derivative financial instruments	4,29,47,797	-	-	
	(d)	Loans	28,77,07,19,806	25,53,59,83,631	20,48,49,16,840	17,33,10,29,073
	(e)	Receivables				
		(I) Trade receivables	-	-	-	-
		(II) Other receivables	-	-	-	-
	(f)	Investments	2,39,34,32,987	1,26,70,66,158	31,13,50,281	77,26,99,120
	(g)	Other financial assets	48,34,80,818	18,21,27,726	16,90,39,295	12,08,15,436
	2	Non-financial assets				
	(a)	Current tax assets (net)	13,74,90,190	7,20,60,830	8,62,35,866	5,07,69,077
	(b)	Deferred tax assets (net)	18,75,03,656	18,57,39,089	9,63,21,433	7,91,95,532
	(c)	Property, plant, and equipment	31,40,83,308	32,76,35,058	29,75,07,157	10,39,94,850

	(d)	Capital work-in-progress	16,52,551	14,49,497	1,25,06,109	-
	(e)	Other intangible assets	1,96,16,578	2,22,49,409	2,99,96,682	3,96,96,074
	(f)	Other non-financial assets	14,09,85,432	12,85,55,353	10,46,22,039	6,54,14,502
		Total assets (1+2)	33,75,58,78,062	27,91,40,50,454	22,04,33,67,244	18,77,50,10,343
II		LIABILITIES AND EQUITY				
	-3	Financial liabilities				
	(a)	Payables				
		Payables				
		(I)Trade payables				
		(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
		(II) Other payables				
		(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
	(b)	Debt securities	11,49,54,82,491	7,38,27,02,389	4,21,05,61,873	4,78,14,79,722
	(c)	Borrowings (other than debt securities)	10,75,52,67,136	9,34,22,07,684	7,03,21,28,030	7,74,97,72,903
	(d)	Other financial liabilities	42,09,41,644	42,31,88,340	33,42,57,232	8,64,67,692
	-4	Non-financial liabilities				
	(a)	Current tax liabilities (net)	-	-	-	
	(b)	Provisions	2,58,13,763	1,69,48,492	1,58,41,057	1,48,13,697
	(c)	Other non-financial liabilities	34,99,62,641	29,05,25,545	20,78,21,246	18,57,90,168
	-5	EQUITY				
	(a)	Equity share capital	3,87,69,25,871	3,86,24,42,250	3,86,15,30,160	3,07,62,93,030
	(b)	Other equity	6,83,14,84,516	6,59,60,35,754	6,38,12,27,647	2,88,03,92,131

Total liabilities and equity (3+4+5)			33,75,58,78,062	27,91,40,50,454	22,04,33,67,244	18,77,50,10,343

Abridged consolidated Balance Sheet as at (pursuant to Clause 219(1)(b)(iv) of the companies Act 2013)

Particulars			Consolidated March 31, 2021 Audited	Consolidated March 31, 2020 Audited	Consolidated March 31, 2019 Audited
I		EQUITY ASSETS			
	1	Financial Assets			
	(a)	Cash and cash equivalents	14,57,92,301	38,43,63,169	67,73,51,212
	(b)	Bank balance other than cash and cash equivalents	5,88,45,636	7,35,88,393	2,67,45,585
	(c)	Receivables			
		(I) Trade receivables	3,76,127	1,41,00,837	13,18,222
		(II) Other receivables	-	4,75,167	55,49,774
	(d)	Loans	25,53,59,83,631	20,48,49,17,213	17,38,00,39,324
	(e)	Investments	1,24,57,41,604	50,51,35,460	52,46,64,917
	(f)	Other financial assets	18,52,48,175	7,73,69,834	5,75,84,818
	2	Non-financial assets			
	(a)	Current tax assets (net)	7,37,72,169	12,82,51,172	9,62,32,284
	(b)	Deferred tax assets (net)	18,57,39,082	11,18,42,754	9,24,60,167
	(c)	Property, plant, and equipment	34,40,94,045	31,45,47,335	13,09,66,441
	(d)	Capital work-in-progress	14,49,497	1,25,06,109	-
	(e)	Goodwill	6,52,65,005	6,52,65,005	6,52,65,005
	(f)	Other intangible assets	5,47,43,409	3,08,00,335	4,42,60,417
	(g)	Other non-financial assets	14,82,78,769	11,78,31,652	8,20,40,753
		Total assets (1+2)	28,04,53,29,451	22,32,09,94,436	19,18,44,78,659
II		LIABILITIES AND EQUITY			
	-3	Financial liabilities			
	(a)	Payables			
		Payables			
		(I)Trade payables			

		(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	12,32,714
		(II) Other payables			
		(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,13,100	58,10,935	3,43,10,336
	(b)	Debt securities	7,38,27,02,389	4,21,05,61,872	4,78,14,79,722
	(c)	Borrowings (other than debt securities)	9,30,21,85,985	7,03,21,28,032	7,74,97,72,903
	(d)	Other financial liabilities	42,72,28,290	33,45,34,532	9,18,14,003
	-4	Non-financial liabilities			
	(a)	Current tax liabilities (net)	-	-	64,89,760
	(b)	Provisions	1,69,90,126	1,58,41,057	1,53,97,171
	(c)	Deferred tax liabilities (net)	8,32,26,740	10,69,68,615	12,05,53,314
	(d)	Other non-financial liabilities	29,05,65,468	21,01,09,053	19,82,54,874
	-5	EQUITY			
	(a)	Equity share capital	3,86,24,42,250	3,86,15,30,161	3,07,62,93,030
	(b)	Other equity	6,67,76,75,103	6,54,35,10,178	3,10,88,79,831
Total liabilities and equity (3+4+5)			28,04,53,29,451	22,32,09,94,436	19,18,44,77,659

Abridged Profit and Loss Account for the year ended:

Particulars			**Standalone**	**Standalone**	**Standalone**	**Standalone**
			September 30, 2021	**March 31, 2021**	**March 31, 2020 (Restated)**	**March 31, 2019**
			Reviewed	**Audited**	**Audited**	**Audited**
(I)	Income					
	Revenue from operations					
	(a)	Interest Income	2,18,13,27,141	3,77,11,75,163	3,11,03,31,704	2,83,31,82,084

	(b)	Fees and Commission Income	4,11,89,060	5,57,16,094	8,05,95,129	7,29,97,482
	(c)	Net gain on fair value changes	51,28,315	2,68,91,416	4,65,00,583	(5,13,869)
	(d)	Other Operating Income	-	-	-	-
Total Revenue from operations			2,22,76,44,516	3,85,37,81,673	3,23,74,28,416	
(II)	Other Income		11,05,89,256	6,47,08,539	7,82,36,766	
(III)	Total Revenue (I+II)		2,33,82,33,772	3,91,84,91,213	3,31,56,65,182	
(IV)	Expenditure					
	(a)	Finance costs	93,81,84,726	1,52,71,40,424	1,16,05,68,756	1,37,83,97,063
	(b)	Impairment on financial instruments	30,35,71,107	88,65,36,918	56,34,73,718	23,83,43,486
	(c)	Fees and commission expense	-	-	-	-
	(d)	Employee benefits expense	66,66,45,022	91,59,37,052	92,40,57,978	74,02,29,181
	(e)	Depreciation and amortization	4,01,62,599	8,41,79,484	10,99,88,839	1,53,09,991
	(f)	Other Operating expenses	29,56,00,886	38,05,91,524	42,71,24,299	47,72,79,763
Total Expenditure			2,24,41,64,341	3,79,43,86,402	3,18,52,13,590	2,84,95,60,983
(V)	Profit / (Loss) before exceptional items and tax (III - IV)		9,40,69,431	12,41,05,811	13,04,50,592	5,61,05,214
(VI)	Exceptional item		-	-	6,45,76,313	-
(VII)	Profit / (Loss) after exceptional items and before tax (V - VI)		9,40,69,431	12,41,05,811	6,58,75,279	5,61,05,214
(VIII)	Tax Expenses					
	(a)	Current Tax	1,82,11,034	11,35,13,600	5,27,42,576	4,44,48,170
	(b)	Deferred Tax	41,93,067	-9,17,52,491	-1,44,09,049	(2,60,88,992)
(IX)	Profit for the Year (VII-VIII)		7,16,65,330	10,23,43,701	2,75,40,752	3,77,46,037

(X)	Other Comprehensive Income					
	(A)	(i) Items that will not be reclassified to profit or loss (specify items and amounts)				
		(a) Remeasurements of the defined benefit plans	-51,95,536	-26,29,240	29,03,231	39,27,899
		(b) Equity instruments through other comprehensive income	-	-	2,250	14,26,000
		(ii) Income tax relating to items that will not be reclassified to profit or loss	13,07,716	6,61,780	-31,738	(1,518,513)
	(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	-1,24,94,074	1,18,97,340	-	
		(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	-59,80,000	-	-	
		(ii) Income tax relating to items that will be reclassified to profit or loss	46,49,925	-29,94,560	-	

		Other comprehensive income / (loss) (A + B)	-1,77,11,969	69,35,319	28,72,744	38,35,386
(XI)	Total comprehensive income for the year (VII + VIII)		5,39,53,361	10,92,79,021	3,04,14,496	4,15,81,423
(XII)	Earnings per equity share:					
	(a)	Basic	0.19	0.27	0.07	0.12
	(b)	Diluted	0.18	0.26	0.07	0.12

Abridged Consolidated Profit and Loss Account for the year ended:

Particulars			Consolidated March 31, 2021 Audited	Consolidated March 31, 2020 Audited	Consolidated March 31, 2019 Audited
(I)	Income				
	Revenue from operations				
	(a)	Interest Income	3,77,23,44,573	3,10,91,36,811	2,99,40,45,511
	(b)	Fees and Commission Income	5,57,16,094	8,05,95,129	10,44,67,665
	(c)	Income / (Loss) from Treasury	2,68,91,416	4,65,00,583	-5,13,869
	(d)	Other Operating Income	1,95,00,000	2,55,00,000	6,00,00,000
Total Revenue from operations			3,87,44,52,083	3,26,17,32,523	3,15,79,99,307
(II)	Other Income		5,03,13,159	6,49,33,730	11,36,41,531
(III)	Total Revenue (I+II)		3,92,47,65,242	3,32,66,66,253	3,27,16,41,839
(IV)	Expenditure				
	(a)	Finance costs	1,52,75,74,645	1,16,05,68,756	1,40,82,84,330
	(b)	Impairment on financial instruments	88,68,63,250	56,34,49,668	36,62,19,197
	(c)	Fees and commission expense	-	-	12,79,924
	(d)	Employee benefits expense	94,48,80,912	91,74,99,046	86,36,15,222
	(e)	Depreciation and amortization	10,15,98,430	11,60,68,390	2,75,92,755

	(f)	Other Operating expenses	39,36,44,891	44,85,05,862	52,34,09,064
Total Expenditure			3,85,45,62,128	3,20,61,36,723	3,18,91,19,568
(V)	Profit / (Loss) before share of loss of associates (III - IV)		7,02,03,114	12,05,29,530	8,25,22,270
(VI)	Share of loss of associates		3,49,57,287	4,91,54,926	-
(VII)	Profit / (Loss) before exceptional items and before tax (V - VI)		3,52,45,827	7,13,74,605	41,41,85,380
(VIII)	Exceptional item		-	-	33,16,63,110
(IX)	Profit / (Loss) after exceptional items and before tax (VII - VIII)		3,52,45,827	7,13,74,605	41,41,85,380
(X)	Tax Expenses				
	(a)	Current Tax	11,35,13,600	5,27,42,576	5,74,54,875
	(b)	Deferred Tax	-9,99,70,985	-3,29,99,022	7,95,23,857
(IX)	Profit for the Year (VII-VIII)		2,17,03,212	5,16,31,051	27,72,05,648
(X)	Other Comprehensive Income				
	(A)	(i) Items that will not be reclassified to profit or loss (specify items and amounts)			
		(a) Remeasurements of the defined benefit plans	-26,29,240	29,03,231	54,46,658
		(b) Equity instruments through other comprehensive income	-	2,250	14,26,000
		(ii) Income tax relating to items that will not be reclassified to profit or loss	6,61,780	-31,737	-15,18,513
	(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	1,18,97,340	-	-
		(ii) Income tax relating to items that will be reclassified to profit or loss	-29,94,560	-	-
		Other comprehensive income / (loss) (A + B)	69,35,319	28,73,744	53,54,145
(XI)	Total comprehensive income for the year (VII + VIII)		2,86,38,531	5,45,04,795	28,25,59,794
	Profit is attributable to:				
	Shareholders of the Group		2,17,03,212	5,16,31,051	24,53,23,909
	Non-controlling interests		-	-	3,18,81,739
	Other Comprehensive Income is attributable to:				
	Shareholders of the Group		69,35,319	28,73,744	53,54,145
	Non-controlling interests		-	-	-
	Total Comprehensive Income is attributable to:				
	Shareholders of the Group		2,86,38,531	5,45,04,795	25,06,78,054
	Non-controlling interests		-	-	3,18,81,739
(XII)	Earnings per equity share:				
	(a)	Basic	0.06	0.14	0.80
	(b)	Diluted	0.06	0.14	0.80

Abridged standalone Cash Flow Statement for the year ended (pursuant to Clause 219(1)(b)(iv) of the companies Act)

Particulars	**Standalone**	**Standalone**	**Standalone**	**Standalone**
	Period ended September 30, 2021	**Year ended March 31, 2021**	**Year ended March 31, 2020 (Restated)**	**Year ended March 31, 2019**
	Unaudited	**Audited**	**Audited**	**Audited**
Cash flow from operating activities				
Profit before tax	9,40,68,431	12,41,05,811	6,58,75,279	5,61,05,000

Adjustments to reconcile net profit to net cash generated from / (used in) operating activities				
Depreciation and amortisation	4,01,62,599	8,41,79,484	10,99,88,839	1,53,09,990
Fair value adjustment on investments	(51,28,315)	(2,68,91,416)	(4,65,00,583)	5,13,869
Interest income	(2,18,13,27,141)	(3,77,11,75,163)	(3,11,03,31,704)	(2,83,31,82,084)
Finance cost	92,84,65,508	1,51,19,24,649	1,14,53,90,877	1,37,83,97,063
Impairment loss	30,35,71,107	88,65,36,918	56,34,72,718	24,03,10,999
Provision for diminution in the value of investments		-	6,45,76,313	99,99,987
Share based expense	13,80,33,088	10,27,93,117	5,83,88,070	1,75,54,933
Advertisement expense	15,30,619	28,01,952	30,61,237	1,39,99,984
Fee and commission income	-	-	-	(12,72,425)
Retirement benefit expenses	30,26,028	(21,39,484)	32,28,078	62,77,733
Interest expense on lease liability	97,19,218	1,52,15,775	1,51,77,879	-
Reversal of rent expense	(1,97,84,265)	(2,92,94,592)	(4,01,70,704)	-
Operating cash flow before working capital changes	(68,76,62,123)	(1,10,19,41,950)	(1,16,78,44,700)	(1,09,59,86,807)
Working capital adjustments				
Decrease / (increase) in other trade receivables				
(Increase) in other receivables				
(Increase) in Loans	(3,47,59,50,022)	(5,91,79,73,411)	(3,54,16,46,176)	(4,01,38,46,502)
Decrease / (increase) in other financial assets	(30,13,53,093)	(1,30,88,431)	(4,53,32,827)	4,22,43,487
(Increase) in other non-financial assets	(1,39,60,698)	(2,67,35,266)	(3,30,78,848)	(37,99,170)
(Decrease) in trade payable				
(Decrease) in other payables				-
Increase in other financial liabilities	78,18,352	10,30,09,925	23,40,71,661	2,32,60,244
(Decrease) / increase in provisions	6,43,707	12,79,459	(27,84,192)	(90,65,390)
Increase in other non-financial liabilities	5,94,37,097	8,27,04,299	1,95,92,140	9,17,57,567

Cash generated from operations	(4,41,10,26,780)	(6,87,27,46,374)	(4,53,70,22,941)	(4,96,54,36,572)
Interest received on loans	2,05,35,86,356	3,75,15,44,865	3,02,29,31,932	2,82,51,14,854
Interest paid on borrowings	(87,65,25,583)	(1,74,29,34,326)	(1,06,68,87,419)	(1,11,79,08,274)
Income taxes paid	(9,61,22,676)	(9,70,02,783)	(4,70,41,319)	(11,63,74,853)
Net cash (used in) operating activities	(3,33,00,89,683)	(4,96,11,38,618)	(2,62,80,18,748)	(3,37,46,03,345)
Cash flow from investing activities				
Purchase of property, plant, and equipment	(2,07,04,218)	(8,76,18,552)	(27,55,54,256)	(9,53,70,414)
Purchase of intangibles assets	(32,73,800)	(1,89,41,560)	(1,07,53,865)	(4,49,58,321)
Capital work-in-progress	(2,03,054)	1,10,56,612	(1,25,06,109)	
Purchase of investments	(20,93,41,56,657)	(15,61,46,89,124)	(10,83,50,44,908)	(34,42,16,25,898)
Proceeds from sale of investments	19,82,93,88,253	14,69,47,67,443	10,72,68,75,110	34,41,73,62,030
Investment in term deposits	(4,47,19,26,090)	(9,65,80,25,064)	(58,14,26,447)	(2,67,46,585)
Interest on term deposits	4,35,34,13,937	9,67,24,72,287	53,48,80,173	
Net cash (used in) / generated from investing activities	(1,24,74,61,629)	(1,00,09,77,958)	(45,35,30,302)	(17,13,39,188)
Cash flow from financing activities				
Issue of equity shares (including securities premium)	5,79,34,481	36,48,360	4,23,61,30,269	10,97,10,275
Security issue expenses		-	(5,95,76,974)	(63,07,915)
Proceeds from issue of debt securities	4,86,70,00,000	6,21,73,38,578	1,25,11,61,810	3,00,00,00,000
Proceeds from borrowings (other than debt securities)	5,18,50,00,000	7,26,65,00,000	5,53,39,32,483	5,25,00,00,000
Securities premium				-
Redemption of debt securities	(3,27,01,07,618)	(2,80,44,82,147)	(1,88,07,32,508)	(50,00,00,000)
Redemption of borrowings (other than debt securities)	(1,11,70,63,019)	(4,86,68,10,844)	(5,82,79,09,681)	(5,36,16,20,396)
Net cash generated from financing activities	5,72,27,63,297	5,81,61,93,946	3,25,30,05,399	2,49,17,81,964

Net (decrease) in cash and cash equivalents	1,14,52,10,985	(14,59,23,382)	17,14,56,349	(1,05,41,59,568)
Cash and cash equivalents at the beginning of the year	(6,45,68,668)	8,13,53,962	(9,01,02,389)	49,91,28,319
Cash and cash equivalents at the end of the year	1,08,06,41,532	(6,45,68,668)	8,13,53,962	(55,50,32,250)
Cash and cash equivalents				
Cash on hand	-	2,83,881	7,92,238	645,167
Balances with banks				
- Current Accounts	87,86,30,902	13,20,54,186	37,64,90,910	18,40,03,929
Deposit with bank with maturity less than 3 months	20,20,10,630	-	-	
Cash and cash equivalents		13,23,38,067	37,72,83,149	18,46,49,096
Less: Bank overdraft and cash credit	-	(19,69,06,735)	(29,62,24,721)	(73,97,43,005)
Add: Impairment loss allowance on deposits with bank	-		2,95,534	61,659
Cash and cash equivalents in cash flow statement	1,08,06,41,532	(6,45,68,668)	8,13,53,962	(55,50,32,250)

Particulars		Standalone			
		September 30, 2021	**March 31, 2021**	**March 31, 2020 (Restated)**	**March 31, 2019**
		Unaudited	**Audited**	**Audited**	**Audited**
1	Net Cash (used in) operating Activities	(3,33,00,89,683)	(4,96,11,36,618)	(2,62,80,18,748)	(3,37,46,03,345)
2	Net Cash (used in) / generated from investing activities	(1,24,74,61,629)	(1,00,09,78,958)	(45,35,30,302)	(17,13,39,188)
3	Net Cash generated from financing activities	5,72,27,63,297	5,81,61,93,193	3,25,30,05,399	2,49,17,81,964
4	Net increase / (decrease) in cash and cash equivalents (1+2+3)	1,14,52,10,985	(14,59,23,382)	17,14,56,349	(1,05,41,59,568)
5	Cash and cash equivalents at beginning of the year	(6,45,68,668)	8,13,53,962	(9,01,02,389)	49,91,28,319
6	Cash and cash equivalents at end of the year	1,08,06,42,317	(6,45,68,668)	8,13,53,962	(55,50,32,250)

Abridged consolidated Cash Flow Statement for the year ended:

Particulars	Consolidated Year ended March 31, 2021	Consolidated Year ended March 31, 2020	Consolidated Year ended March 31, 2019
Cash flow from operating activities			
Profit before tax	3,52,45,827	7,13,74,605	41,41,85,380
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities			
Depreciation and amortisation	10,15,98,430	11,60,68,390	2,75,92,755
Net (gain) on fair value changes	-2,68,91,416	-4,65,00,583	-41,42,56,825
Interest income	-3,77,23,44,573	-3,10,78,04,664	-2,99,40,45,511
Finance cost	1,52,75,74,645	1,14,53,90,877	1,40,82,84,330
Impairment loss	88,68,63,250	56,34,49,668	37,62,19,197
Share based expense	10,27,90,117	5,83,88,070	2,01,79,313
Advertisement expense	28,01,952	30,61,237	1,39,99,984
Fee and commission income	-	-	-12,72,425
Other expenses	-	-	15,63,337
Provision for employment benefits	-20,97,850	32,28,078	-19,90,746
Impairment of goodwill	-	-	8,31.07,583
Share in loss of associate	3,49,57,287	4,91,54,926	-
Interest expense on lease liability	1,56,72,695	1,51,77,879	-
Reversal of rent expense	-3,39,19,591	-4,01,70,704	-
Operating cash flow before working capital changes	-1,12,77,49,228	-1,16,91,83,221	-1,06,64,34,628
Working capital adjustments			
Decrease / (increase) in other trade receivables	1,37,24,709	-1,27,82,614	39,16,611
(Increase) in other receivables	4,75,167	50,74,607	-55,49,774
(Increase) in Loans	-5,91,82,99,744	-3,66,77,02,212	-3,69,13,50,012
Decrease / (increase) in other financial assets	-10,78,78,341	-2,05,91,717	-2,73,03,885

(Increase) in other non-financial assets	-3,32,50,069	-3,88,51,136	-1,17,21,602
(Decrease) in trade payable	-	-12,32,714	-2,57,89,937
(Decrease) in other payables	-34,97,835	-2,84,99,400	3,43,10,336
Increase in other financial liabilities	11,09,40,655	26,77,13,353	2,33,36,584
(Decrease) / increase in provisions	12,79,459	86,302	-50,51,745
Increase in other non-financial liabilities	8,04,56,414	88,71,482	6,30,88,919
Cash generated from operations	-6,98,37,98,811	-4,65,70,98,271	-4,70,85,49,134
Interest received on loans	3,52,99,78,608	3,10,12,88,497	3,13,72,68,652
Interest paid on borrowings	-1,75,85,84,322	-1,31,57,79,615	-1,12,26,05,389
Income taxes paid	-5,67,00,816	-9,12,13,650	-12,06,53,397
Net cash (used in) operating activities	-5,26,91,05,341	-2,96,28,03,038	-2,81,45,39,058
Cash flow from investing activities			
Purchase of property, plant, and equipment	-9,59,90,608	-27,54,37,368	-9,55,94,226
Purchase of intangibles assets	-5,90,92,803	-1,07,52,865	-4,64,59,321
Capital work-in-progress	1,10,56,612	-1,25,06,109	-
Amount received / (Payment made) for acquisition of subsidiary	-	-10,50,24,534	2,79,83,126
Purchase of investments	-15,61,46,89,124	-11,18,81,18,997	-34,45,82,29,470
Proceeds from sale of investments	14,87,49,18,395	11,20,51,77,606	34,41,73,62,030
Investment in term deposits	10,51,46,56,237	-1,68,14,26,447	-2,67,45,585
Proceeds from maturity of term deposits	-10,50,02,12,014	1,63,32,53,063	-
Interest on investments	20,61,09,050	40,22,351	87,74,651
Interest on term deposits	1,66,26,617	38,25,963	7,68,978
Net cash (used in) / generated from investing activities	-64,66,17,639	-42,69,87,338	-17,21,38,843

Cash flow from financing activities			
Issue of equity shares (including securities premium)	36,48,360	4,27,15,90,282	10,97,10,274
Security issue expenses	-	-5,95,97,233	-68,07,915
Proceeds from issue of debt securities	6,21,73,38,578	1,25,11,60,810	3,00,00,00,000
Proceeds from borrowings (other than debt securities)	7,22,65,00,000	5,53,39,32,483	5,85,00,01,000
Redemption of debt securities	-2,80,44,82,900	-1,75,00,00,000	-50,00,00,000
Redemption of borrowings (other than debt securities)	-4,86,68,30,543	-5,70,65,31,850	-6,03,44,76,307
Net cash generated from financing activities	5,77,61,73,494	3,54,05,54,492	2,41,84,27,369
Net (decrease) in cash and cash equivalents	-13,95,49,485	15,07,64,115	-56,82,51,532
Cash and cash equivalents at the beginning of the year	8,84,33,982	-6,23,30,133	50,59,20,609
Cash and cash equivalents at the end of the year	-5,11,15,503	8,84,33,982	-6,23,30,133
Cash and cash equivalents			
Cash on hand	2,83,881	8,10,729	7,21,966
Balances with banks			
- Current Accounts	14,55,08,420	38,35,52,439	67,66,29,246
Deposit with bank with maturity less than 3 months			
Cash and cash equivalents	14,57,92,301	38,43,63,169	67,73,51,212
Less: Bank overdraft and cash credit	-19,69,07,803	-29,62,24,721	-73,97,43,005
Add: Impairment loss allowance on deposits with bank	-	2,95,534	61,659
Cash and cash equivalents in cash flow statement	-5,11,15,503	8,84,33,982	-6,23,30,133

Particulars		Consolidated March 31, 2021 Audited	Consolidated March 31, 2020 Audited	Consolidated March 31, 2019 Audited
1	Net Cash (used in) operating Activities	-5,26,91,05,341	-2,96,28,03,038	-2,81,45,39,058
2	Net Cash (used in) / generated from investing activities	-64,66,17,639	-42,69,87,338	-17,21,38,843
3	Net Cash generated from financing activities	5,77,61,73,494	3,54,05,54,492	2,41,84,27,369

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ABRIDGED VERSION OF LATEST AUDITED/ LIMITED REVIEW HALF YEARLY CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION AND AUDITORS' QUALIFICATIONS, IF ANY

Audited Financial Statement – Financial Year 2021

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Independent Auditor's Report

To the Members of InCred Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of InCred Financial Services Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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 financial statements.

Emphasis of matter

We draw attention to Note 42 of the standalone financial statements which describes the accounting for the Scheme of Amalgamation of between the Company and InCred Housing Finance Limited, (wholly owned subsidiary). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 11 March 2021, however due to the ongoing pandemic situation, the Company has not received the certified true copy of the Order from the NCLT and hence the same has not been filed by the Company with the Registrar of Companies, Mumbai. Pending the certified copy of the order being filed with Registrar of Companies, the Company has given effect of the merger in its standalone financial statements for the year ended 31 March 2021. Though the appointed date as per the NCLT approved Scheme is 1 April 2020, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger has been accounted for as if it had occurred from the beginning of the preceding period in the standalone financial statements. Accordingly, the amounts relating to the year 2020 include the impact of the business combination and the corresponding amounts for the previous year ended 31 March 2020, have been restated by the Company after recognising the effect of the amalgamation as above. The aforesaid note (Note 42) also describes the impact of the business combination on the standalone financial statements.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	**How the matter was addressed in our audit**
Impairment of loans and advances to customers **Charge (including write off): INR 8,868.53 lakhs for the year ended 31 March 2021** **Provision: INR 9,104.89 lakhs as at 31 March 2021** *Refer to the accounting policies in "Note 1 (D)(7) to the Standalone Financial Statements: Impairment of financial assets", "Note 1(B) (iv) to the Standalone Financial Statements: use of estimates and judgements" and "Note 4 : Loans to Standalone financial statements and Note 28 A : Financial Risk Management - Credit Risk to the Standalone Financial Statements"*	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: - Data inputs - The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate - Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. - Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.	Our key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the impairment loss allowance process. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Testing of review controls over measurement of impairment allowances and disclosures in standalone financial statements. • Testing management's controls over authorisation and calculation of post model adjustments • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Key Audit Matters *(Continued)*

Description of Key Audit Matter *(Continued)*

Key audit matter	How the matter was addressed in our audit
- Qualitative adjustments – In the absence of time tested historical data for certain loan products, management has used surrogate industry estimates or derived inputs using regulatory guidance. Management believes that these estimates address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. - Restructuring – the Company has restructured loans in the current year on account of COVID-19 related regulatory measures. The Company has undertaken restructuring under RBI circulars/ guidelines for retail as well as SME portfolio. In addition, Company has given relief to its eligible borrowers using the ECLGS scheme. This has resulted in increased management estimation over determination of losses for such restructured loans *Impact of COVID -19* On 11 March 2020 the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment on loans. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, the severity and duration of the pandemic, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. *Disclosures* The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied. • Testing the 'Governance Framework' over validation, implementation and model monitoring in line with the RBI guidance. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations testing through re-performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the standalone financial statements are appropriate and sufficient. Involvement of specialists - we involved financial risk modelling specialists for the following: • Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used. • The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the impairment loss allowance determination.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Information technology **IT systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Amongst its multiple IT systems, we scoped in systems that are key for the overall financial reporting. We have identified 'Information Technology systems' as a key audit matter because of the high level of automation, large transaction volume, the increasing challenge to protect the Company's systems, controls over data integrity and the risks associated with remote access of key applications by a large population of employees at the year end. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures to assess the IT system access management included the following: **General IT controls / user access management** • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, completeness and accuracy of the report generated from the system and the consistency of data transmission. • Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Performed inquiry for data security controls in the context of a large population of staff working from remote location at the year end. • Performed inquiry of enhanced cyber security measures put in place in the context of a cyber security incident taken place at the Company

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Information Other than the Standalone Financial Statements and Auditor's Report Thereon *(Continued)*

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(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 financial statements, 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 standalone 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 statements 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 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 standalone financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position – Refer Note 33 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 33 to the standalone financial statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

Report on Other Legal and Regulatory Requirements *(Continued)*

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us and as per the special resolution passed by the Company at its extra ordinary general meetings held on 26 March 2019 and 31 May 2019 the managerial remuneration paid/provided for by the Company during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

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

Pranav Gune
Partner
Membership No. 121058
UDIN: 21121058AAAAAS4898

Mumbai
07 May 2021

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited

Standalone Financial Statements
Balance Sheet as at March 31, 2021

(Rs. in lakhs)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020 (Restated)*
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	1,323.38	3,772.83
(b) Bank balance other than cash and cash equivalents	3	588.46	735.88
(c) Loans	4	2,55,359.84	2,04,849.17
(d) Investments	5	12,670.66	3,113.50
(e) Other financial assets	6	1,821.28	1,690.39
(2) Non-financial assets			
(a) Current tax assets (Net of provision for tax)		720.61	862.36
(b) Deferred tax assets (Net of deferred tax liabilities)	7	1,857.39	963.22
(c) Property, plant and equipment	8	3,276.35	2,975.07
(d) Capital work-in-progress		14.49	125.06
(e) Other intangible assets	9	222.49	299.97
(f) Other non-financial assets	10	1,285.55	1,046.22
Total assets		**2,79,140.50**	**2,20,433.67**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Debt securities	11	73,827.02	42,105.62
(b) Borrowings (other than debt securities)	12	93,422.08	70,321.28
(c) Other financial liabilities	13	4,231.88	3,342.57
(2) Non-financial liabilities			
(a) Provisions	14	169.48	158.41
(b) Other non-financial liabilities	15	2,905.26	2,078.21
EQUITY			
(a) Equity share capital	16 (A)	38,624.42	38,615.30
(b) Other equity	16 (B)	65,960.36	63,812.28
Total liabilities and equity		**2,79,140.50**	**2,20,433.67**

*Refer Note No 42 "Scheme of Amalgamation and arrangement"
Significant accounting policies and key accounting estimates and judgments 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Pranav Gune
Partner
Membership No: 121058

Place: Mumbai
Date: 7 May 2021

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899MH1991PLC340312

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Gajendra Thakur
Company Secretary

Place: Mumbai
Date: 7 May 2021

Incred Financial Services Ltd.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited

Standalone Financial Statements
Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in lakhs)

Particulars	Note No	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)*
Revenue From operations			
(i) Interest income	17	37,711.75	31,103.32
(ii) Fees and commission income	18	557.16	805.95
(iii) Net gain/(loss) on fair value changes	19	268.91	465.01
(I) Total revenue from operations		38,537.82	32,374.28
(II) Other income	20	647.09	782.37
(III) Total income (I + II)		39,184.91	33,156.65
Expenses			
(i) Finance costs	21	15,271.40	11,605.69
(ii) Impairment on financial instruments	22	8,865.37	5,634.74
(iii) Employee benefits expenses	23	9,159.37	9,240.58
(iv) Depreciation, amortization and impairment	8 & 9	841.79	1,099.89
(v) Others expenses	24	3,805.92	4,271.24
(IV) Total expenses		37,943.86	31,852.14
(V) Profit before tax and exceptional items (III - IV)		1,241.06	1,304.51
(VI) Exceptional items	41	-	645.76
(VII) Profit before tax and after exceptional item (V - VI)		1,241.06	658.75
(VIII) Tax Expense:	25		
(1) Current Tax		1,135.14	527.43
(2) Deferred Tax		(917.52)	(144.09)
(IX) Profit for the year (VII-VIII)		1,023.44	275.41
(X) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(26.29)	29.03
(b) Equity instruments through other comprehensive income		-	0.02
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.62	(0.32)
Subtotal (A)		(19.67)	28.73
(B) (i) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		118.97	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(29.95)	-
Subtotal (B)		89.03	-
Other comprehensive income / (loss) (A + B)		69.35	28.73
(XI) Total comprehensive income for the year (IX + X)		1,092.79	304.14
(XII) Earnings per equity share	26		
Basic (Rs.)		0.27	0.07
Diluted (Rs.)		0.26	0.07

*Refer Note No 42 "Scheme of Amalgamation and arrangement"
Significant accounting policies and key accounting estimates and judgments
The accompanying notes form an integral part of the standalone financial statements

1

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Pranav Gune
Partner
Membership No: 121058

Place: Mumbai
Date: 7 May 2021

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899MH1991PLC340312

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Gajendra Thakur
Company Secretary

Place: Mumbai
Date: 7 May 2021

Incred Financial Services Ltd.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited

Standalone Financial Statements
Cash Flow Statement for the year ended March 31, 2021

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)*
Cash flow from operating activities		
Profit before tax	1,241.06	658.75
Adjustments ro reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation and amortisation	841.79	1,099.89
Net (gain)/loss on fair value changes	(268.91)	(465.01)
Interest income	(37,711.75)	(31,103.32)
Finance cost	15,119.25	11,453.91
Impairment loss	8,865.37	5,634.73
Provision for diminution in the value of investments	-	645.76
Share based expense	1,027.93	583.88
Advertisement expense	28.02	30.61
Retirement benefit expenses	(21.39)	32.28
Interest expense on lease liability	152.16	151.78
Reversal of rent expense	(292.95)	(401.71)
Operating profit before working capital changes	**(11,019.42)**	**(11,678.45)**
Working capital adjustments		
(Increase) in Loans	(59,179.73)	(35,416.46)
(Increase) / decrease in other financial assets	(130.88)	(453.33)
(Increase) in other non financial assets	(267.35)	(330.79)
Increase in other financial liabilities	1,030.10	2,340.72
Increase / (decrease) in provisions	12.79	(27.84)
Increase in other non financial liabilities	827.04	195.92
Cash generated from operations	**(68,727.45)**	**(45,370.23)**
Interest received on loans	37,515.45	30,229.32
Interest paid on borrowings	(17,429.34)	(10,668.87)
Income taxes paid (net)	(970.03)	(470.41)
Net cash (used in) operating activities	**(49,611.37)**	**(26,280.19)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(876.19)	(2,755.54)
Purchase of intangibles assets	(189.42)	(107.54)
Capital work-in-progress	110.57	(125.06)
Purchase of investments	(1,56,146.89)	(1,08,350.45)
Proceeds from sale of investments	1,46,947.67	1,07,268.75
Investment in term deposits earmarked with banks	(96,580.25)	(5,814.26)
Proceeds from maturity of term deposits earmarked with banks	96,724.72	5,348.80
Net cash (used in) / generated from investing activities	**(10,009.79)**	**(4,535.30)**
Cash flow from financing activities		
Issue of equity shares (including securities premium)	36.48	42,361.30
Security issue expenses	-	(595.77)
Proceeds from borrowings (other than debt securities)	72,665.00	55,339.32
Proceeds from issue of debt securities	62,173.39	12,511.62
Repayment of borrowings (other than debt securities)	(48,668.11)	(58,279.10)
Redemption of debt securities	(28,044.83)	(18,807.33)
Net cash generated from financing activities	**58,161.93**	**32,530.05**
Net increase / (decrease) in cash and cash equivalents	**(1,459.23)**	**1,714.56**
Cash and cash equivalents at the beginning of the year	813.54	(901.02)
Cash and cash equivalents at the end of the year	**(645.69)**	**813.54**

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

InCred Financial Services Ltd.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Audited Financial Statement – Financial Year 2020

B S R & Co. LLP
Chartered Accountants

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

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Independent Auditor's Report

To the Members of
InCred Financial Services Limited
(formerly known as Visu Leasing and Finance Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of InCred Financial Services Limited *(formerly known as Visu Leasing and Finance Private Limited)* ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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 financial statements.

Emphasis of matter

As described in Note 28(A) to the standalone financial statements, 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.

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B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Emphasis of matter *(Continued)*

As described in Note 28(A) to the standalone financial statements, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances to customers **Charge: INR 5,527 Lakhs for the year ended 31 March 2020** **Provision: INR 5,257 Lakhs as at 31 March 2020** *Refer to the accounting policies in "Note 1 (D)(6) to the Standalone Financial Statements: Impairment of financial assets", "Note 1(B) (iv) to the Standalone Financial Statements: Significant Accounting Policies- use of estimates" and "Note 4 to the Standalone Financial Statements: Loans"*	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors - Complexity of disclosures There are many data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternative proxies have been applied to allow calculations to be performed.	Our audit procedures included: **Design / controls** • Evaluation of the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding and industry practice. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Understanding management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Testing of review controls over measurement of impairment allowances and disclosures in financial statements.

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B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Impact of COVID -19 On 11 March 2020 the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment on loans and advances on account of: - Short and long term macroeconomic effect on businesses in the country and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. Management has conducted a qualitative assessment of significant increase in credit risk ('SICR') of its loan and advances with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macro-economic scenarios to factor in the potential impact of COVID-19 on expected credit loss provision.	**Substantive tests** • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Involving our specialists to test the model methodology and reasonableness of assumptions used, including management overlays. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations testing through re-performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral. • Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID-19 and mitigants in the form of the RBI / Government financial relief package. • Assessing the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Checked the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. • Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19. • Considered the appropriateness of disclosures relating to financial risk management including those relating to ECL provision on loans and advances.

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B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Information technology **IT systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Amongst its multiple IT systems, we scoped in systems that are key for the overall financial reporting. We have identified 'Information Technology systems' as a key audit matter because of the high level of automation, large transaction volume, the increasing challenge to protect the Company's systems, controls over data integrity and the risks associated with remote access of key applications by a large population of employees at the year end. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures to assess the IT system access management included the following: **General IT controls / user access management** • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, completeness and accuracy of the report generated from the system and the consistency of data transmission. • Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Performed inquiry for data security controls in the context of a large population of staff working from remote location at the year end.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

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 financial statements, 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 in the standalone financial statements made by Management and Board of Directors.

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B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(continued)*

- 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 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 standalone financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

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B S R & Co. LLP

Independent Auditor's Report

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Report on Other Legal and Regulatory Requirements *(Continued)*

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Kapil Goenka
Partner
Membership No. 118189
UDIN:20118189AAAAAM4217

Mumbai
11 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

InCred Financial Services Limited

(Formerly known as Visu Leasing and Finance Private Limited)

'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Formerly known as Visu Leasing and Finance Private Limited)*

The Annexure referred to in the Independent Auditor's Report to the members of InCred Financial Services Limited *(Formerly known as Visu Leasing and Finance Private Limited)* (the "Company") on the financial statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details fixed assets and situation of fixed assets, however we noted that no tagging is done giving details of situation of furniture and fixtures, leasehold equipment's and office equipment's.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in every three years, however no physical verification has been carried out for furniture and fixtures, leasehold equipment's and office equipment's in the last three years.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a Non-Banking Finance Company (NBFC), engaged in the business of lending. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 of the Act and has complied with the provisions of section 186(1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable.

B S R & Co. LLP

InCred Financial Services Limited

(Formerly known as Visu Leasing and Finance Private Limited)

'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Formerly known as Visu Leasing and Finance Private Limited)*

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty, wealth tax, sales tax and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there have been no dues of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(ix) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of private placement of Equity Shares and Compulsory Convertible Preference Shares (CCPS) during the year. According to the information and explanations given to us, the amount has been used for the purposes for which the funds were raised.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

InCred Financial Services Limited

(Formerly known as Visu Leasing and Finance Private Limited)

'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Formerly known as Visu Leasing and Finance Private Limited)*

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained its Certificate of Registration dated 8 January 1991.

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

Kapil Goenka
Partner
Membership No: 118189
UDIN: 20118189AAAAAM4217

Mumbai
11 June 2020

B S R & Co. LLP

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Annexure B to the Independent Auditor's report on the standalone financial statements of InCred Financial Services Limited *(formerly known as Visu Leasing and Finance Private Limited)* for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph (2(A)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of InCred Financial Services Limited *(Formerly known as Visu Leasing and Finance Private Limited)* ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Annexure B to the Independent Auditor's report on the standalone financial statements of InCred Financial Services Limited *(formerly known as Visu Leasing and Finance Private Limited)* for the year ended 31 March 2020. *(Continued)*

Auditor's Responsibility *(Continued)*

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Kapil Goenka
Partner
Membership No: 118189
UDIN: 20118189AAAAAM4217

Mumbai
11 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited
(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Balance Sheet as at March 31, 2020

(Rs. in lakhs)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	3,419.63	1,846.49
(b) Bank balance other than cash and cash equivalents	3	735.88	267.47
(c) Loans	4	204,172.53	173,310.29
(d) Investments	5	8,695.58	7,726.99
(e) Other financial assets	6	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)	7	1,118.43	791.96
(c) Property, plant and equipment	8	2,928.71	1,039.95
(d) Capital work-in-progress		125.06	-
(e) Other intangible assets	9	295.49	396.96
(f) Other non-financial assets	10	1,006.35	654.15
Total assets		**224,997.91**	**187,750.10**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Debt securities	11	42,105.62	47,814.80
(b) Borrowings (other than debt securities)	12	74,615.66	77,497.73
(c) Other financial liabilities	13	3,339.41	864.68
(2) Non-financial liabilities			
(a) Provisions	14	153.90	148.14
(b) Other non-financial liabilities	15	2,052.09	1,857.90
EQUITY			
(a) Equity share capital	16 (A)	38,615.30	30,762.93
(b) Other equity	16 (B)	64,115.93	28,803.92
Total liabilities and equity		**224,997.91**	**187,750.10**

Significant accounting policies and key accounting estimates and judgments 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
UDIN: 20118189AAAAAM4217

Kapil Goenka
Partner
Membership No: 118189

Place: Mumbai
Date: 11 June 2020

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899MH1991PLC340312

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Nikita Hule
Company Secretary

Place: Mumbai
Date: 11 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited
(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in lakhs)

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From operations			
(i) Interest income	17	30,997.60	28,331.82
(ii) Fees and commission income	18	805.82	729.97
(iii) Net gain/(loss) on fair value changes	19	365.98	(5.14)
(I) Total revenue from operations		**32,169.40**	**29,056.65**
(II) Other income	20	752.25	-
(III) Total income (I+II)		**32,921.65**	**29,056.65**
Expenses			
(i) Finance costs	21	11,861.40	13,783.97
(ii) Impairment on financial instruments	22	5,530.23	2,383.44
(iii) Employee benefits expenses	23	9,068.92	7,402.29
(iv) Depreciation, amortization and impairment	7 & 8	1,077.41	153.10
(v) Others expenses	24	4,151.14	4,772.80
(IV) Total expenses		**31,689.10**	**28,495.60**
(V) Profit before tax and exceptional items (III - IV)		1,232.55	561.05
(VI) Exceptional items	34	616.74	-
(VII) Profit before tax and after exceptional item (V - VI)		**615.81**	**561.05**
(VIII) Tax Expense:	25		
(1) Current Tax		508.89	444.48
(2) Deferred Tax		(326.79)	(260.89)
(IX) Profit for the period (VII-VIII)		**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		26.31	39.28
(b) Equity instruments through other comprehensive income		0.02	14.26
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.32)	(15.19)
Subtotal (A)		26.01	38.35
(B) Items that will be reclassified to profit or loss		-	-
Other comprehensive income / (loss) (A + B)		**26.01**	**38.35**
(XI) Total comprehensive income for the period (IX + X)		**459.72**	**415.81**
(XII) Earnings per equity share	26		
Basic (Rs.)		0.11	0.12
Diluted (Rs.)		0.11	0.12

Significant accounting policies and key accounting estimates and judgments 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
UDIN: 20118189AAAAAM4217

Kapil Goenka
Partner
Membership No: 118189

Place: Mumbai
Date: 11 June 2020

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899MH1991PLC340312

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Nikita Hule
Company Secretary

Place: Mumbai
Date: 11 June 2020

InCred Financial Services Limited
(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Cash Flow Statement for the year ended March 31, 2020

(Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	615.81	561.05
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation and amortisation	1,077.41	153.10
Net (gain)/loss on fair value changes	(365.98)	5.14
Interest income	(30,997.60)	(28,331.82)
Finance cost	11,709.61	13,783.97
Impairment loss	5,530.23	2,403.11
Provision for diminution in the value of investments	616.74	100.00
Share based expense	545.91	175.55
Advertisement expense	30.61	140.00
Fee and commission income	-	(12.72)
Retirement benefit expenses	31.42	62.78
Interest expense on lease liability	151.78	-
Reversal of rent expense	(401.71)	-
Operating profit before working capital changes	**(11,455.77)**	**(10,959.84)**
Working capital adjustments		
(Increase) in Loans	(5,005.07)	(40,138.47)
(Increase) / decrease in other financial assets	(30,867.42)	422.43
(Increase) in other non financial assets	(535.23)	(37.99)
Increase in other financial liabilities	2,724.65	232.60
Increase / (decrease) in provisions	0.65	(90.65)
Increase in other non financial liabilities	194.18	917.57
Cash generated from operations	**(44,944.01)**	**(49,654.35)**
Interest received on loans	30,058.12	28,251.15
Interest paid on borrowings	(13,443.32)	(11,179.08)
Income taxes paid (net)	(788.68)	(1,163.75)
Net cash (used in) operating activities	**(29,117.89)**	**(33,746.03)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,966.17)	(953.70)
Purchase of intangibles assets	101.47	(449.58)
Capital work-in-progress	(125.06)	-
Purchase of investments	(108,350.45)	(344,216.26)
Proceeds from sale of investments	107,211.79	344,173.62
Investment in term deposits earmarked with banks	(5,814.26)	(267.47)
Proceeds from maturity of term deposits earmarked with banks	5,371.11	-
Net cash (used in) / generated from investing activities	**(4,571.57)**	**(1,713.39)**
Cash flow from financing activities		
Issue of equity shares (including securities premium)	42,715.90	1,097.10
Security issue expenses	(595.77)	(63.08)
Proceeds from issue of debt securities	12,511.61	30,000.00
Proceeds from borrowings (other than debt securities)	55,339.32	52,500.00
Redemption of debt securities	(17,500.00)	(5,000.00)
Repayment of borrowings (other than debt securities)	(52,770.94)	(53,616.20)
Net cash generated from financing activities	**39,700.12**	**24,917.82**
Net increase / (decrease) in cash and cash equivalents	**6,010.66**	**(10,541.60)**
Cash and cash equivalents at the beginning of the year	(5,550.32)	4,991.28
Cash and cash equivalents at the end of the year	**460.34**	**(5,550.32)**

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, March 2020	As at March 31, March 2019
Cash on hand	7.92	6.45
Balances with banks		
- Current Accounts	3,411.71	1,840.04
Deposit with bank with maturity less than 3 months	-	-
Cash and cash equivalents (Refer note 2)	3,419.63	1,846.49
Less: Bank overdraft and cash credit (Refer note 12)	(2,962.25)	(7,397.43)
Add: Impairment loss allowance on deposits with bank	2.96	0.62
Cash and cash equivalents in cash flow statement	**460.34**	**(5,550.32)**

Significant accounting policies and key accounting estimates and judgments 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
UDIN: 20118189AAAAAM4217

Kapil Goenka
Partner
Membership No: 118189

Place: Mumbai
Date: 11 June 2020

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899MH1991PLC340312

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Nikita Hule
Company Secretary

Place: Mumbai
Date: 11 June 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Audited Financial Statement – Financial Year 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP
Chartered Accountants

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

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Independent Auditor's Report

To the Members of
InCred Financial Services Limited
(formerly known as Visu Leasing and Finance Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of InCred Financial Services Limited *(formerly known as Visu Leasing and Finance Private Limited)* ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

Independent Auditor's Report *(Continued)*

InCred Financial Services Limited
(formerly known as Visu Leasing and Finance Private Limited)

Description of Key Audit Matter

Key Audit Matter	How the matter was addressed in our audit
Transition date accounting policies	
Refer to the accounting policies in "Note 2 to the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 42 to the Standalone Financial Statements: Transition date choices and application"	
Adoption of new accounting framework (Ind AS) On 1 April 2018 the Company adopted the Indian Accounting Standard ("Ind AS") notified by the Ministry of Corporate Affairs with effect from 1 April 2017 being transition date. The Company has followed Ind AS notified under Section 133 of the Companies Act 2013 ('the Act'), read with the relevant rules for preparation of the Statement. Basis the transition from I-GAAP to Ind AS, the major areas being impacted are: • Classification and measurement of financial assets and financial liabilities • Accounting for securitization and assignment • Accounting for Employee Stock Option Plan (ESOP) • Employee benefits • Accounting for loan fees and costs • Fair valuation of financial instruments The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for the first time application of Ind AS principles at a transition time. We identified transition date accounting as a key audit matter because of significant degree of management judgement and application on the areas noted above.	Our key audit procedures included the following • Confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by the management to give impact to the transition. • Assessed the accuracy of the computations • Re-performed the EIR and amortization for loans and borrowings on sample basis • Assessed that the adjustments made for the financial statements are in lines with the Ind AS requirements.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

B S R & Co. LLP

Key Audit Matter	**How the matter was addressed in our audit**
Impairment of loans and advances to customers **Charge: INR 2,400 lakh for year ended 31 March 2019** **Provision: INR 2,938 lakh as at 31 March 2019**	
Refer to the accounting policies in "Note 2(viii) to the Financial Statements: Impairment", "Note 2 (iv) to the Financial Statements: Significant Accounting Policies - use of estimates" and "Note 5(b) to the Financial Statements: Financial Assets"	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. With the applicability of Ind AS 109 credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Product-wise segmentation of the loan book - Loan staging criteria - Calculation of probability of default ('PD') / Loss given default ('LGD') - Consideration of probability weighted scenarios and forward looking macro-economic factors There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	Our audit procedures included understanding and assessing the design and implementation of controls in respect of the Company's loan impairment process such as the timely recognition of impairment provisions, the completeness and accuracy of reports used in the loan impairment process and management review processes over the calculation of impairment provisions. ***Design and Operating effectiveness and Controls Testing:*** • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's revised processes, and controls implemented in relation to impairment allowance process. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • We used our modelling specialist to test the model methodology and reasonableness of assumptions used. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. **For substantive testing of impairment loss allowance as at 31 March 2019:** • Confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.

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	• We tested the accuracy of key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made. • We tested the PD and LGD calculation workings performed by management, including testing the data used in the assessment and evaluation of whether the results of validation support the appropriateness of the PDs at the portfolio level.
Key Audit Matter	**How the matter was addressed in our audit**
Information technology	
IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses Omnifin system for its overall financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our key audit procedures included the following **General IT controls / user access management** • We have performed the walkthroughs to evaluate the design and implementation of key controls. We used our IT specialist to test the effectiveness of all the IT controls and IT systems. • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, system generated reports, system interface controls, controls over changes to applications and databases were restricted.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

Other Information (or another title if appropriate, such as "Information Other than the Standalone Financial Statements and Auditors' Report Thereon")

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

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 financial statements, 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 management.

- Conclude on the appropriateness of management's 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 standalone financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements 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.

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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Independent Auditor's Report *(Continued)*

InCred Financial Services Limited
(formerly known as Visu Leasing and Finance Private Limited)

Report on Other Legal and Regulatory Requirements *(Continued)*

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Kapil Goenka
Partner
Membership No. 118189

Mumbai
16 May 2019

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InCred Financial Services Limited

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'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited

The Annexure referred to in the Independent Auditor's Report to the members of InCred Financial Services Limited (the "Company") on the financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details fixed assets and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in every three years. In accordance with this programme, all the fixed assets have been physically verified by management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a Non-Banking Finance Company (NBFC), engaged in the business of lending. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act and 186 of the Act is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable.

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'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Continued)*

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty, wealth tax, sales tax and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there have been no dues of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(ix) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, frauds of Rs. 55 lakh on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the provisions of Section 197 read with Schedule V to the Companies Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of private placement of equity shares during the year. According to the information and explanations given to us, the amounts raised have been used for the purposes for which the funds were raised.

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'Annexure A' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Continued)*

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained its Certificate of Registration dated 8 January 1991.

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

Kapil Goenka
Partner
Membership No: 118189

Mumbai
16 May 2019

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InCred Financial Services Limited

(formerly known as Visu Leasing and Finance Private Limited)

'Annexure B' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of InCred Financial Services Limited *(formerly known as Visu Leasing and Finance Private Limited)* ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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InCred Financial Services Limited

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'Annexure B' to the Independent Auditor's Report of even date on the financial statements of InCred Financial Services Limited *(Continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Kapil Goenka
Partner
Membership No. 118189

Mumbai
16 May 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited
(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Balance Sheet as at March 31, 2019

Rs. in lakhs

Particulars	Note No	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	2	1,846.49	5,991.28	9,157.63
(b) Bank balance other than cash and cash equivalents	3	267.47	-	-
(c) Loans	4	1,73,310.29	1,35,586.46	11,841.96
(d) Investments	5	7,726.99	7,294.80	34,578.22
(e) Other financial assets	6	1,208.15	1,612.76	438.57
(2) Non-financial assets				
(a) Current tax assets (net)		507.69	-	-
(b) Deferred tax assets (net)	7	791.96	175.89	-
(c) Property, plant and equipment	8	1,039.95	186.15	-
(d) Other intangible assets	9	396.96	0.57	-
(e) Other non-financial assets	10	654.15	617.81	5.65
Total assets		**1,87,750.10**	**1,51,465.72**	**56,022.03**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
(I)Trade payables				
(i) Total outstanding dues of creditors other than micro and small enterprises	11	-	-	2.52
(b) Debt securities	12	47,814.80	29,546.11	8,625.81
(c) Borrowings (other than debt securities)	13	77,497.73	72,451.89	-
(d) Other financial liabilities	14	864.68	632.07	32.96
(2) Non-financial liabilities				
(a) Current tax liabilities (net)		-	211.58	5.28
(b) Provisions	15	148.14	215.29	-
(c) Deferred tax liabilities (net)	7	-	-	533.46
(d) Other non-financial liabilities	16	1,857.90	940.33	70.92
EQUITY				
(a) Equity share capital	17 (A)	30,762.93	26,408.02	26,124.62
(b) Other equity	17 (B)	28,803.92	21,060.43	20,626.46
Total liabilities and equity		**1,87,750.10**	**1,51,465.72**	**56,022.03**

Significant accounting policies and key accounting estimates and judgements 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

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

Kapil Goenka
Partner
Membership No: 118189

Place: Mumbai
Date: 16 May 2019

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899DL1991PLC042659

Bhupinder Singh
Director
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Sunil Lotke
Company Secretary

Place: Mumbai
Date: 16 May 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited

(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Statement of Profit and Loss for the year ended March 31, 2019

Rs. in lakhs

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
Revenue From operations			
(i) Interest income	18	28,331.82	9,805.74
(ii) Fees and commission income	19	729.97	368.74
(iii) Net (loss)/gain on fair value changes	20	(5.14)	614.65
(I) Total revenue from operations		**29,056.65**	**10,789.13**
(II) Other income	21	19.06	-
(III) Total income (I + II)		**29,075.71**	**10,789.13**
Expenses			
(i) Finance costs	22	13,783.97	2,998.09
(ii) Impairment on financial instruments	23	2,402.49	1,027.55
(iii) Employee benefits expenses	24	7,402.29	4,097.08
(iv) Depreciation, amortization and impairment	8 & 9	153.10	14.49
(v) Others expenses	25	4,772.80	2,506.47
(IV) Total expenses		**28,514.65**	**10,643.68**
(V) Profit before tax (III - IV)		**561.05**	**145.45**
(VI) Tax Expense:	26		
(1) Current Tax		444.48	842.66
(2) Deferred Tax		(260.89)	(786.54)
(VII) Profit for the year (V-VI)		**377.46**	**89.33**
(VIII) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
(a) Remeasurements of the defined benefit plans		39.28	-
(b) Equity instruments through other comprehensive income		14.26	7.39
(ii) Income tax relating to items that will not be reclassified to profit or loss		(15.19)	(2.56)
Subtotal (A)		38.35	4.83
(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		-	(105.67)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	30.47
Subtotal (B)		-	(75.20)
Other comprehensive income / (loss) (A + B)		**38.35**	**(70.37)**
(IX) Total comprehensive income for the year (VII + VIII)		**415.81**	**18.96**
(X) Earnings per equity share	27		
Basic (Rs.)		0.12	0.03
Diluted (Rs.)		0.12	0.03

Significant accounting policies and key accounting estimates and judgements 1
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

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

Kapil Goenka
Partner
Membership No: 118189

Place: Mumbai
Date: 16 May 2019

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899DL1991PLC042659

Bhupinder Singh
Director
DIN: 07342318

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

Sunil Lotke
Company Secretary

Place: Mumbai
Date: 16 May 2019

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

InCred Financial Services Limited
(Formerly known as Visu Leasing and Finance Private Limited)

Standalone Financial Statements
Cash Flow Statement for the year ended March 31, 2019

Rs. in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	561.05	145.45
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation and amortisation	153.10	14.49
Fair value adjustment on investments	5.14	(614.65)
Interest income	(28,331.82)	(9,263.69)
Finance cost	13,783.97	2,998.09
Impairment loss	2,403.11	1,027.55
Provision for diminution in the value of investments	100.00	-
Share based expense	175.55	-
Advertisement expense	140.00	-
Fee and commission income	(12.72)	-
Operating cash flow before working capital changes	**(11,022.62)**	**(5,692.76)**
Working capital adjustments		
(Increase) in Loans	(11,887.32)	(1,15,560.02)
Decrease / (increase) in other financial assets	422.43	(1,162.82)
(Increase) in other non financial assets	(37.99)	(595.72)
(Decrease) in other payables	-	(2.52)
Increase in other financial liabilities	232.60	559.96
(Decrease) / increase in provisions	(27.88)	215.29
Increase in other non financial liabilities	917.58	869.41
Cash generated from operations	**(21,403.20)**	**(1,21,369.18)**
Interest paid on borrowings	(11,179.08)	(1,830.87)
Income taxes paid	(1,163.75)	(636.36)
Net cash (used in) operating activities	**(33,746.03)**	**(1,23,836.41)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(953.70)	(200.64)
Purchase of intangibles assets	(449.58)	(0.57)
Purchase of investments	(3,44,216.26)	(6,797.08)
Proceeds from sale of investments	3,44,173.62	34,637.14
Investment in term deposits*	(267.47)	-
Net cash (used in) / generated from investing activities	**(1,713.39)**	**27,638.85**
Cash flow from financing activities		
Issue of equity shares (including securities premium)	1,097.10	833.49
Security issue expenses	(63.08)	(46.40)
Proceeds from issue of debt securities	30,000.00	20,000.00
Proceeds from borrowings (other than debt securities)	52,500.00	71,758.56
Redemption of debt securities	(5,000.00)	-
Redemption of borrowings (other than debt securities)	(53,616.20)	(514.44)
Net cash generated from financing activities	**24,917.82**	**92,031.20**
Net (decrease) in cash and cash equivalents	**(10,541.60)**	**(4,166.35)**
Cash and cash equivalents at the beginning of the year	4,991.28	9,157.63
Cash and cash equivalents at the end of the year	**(5,550.32)**	**4,991.28**

**Lien marked for securitised transaction*

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

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	6.45	0.90
Balances with banks		
- Current Accounts	1,840.04	989.56
Deposit with bank with maturity less than 3 months	-	5,000.82
Cash and cash equivalents (Refer note 2)	1,846.49	5,991.28
Less: Bank overdraft and cash credit (Refer note 13)	(7,397.43)	(1,000.00)
Add: Impairment loss allowance on deposits with bank	0.62	-
Cash and cash equivalents in cash flow statement	**(5,550.32)**	**4,991.28**

As per our report of even date

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

Kapil Goenka
Partner
Membership No.: 118189

Place: Mumbai
Date: 16 May 2019

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U74899DL1991PLC042659

Bhupinder Singh
Director
DIN: 07342318

Vivek Banerjee
Whole Time Director and CFO
DIN: 07835456

Sunil Lotke
Company Secretary

Place: Mumbai
Date: 16 May 2019

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Incred Financial Services Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: January 18th, 2022 Deemed Date of Allotment: January 19th, 2022
Maturity Date	May 8, 2025
Coupon Rate	Linked with Underlying Index
Frequency of the Coupon Payment with specified dates	On Maturity (subject to adjustments for Business Day Convention).
Day Count Convention	Actual / Actual

Cash Flow	Date	No. of days	Amount
Coupon on redemption*	May 8, 2025	1205	Linked with Underlying Index
Face value	May 8, 2025	1205	1,000,000
Total			1,000,000+Linked with Underlying Index

*Linked to Nifty50

Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.

Notes:

1. *The Cash Flow displayed above is calculated per Debenture (face value of Rs. 10,00,000).*
2. *The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.*
3. *The cash flows are for illustration purposes.*

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SCENARIO ANALYSIS

Tabular Representation

The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial level of the Reference Index is 18,000)

Final Fixing Level is less than initial fixing level

Initial Level (indicative)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
18000	7200	-60%	10,00,000	10,00,000	N.A.
18000	9000	-50%	10,00,000	10,00,000	N.A.
18000	10800	-40%	10,00,000	10,00,000	N.A.
18000	12600	-30%	10,00,000	10,00,000	N.A.
18000	14400	-20%	10,00,000	10,00,000	N.A.

Final Fixing Level is equal to initial fixing level

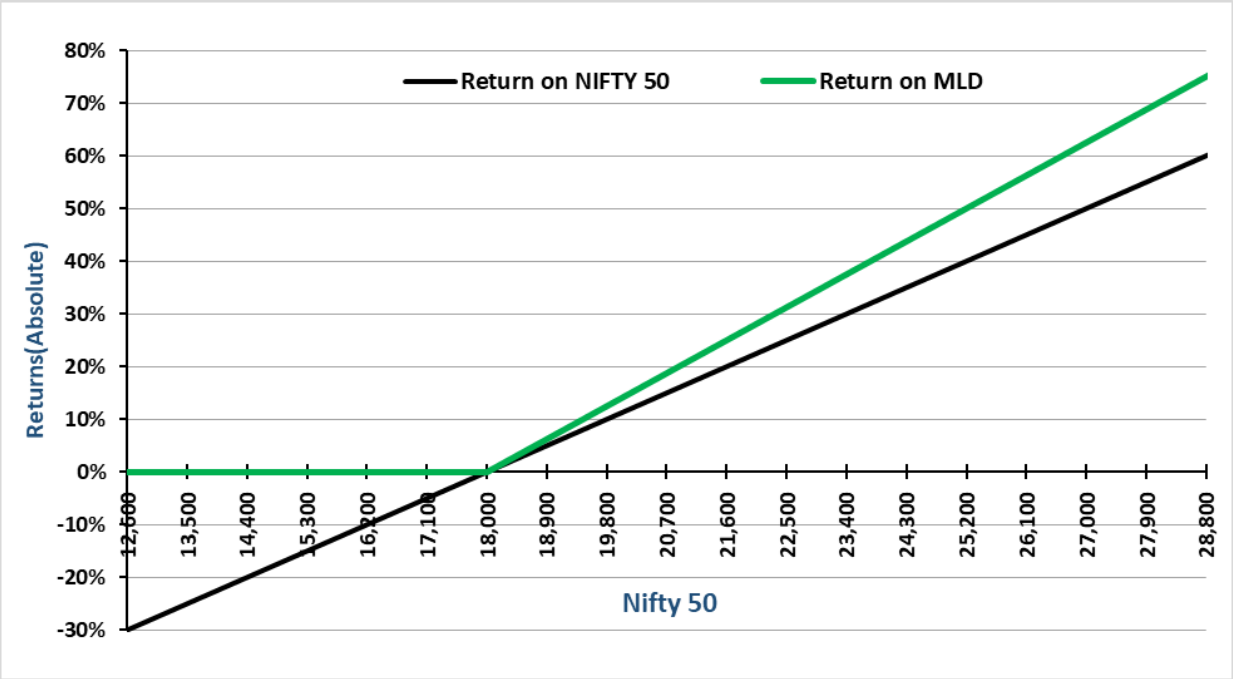
Initial Level (indicative)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
18000	18000	0%	10,00,000	10,00,000	N.A.

Final Fixing Level is greater than initial fixing level

Initial Level (indicative)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
18000	19800	10%	10,00,000	11,25,000	3.6%
18000	21600	20%	10,00,000	12,50,000	7.0%
18000	23400	30%	10,00,000	13,75,000	10.1%
18000	25200	40%	10,00,000	15,00,000	13.1%
18000	27000	50%	10,00,000	16,25,000	15.8%
18000	28800	60%	10,00,000	17,50,000	18.5%

Graphical Representation

NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



**The scenario analysis (tabular and graphical data) is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of instrument. The scenario analysis assumes a PR – Participation Ratio – of 125%.*

ANNEXURE VII: DUE DILIGENCE CERTIFICATE

ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

Attached separately.

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IX: PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: [-]
Serial No: _____

[-], 2021

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note: This Form No PAS-4 prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 is to be read in conjunction with Section 5 (Regulatory Disclosures) of the Information Memorandum and shall together constitute the "Information Memorandum".

Issue of up to 150 (One Hundred Fifty) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (rupees ten lakhs only) each, aggregating up to Rs. 15,00,00,000/- (rupees fifteen crore only) with a green shoe option of 300 (Three Hundred) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (rupees ten lakhs only) each, aggregating up to Rs. 30,00,00,000/- (rupees thirty crore only) on a private placement basis (the "Issue").

1.1 General Information:

(e) **Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company:	Incred Financial Services Limited (the "**Company**" or "**Incred**" or "**Issuer**")
Registered Office:	Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051
Corporate Office:	Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051
Telephone No.:	+91 22 4097 7000
Website:	www.incred.com
Fax:	--
Contact Person:	Mr. Gajendra Thakur
Email:	incred.compliance@incred.com

(f) **Date of Incorporation of the Company:**

January 08, 1991

(g) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

InCred Financial Services Limited was incorporated as a public limited company on 08/01/1991 by the name of Visu Leasing and Finance Private Limited. The Company changed its name from Visu Leasing and Finance Private Limited to InCred Financial Services Private Limited w.e.f. 13th August, 2018 and converted into a Public Company w.e.f. 1st November, 2018. The Company is registered with the RBI as a non- deposit accepting NBFC. The Company is a systemically important NBFC. The Company is a new-age financial services platform that leverages technology and data-science to make lending quick and easy and is engaged in granting loans in the nature of Personal Loans, Education Loans and SME Business Loans. The Company has its registered office which is located at Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051. The shares of the Company are not listed on any stock exchange, however the Non-Convertible debentures issued by the Company are listed in BSE WDM platform.

(h) **Brief particulars of the management of the Company:**

Name	Designation	Brief Profile
Bhupinder Singh	CEO	Founder director of InCred group. Prior to this, Mr. Singh was head of the Corporate Finance division of Deutsche Bank and co-headed the Fixed Income, Equities and Investment Banking divisions for the Asia Pacific region. Mr. Singh is heading all the segment of business of the company.
Vivek Bansal	Chief Financial Officer	Vivek has worked with Yes Bank as Deputy Chief Financial Officer where he was responsible for overall financial management. Prior to this, he worked with Fidelity Investments, London & Standard Chartered in Mumbai.
Prithvi Chandrasekhar	Chief Risk Officer	Prithvi has 25+ years of experience, he has served as the Global Head of Analytics at Experian, business unit head and credit officer at Capital One, and led McKinsey & Company's analytics capability across Asia Pacific.
Saurabh Jhalaria	Head – SME Business	With over 18+ years of experience, Saurabh leads SME business practice in Incred. Prior to Incred, Saurabh was Managing Director at Deutsche Bank based out of Singapore - lending to corporate and SME borrowers across Asia with a focus on India.
Rahul Bhargava	Head-Technology and Tech Based Products	Rahul has a 20+ years' experience in working with companies such as Amazon, PayPal and Amex. He is a MBA from Harvard Business School, MS in Engineering from Carnegie Mellon, and a Btech
Kamlesh Dangi	Head – HR	Kamlesh has 20+ years of experience and has worked as the Group President - UTI AMC. Prior to UTI, he was with Religare Enterprises and ICICI Home Finance where he was responsible for Group Human Resources, IT, Administration & Shared Services functions.
Gajendra Thakur	Company Secretary	Gajendra comes with 20 years of experience in financial services in compliance, secretarial and legal roles. Prior to joining Incred, he was CS and VP legal, Secretarial and compliance of IIFL Finance Ltd. He has worked previously with Reliance Capital Assets Management Ltd and Centrum group among others.

(i) **Name, addresses, DIN and occupations of the directors**:

Name of Director	Address	Designation	DIN	PAN No.	DOB	DOA	Occupation
Mr. Bhupinder Singh	Flat No. 3602, 3702, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi. Mumbai- 400011	Whole Time Director and CEO	07342318	ANVPS2558R	14.11.1974	16.05.2019	Professional
Mrs. Rupa Rajul Vora	8, Hyde Park, 227 Sher E Punjab Soc, Mahakali Caves, Road Mumbai – 400093	Independent Director	01831916	AACPV0421E	21.07.1961	27.10.2017	Professional
Mr. Karnam Sekar	D-5, Kinellan Towers, 100-A, Nepean Sea Road, Mumbai Maharashtra, India - 400006	Independent Director	07400094	ADFPK4877R	01.07.1960	17.12.2021	Professional
Mr. Vivek Bansal	C-23, Kalpataru Sparkle, MIG CHSL Group-II Ltd, MIG Colony, Dharmadhikari Road, Bandra East, Mumbai- 400051	Whole Time Director and CFO	07835456	AEMPB6598Q	26.03.1977	12.06.2018	Service
Mr. Vivek Anand PS	No. 19,National High School Road, VV Puram, Bangalore- 560004	Director	02363239	ACQPV0440H	30.12.1980	19.03.2018	Business
Mr. Debashish Dutta Gupta	41, Windmills of your Mind EPIP Road 5B, Near KTPO WhiteFeild Bangalore North Whitefield Karnataka, 560066	Independent Director	08950317	AAFPD9764K	18.06.1968	01.12.2020	Professional

(f) MANAGEMENT PERCEPTION OF RISK FACTORS:

9.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

9.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

9.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

9.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDs.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

9.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

9.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

9.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may

be insufficient to redeem the Debentures.

9.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

9.9 LEGALITY OF PURCHASE

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

9.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

9.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) ***Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

About 48% of the Company's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations and it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact the results of operations.

As at March 31, 2021, the gross NPA was INR 90.37 Crore on a gross portfolio of INR 2,644.65 Crore (including managed / securitized portfolio of NIL).

(b) ***The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.***

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The members, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(c) ***The Issuer's business operates through a large number of urban and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it also manages cash transactions. This could harm its operations and its financial position.

These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

(d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations with the existing geographies or to other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in

servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(e) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(f) ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licences, registration, and permissions for operating its business, including registration with RBI as an NBFC pursuant to Section 45-IA of the RBI Act 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC- Directions and fails to maintain the status of NBFC-, it may also attract penal provisions under the RBI Act, 1934 for non-compliance.

(g) ***The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk***

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

(g) **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

(i) Statutory Dues: NIL
(ii) Debentures and interest thereon: NIL
(iii) Deposits and interest thereon: NIL
(iv) Loan from any bank or financial institution and interest thereon: NIL

(h) **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Mr. Gajendra Thakur
Designation: Company Secretary and Compliance Officer
Address: Unit No.1203, 12th Floor, B- Wing, The Capital, Plot No.C-70, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Phone No.: 91 22 4097 7000
Email: incred.compliance@incred.com

(i) **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder**:

NIL

1.2 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to **Annexure V** of this Information Memorandum.

Date of passing of Board Resolution	Board Resolution dated February 17, 2021 read with the resolutions passed by the Finance Committee of the Board of Directors dated May 24, 2021 . A copy of the said resolutions is attached hereto as **Annexure I.**
Date of passing of resolution in general meeting, authorizing the offer of securities	Shareholders resolution under Section 42 of the Companies Act, 2013 dated May 19, 2021 and shareholders resolutions under Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013 dated March 26, 2019. A copy of the said resolutions is attached hereto as **Annexure II.**
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of up to 150 (One Hundred Fifty) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) with a green shoe option of up to 300 (Three Hundred) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores only), in a single series on a private placement basis.
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '*Eligible Investors*' under paragraph 7.11 of this Information Memorandum
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case	Not applicable.

they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	
The proposed time within which the allotment shall be completed	Issue Opening Date: January 18th, 2022 Issue Closing Date: January 19th, 2022 Pay-in Date: January 18th, 2022 & January 19th, 2022Deemed Date of Allotment: January 19th, 2022
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	

Sr. No.	Security	Number of allottees	Number of Securities	Face Value	Type
1	INE945W07258	24	372	INR 10,00,000	Private Placement
2	INE945W07266	4	1000	INR 10,00,000	Private Placement
3	INE945W07274	1	154	INR 10,00,000	Private Placement
4	INE945W07282	25	139	INR 10,00,000	Private Placement
5	INE945W07290	108	7500	INR 1,00,000	Private Placement
6	INE945W07308	1	150	INR 10,00,000	Private Placement
7	INE945W07324	1	200	INR 10,00,000	Private Placement
8	INE945W07332	1	200	INR 10,00,000	Private Placement
9	INE945W07316	1	1150	INR 10,00,000	Private Placement
10	INE945W07340	6	32	INR 10,00,000	Private Placement
11	INE945W07365	1	75	INR 10,00,000	Private Placement
12	INE945W07373	2	40	INR 10,00,000	Private Placement

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
Amount, which the Company intends to raise by way of proposed offer of securities	150 (One Hundred Fifty) non-convertible debentures aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) with a green shoe option of upto 300 (Three Hundred) non-convertible debentures aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores only).
Terms of raising of securities:	<table><tr><td>Duration, if applicable:</td><td>1205 days (One Thousand Two Hundred and Five) days from the Deemed Date of Allotment being January 19th, 2022</td></tr><tr><td>Rate of Interest or Coupon:</td><td>Please refer to the row titled ‘Coupon Rate’ in paragraph 5.28 (*Issue Details*)</td></tr><tr><td>Mode of Payment</td><td>cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr><tr><td>Mode of Repayment</td><td>cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr></table>
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Opening Date: January 18th, 2022 Issue Closing Date: January 19th, 2022 Pay-in Date: January 18th, 2022 & January 19th, 2022Deemed Date of Allotment: January 19th, 2022
Purpose and objects of the Issue/Offer	The monies raised through the issue the Debentures shall be used for funding requirements in the ordinary course of business of the Company, general corporate purpose including refinancing of existing indebtedness.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	N.A.
Principal terms of assets charged as security, if applicable	Please refer to the row titled ‘Security’ in paragraph 5.28 (*Issue Details*)

The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

S. No.	**Category**		**Pre-issue**			**Post-issue**	
		No. of shares held	**Type of Share**	**Percentage (%) of shareholding**	**No. of shares held**	**Type of Share**	**Percentage (%) of shareholding**
A	**Promoters' holding**						
	Indian						
1	Individual	25,19,554	Equity	0.65	25,19,554	Equity	0.65
	Bodies Corporate	-	-	-	-	-	-
	Sub-total	2,519,554		**0.65**	2,519,554		**0.65**
2	**Foreign promoters**	23,03,73,125	Equity	59.64	23,03,73,125	Equity	59.64
	Sub-total (A)	**23,28,92,679**		**60.29**	**23,28,92,679**		**60.29**
B	**Non-promoters' holding**						
1	Institutional Investors	13,45,04,384	Equity & Preference	34.82	13,45,04,384	Equity & Preference	34.82
2	Non-Institutional Investors						

	Private Corporate Bodies	11,68,135	Equity	0.30	11,68,135	Equity	0.30
	Directors and relatives	22,50,000	Equity	0.59	22,50,000	Equity	0.59
	Indian public	1,54,29,027	Equity	4	1,54,29,027	Equity	4
	Others (including Non-resident Indians)	-	-	-	-	-	-
	Sub-total (B)	**15,33,51,546**		**39.71**	**15,33,51,546**		**39.71**
	Grand Total	**38,62,44,225**		**100**	**38,62,44,225**		**100**

1.3 Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels): Other banking channels – RTGS/NEFT

1.4 Disclosure with regard to interest of directors, litigation, etc.:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters or key managerial personnel do not have any financial or other material interest in this Issue.
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Offer Letter and any direction issued by such Ministry or Department or statutory	There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter or director of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Disclosure Document

<table>
<tr><td>authority upon conclusion of such litigation or legal action shall be disclosed</td><td></td></tr>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>
<table>
<tr><th>Name of the Director</th><th>Current Year**</th><th>FY 2020-21</th><th>FY 2019-20</th><th>FY 2018- 19</th></tr>
<tr><td>Mr. Vivek Bansal (Whole Time Director and CFO)</td><td>1,32,35,016</td><td>Rs. 1,42,35,016/-</td><td>Rs. 1,80,54,816/-</td><td>Rs. 1,22,82,851/-</td></tr>
<tr><td>Mr. Bhupinder Singh (Whole Time Director and CEO)</td><td>3,72,028,96</td><td>Rs. 3,72,02,896/-</td><td>Rs. 3,89,67,437/-</td><td>N.A.</td></tr>
</table>
</td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to Annexure III.</td></tr>
<tr><td>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</td><td>NIL</td></tr>
<tr><td>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the</td><td>NIL</td></tr>
</table>

last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	NIL

1.5 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Share Capital**	**No. of shares**	**Aggregate Nominal Value (Rs.)**
	Authorized Share Capital		
	a) Equity Shares	2,01,10,00,000	20,11,00,00,000
	b) Preference shares	9,50,00,000	95,00,00,000
	Issued, Subscribed and Paid-up Share Capital		
	a) Equity Shares	35,42,59,763	3,54,25,97,630
	b) Preference shares	3,34,79,624	33,47,96,240
Size of the Present Offer	For details, please refer to row titled 'Issue Size' under paragraph 5.28 of this Information Memorandum		
Paid-up Capital: **a. After the offer:** **b. After the conversion of Convertible Instruments (if applicable)**	INR 386.27 crores		

	Not Applicable - This issuance of Debentures will not alter the paid-up capital of the Issuer
Share Premium Account: **a. Before the offer:** **b. After the offer:**	 INR 617.37 crores INR 617.37 crores This issuance of Debentures will not alter the balances in the share premium account of the Issuer.

Details of the existing Equity share capital of the Issuer including details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case:

Date of Allotment	**No. of Equity shares**	**Face Value (Rs.)**	**Issue Price (Rs.)**	**Consideration**	**Nature of Allotment**	**Cumulative**			**Remarks**
						No. of Equity Shares	**Equity Share Capital (Rs.)**	**Equity Share Premium (in Rs.)**	
03.02.2016	2,59,300	10	13.5	NA	Bonus Issue	5,09,300	50,93,000.00	9,07,550.00	N.A
11.02.2016	2,59,300	10	13.5	NA	Bonus Issue	7,68,600	76,86,000.00	18,15,100.00	N.A
21.02.2017	22,96,04,526	10	16.13	Cash	Rights Issue	23,03,73,126	2,30,37,310.00	1,41,00,32,298.00	N.A
11.03.2017	1,10,72,279	10	27.79	Cash	Private Placement	24,14,45,405	2,41,44,540.00	1,60,70,57,307.27	N.A
16.03.2017	40,97,438	10	27.79	Cash	Private Placement	24,55,42,843	2,45,54,280.00	1,67,99,68,923.74	N.A
21.03.2017	16,84,912	10	27.79	Cash	Private Placement	24,72,27,755	2,47,22,770.00	1,70,99,50,989.99	N.A
30.03.2017	1,40,18,413	10	27.79	Cash	Private Placement	26,12,46,168	2,61,24,610.00	1,95,94,00,805.27	N.A

21.04.2017	28,34,079	10	27.79	Cash	Private Placement	26,40,80,247	2,64,08,02,470.00	2,00,98,31,655.25	N.A
10.04.2018	3,77,77,340	10	27.79	Conversion of OCDs	Conversion of OCDs	30,18,57,587	3,01,85,75,870.00	2,68,18,90,533.85	N.A
22.06.2018	39,47,202	10	27.79	Cash	Preferential Allotment	30,58,04,789	3,05,80,47,890.00	2,75,21,11,257.43	N.A
11.07.2018	18,24,514	10	27.79	Other than Cash	Preferential Allotment	30,76,29,303	3,07,62,93,030.00	2,78,45,69,361.49	N.A
26.04.2019	500	10	54..4	Cash	Private Placement	30,76,29,803	30,76,29,8030.00	2,78,45,91,56.49	N.A
31.07.2019	3125	10	40	Cash	ESOP Allotment	30,76,32,928	307,63,29,280.00	27,85,52,906.49	N.A
08.01.2020	3174	10	40	Cash	ESOP Allotment	30,76,36,102	307,63,61,020	27,86,48,126.49	N.A
12.02.2020	625	10	40	Cash	ESOP Allotment	30,76,36,727	307,63,67,270	27,86,66,876.49	N.A
27.07.2020	13,296	10	40	Cash	ESOP Allotment	30,76,50,023	307,65,00,230	27,90,65,756.49	N.A
03.09.2020	4,475	10	40	Cash	ESOP Allotment	30,76,54,498	307,65,44,980	27,92,00,006.49	N.A
15.11.2021	23,750	10	40	Cash	ESOP Allotment	30,76,78,248	307,67,82,480	27,99,12,506.49	N.A
11.02.2021	25,000	10	40	Cash	ESOP Allotment	30,77,03,248	307,70,32,480	28,06,62,506.49	N.A
10.03.2021	24,688	10	40	Cash	ESOP Allotment	30,77,27,936	307,72,79,360	28,14,03,146.49	N.A

Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other	The Company has not made any allotment in the last 1 (one) year prior to the date of this Offer Letter for consideration other than cash.

<table>
<tr><td>than cash and details of the consideration in each case.</td><td></td></tr>
<tr><td>Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter</td><td>
<table>
<tr><th>Year</th><th>PBT (Rs. in Crore)</th><th>PAT (Rs. in Crore)</th></tr>
<tr><td>FY 2020-21</td><td>12.41</td><td>10.23</td></tr>
<tr><td>FY 2019-20</td><td>6.16</td><td>4.33</td></tr>
<tr><td>FY 2019-18</td><td>5.61</td><td>3.77</td></tr>
</table>
</td></tr>
<tr><td>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</td><td>
<table>
<tr><th>Year</th><th>Dividend Declared</th></tr>
<tr><td>FY 2020-21</td><td>NIL</td></tr>
<tr><td>FY 2019-20</td><td>NIL</td></tr>
<tr><td>FY 2018-19</td><td>NIL</td></tr>
</table>
<table>
<tr><th>Year</th><th>Interest Coverage Ratio</th></tr>
<tr><td>FY 2020-21</td><td>1.12x</td></tr>
<tr><td>FY 2019-20</td><td>1.05x</td></tr>
<tr><td>FY 2018-19</td><td>1.04x</td></tr>
</table>
</td></tr>
<tr><td>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter</td><td>Please refer to Annexure V of this Information Memorandum.</td></tr>
<tr><td>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter</td><td>Please refer to Annexure V of this Information Memorandum.</td></tr>
<tr><td>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</td><td>Our Company has adopted the Indian Accounting Standards for the financial periods starting from the financial year 2018-19.</td></tr>
</table>

1.6 PART B (To be filed by the Applicant)

(i) Name: **[-]**;

(ii) Director name: [-]

(iii) Complete Address including Flat / House Number, Street, Locality, Pin Code: [-]

(iv) Phone number; if any: [-];

(v) Email ID, if any: [-]

(vi) PAN Number: [-]; and

(vii) Bank Details:

Bank Name: [-]

Safe Keeping Code: [-]

Cash Account Number (INR): [-]

_____

Signature

_____

Initial of the Officer of the Company designated to keep the record

1.7 DECLARATION (To be provided by the Directors)

A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;

C. the monies received under the offer shall be used only for the purposes and objects indicated in this Offer Letter;

I am authorized by the Board of Directors of the Company *vide* resolution dated June 12, 2018 read with the resolutions passed by the Finance Committee of the Board of Directors dated May 24, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **Incred Financial Services Limited**

_____

Director
Date: January 17th, 2022

Enclosed
Copy of Board Resolution
Copy of Shareholders Resolution
Copy of _____
Annexure I – Board Resolution and Finance Committee resolution
Annexure II – Shareholders Resolutions
Annexure III-Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER: BOARD RESOLUTION AND FINANCE COMMITTEE RESOLUTION

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF INCRED FINANCIAL SERVICES LIMITED ON FEBRUARY 17, 2021 AT MUMBAI.

APPROVE BORROWINGS BY WAY OF ISSUANCE OF SECURED NON- CONVERTIBLE DEBENTURES UNDER PRIVATE PLACEMENT

"**RESOLVED THAT** subject to shareholders approval, pursuant to Section 42, 71, 179(3)(c) and other applicable provisions, rules, regulations, clarifications issued under the Companies Act, 2013 ('Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to the overall borrowing limit of the Company, Memorandum & Articles of Association of the Company, subject to the applicable regulations, norms, circular, guidelines, clarification, notification prescribed or issued by the Reserve Bank of India from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Board be and is hereby accorded to make offer(s) or invitation(s) to subscribe, issue and allot secured, listed/unlisted, redeemable, non-convertible debentures ("NCD") of various types aggregating upto INR 1500 Crore (Rupees One Thousand Five Hundred crore only) in one or more series/ tranches on private placement basis for a period of one year, from time to time, to such entities whose names are recorded by the Company prior to the invitation to subscribe, and to create security, including but not limited to by way of a first ranking pari-passu charge over specified loan receivables, immovable property (if any), bank account or any other assets of the Company, upon such terms and conditions as the Board (including the Finance Committee of the Board) may in its absolute discretion deem fit and proper."

RESOLVED FURTHER THAT the consent of the Board be and is hereby granted to the Finance Committee to offer, issue and allot each series/tranches of NCD on such terms and conditions as may be approved by the Finance Committee for each issue of series/tranches of NCD including but not limited to tenor, coupon rate/security to be offered/to identify the entities to whom to offer NCD on private placement basis and to create mortgage, charge and/or hypothecation, as may be necessary on the assets of the Company, both present and in future, in such manner, in favor of the financial institutions, investment institutions and/or their subsidiaries, banks and other bodies corporate and trustees for the holders of NCD, such that the outstanding amount of NCD at any point of time does not exceed INR 1500 Crore, payable by the Company to the trustees under the trust deed and/or to the lending agencies under their respective offer document/information memorandum/disclosure document/debenture trust deeds to be entered into by the Company in respect of such issuance of NCD, appointment of eligible security trustee, debenture trustee , appointment of Registrar and Transfer Agent for NCDs and to negotiate and decide the terms and conditions of such appointment, apply to National Security Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for the issuance of Letter(s) of Allotment / Debentures to the Allottees in dematerialized form, apply with one or more recognized stock exchanges in India for listing of said NCDs for any tranche as may be decided etc.

RESOLVED FURTHER THAT Mr. Bhupinder Singh, Wholetime Director & CEO, Mr. Vivek Bansal, Wholetime Director & CFO, Mr. Gajendra Thakur, Company Secretary and Ms. Nikita Hule, Authorised Signatory of the Company, be and are hereby severally authorized to certify any document as true for the purpose of submission of necessary documents to the concerned person and to do all acts, things and deeds necessary to give effect to the aforesaid resolution, including filing of forms with the ROC."

Certified True Copy
For Incred Financial Services Limited

GAJENDRA
SINGH
THAKUR

Gajendra Thakur
Company Secretary

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

[*insert board resolution for the current issuance*]

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER: SHAREHOLDERS' RESOLUTIONS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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EXTRACT OF THE MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF INCRED FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS VISU LEASING AND FINANCE PRIVATE LIMITED) (COMPANY") HELD ON TUESDAY, MARCH 26, 2019 AT 1:00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY AT, 1502A, THE CAPITAL, B WING, BANDRA KURLA COMPLEX, MUMBAI - 400051

Members approval for creation of mortgage / charge on the properties / undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s),for securing the borrowings of the company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities in the nature of debt securities issued/ to be issued by the company (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or nondetachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company (hereinafter termed 'loans'), from time to time, provided that the total amount of loans shall not at any time exceed Rs. 4,000 Crore (Rupees Four Thousand Crore Only) in excess of the aggregate of the paid-up capital of the Company and its free reserves (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the lender(s), Agent(s) and Trustee(s) of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, desirable and expedient in its absolute discretion and as may be deemed necessary in this regard and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit.

RESOLVED FURTHER THAT a certified true copy of this Resolution be and is hereby issued to all concerns under the hand of any director or Company Secretary of the Company."

Certified True Copy

For **InCred Financial Services limited**

Sunil Lotke
Company Secretary

Date: April 8, 2019
Place: Mumbai

INCRED FINANCIAL SERVICES LIMITED
(Formerly Known as Visu Leasing and Finance Private Limited)
Corporate Office: 1502-A, The Capital, B Wing, Bandra Kurla Complex, Mumbai – 400051

Registered Office: 87-B, 2nd Floor, Baba House, Shahpur Jat, New Delhi - 110049
CIN: U74899DL1991PLC042659 | Email: visu@incred.com | Contact: 022-4097 7000 | Website-www.incred.com

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF INCRED FINANCIAL SERVICES LIMITED ON MAY 19, 2021 AT MUMBAI.

Approve borrowings by way of issuance of secured non-convertible debentures

"**RESOLVED THAT** in supersession to the resolution passed by the Members at the Extra Ordinary General Meeting of the Company held on May 20, 2020 and pursuant to (i) the provisions of Sections 23, 42, 71, 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"); (ii) the applicable provisions of the Memorandum of Association and the Articles of Association of the Company; (iii) the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended; and (iv) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and subject to such other consent(s) / permission(s) / sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee constituted / may be constituted by the Board of Directors of the Company or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorised by the Board in this regard) to create / invite / offer / issue / allot upto such number of non-convertible debentures ("NCDs"), under private placement, in one or more modes or combinations thereof and in one or more series or tranches, to such eligible person(s), on such terms and conditions as the Board may determine and think fit, such that the aggregate principal amount of NCDs to be issued during a period of 1 (one) year commencing from the date of passing of this Special Resolution does not exceed INR 1500 crore (Rupees One Thousand Five Hundred Crore only) within the overall borrowing limits of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Certified True Copy
For Incred Financial Services Limited

GAJENDRA
SINGH
THAKUR

Gajendra Thakur
Company Secretary

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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EXTRACT OF THE MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF INCRED FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS VISU LEASING AND FINANCE PRIVATE LIMITED) (COMPANY") HELD ON TUESDAY, MARCH 26, 2019 AT 1 :00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY AT, 1502A, THE CAPITAL, B WING, BANDRA KURLA COMPLEX, MUMBAI - 400051

Members approval for borrowing limits of the Company under Section 180(1) (c) of the Companies Act, 2013

"**RESOLVED THAT** in supersession of earlier resolution passed in this regard, pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from banks, financial institutions, corporates and other body corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 4000 Crore (Rupees Four Thousand Crore only) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, desirable and expedient in its absolute discretion and as may be deemed necessary in this regard and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit.

RESOLVED FURTHER THAT a certified true copy of this Resolution be and is hereby issued to all concerns under the hand of any director or Company Secretary of the Company."

Certified True Copy

For InCred Financial Services limited

GAJENDR
A SINGH
THAKUR

Gajendra Thakur
Company Secretary

ANNEXURE III OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER: RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF THIS OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED

Nature of transactions	Holding Company			Subsidiaries		
	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019
Balance Sheet transactions						
Purchase of equity shares of subsidiary company	-	10,50,24,534	-	-	-	-
Investment in equity shares	-	-	-	18,00,00,000	2,00,20,377	3,67,11,288
Security Deposit received	-	-	-	-	-	-
ICD taken	-	-	-	4,00,00,000	-	-
ICD given	-	-	-	-	-	1,37,58,03,500
Repayment of ICD given (including interest)	-	-	-	-	3,95,75,404	2,79,82,17,103
Repayment of ICD taken (including interest)	-	-	-	-	-	-
Advances given	-	-	-	-	4,37,00,000	16,37,00,000
Advances repaid	-	-	-	-	-	16,74,00,000

Issue of equity shares	-	-	-	-	-	-
Securities Premium received on issue of equity shares	-	-	-	-	-	-
Refund of Security Deposit	-	-	-	75,63,371	-	-
Payment against expenses	-	-	-	24,99,286	-	-
Refund of amount given for expenses	-	-	-	11,10,60,474	20,24,634	-
Purchase of Loan Portfolio	-	-	-	-	-	7,26,14,927
Proceeds from sale of Fixed Assets	-	-	-	47,000	-	-
Issue of MLD	-	-	-	-	-	-
Proceeds from redemption of MLDs	-	-	-	-	-	-
Reimbursement of credit loss	-	-	-	-	-	-
Proceeds from sale of Debentures	-	-	-	-	-	-
Income transactions	-	-	-	-	-	-
License fees	-	-	-	-	-	-
Interest on ICD	-	-	-	-	11,94,893	14,16,23,708
Service fee	-	-	-	-	-	-
Profit on sale of Debentures	-	-	-	-	-	-
Expense transactions	-	-	-	-	-	-
License fees	-	-	-	5,45,000	5,45,000	1,23,932

Interest on ICD	-	-	-	21,699	-	-
Expenses on account of reimbursement	-	-	-	43,56,256	2,44,82,914	4,63,59,896
Fee and commission	-	-	-	-	-	-
EMI on loans transferred to IFSL	-	-	-	-	-	-
Repayment of EMI on loans transferred to IFSL	-	-	-	-	-	-
Loss on sale of Fixed Assets	-	-	-	402	-	-

Nature of transaction	KMP/ KMP exercising influence/ close member of KMP			Enterprises owned or controlled by KMP			Associate of subsidiary		
	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019
Balance Sheet transaction									
Purchase of equity shares of subsidiary company	-	-	-	-	-	-	-	-	-

Investment in equity shares	-	-	-	-	-	-	-	-	-
Security Deposit received	-	3,20,000	-	-	-	-	-	-	-
ICD taken	-	-	-	45,00,00,000	-	-	32,75,00,000	-	-
ICD given	-	-	-	-	-	-	-	-	-
Repayment of ICD given (including interest)	-	-	-	-	-	-	-	-	-
Repayment of ICD taken (including interest)	-	-	-	-	-	-	20,53,29,034	-	-
Advances given	-	-	-	-	-	70,17,343	-	-	-
Advances repaid	-	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	4,54,89,560	-	-	-	-	-	-

Securities Premium received on issue of equity shares	-	-	8,09,46,106	-	-	-	-	-	-
Refund of Security Deposit	-	-	-	-	-	-	-	-	-
Payment against expense	-	-	-	-	-	-	-	-	-
Refund of amount given for expense	-	-	-	-	-	-	-	-	-
Purchase of Loan Portfolio	-	-	-	1,27,38,67,545	-	-	-	-	-
Proceeds from sale of Fixed Assets	-	-	-	1,88,000	-	-	-	-	-
Issue of MLD	-	-	-	8,30,00,000	-	-	-	-	-
Proceeds from	-	-	-	2,95,26,670	-	-	-	-	-

redemption of MLDs									
Reimbursement of credit loss	-	-	-	-	-	-	57,30,818	-	-
Proceeds from sale of Debentures	-	-	-	65,05,58,650	-	-	-	-	-
Income transaction	-	-	-	-	-	-	-	-	-
License fees	-	-	-	-	-	-	56,00,000	56,00,000	12,73,425
Interest on ICD	-	-	-	-	-	-	-	-	-
Service fee	-	-	-	4,04,03,273	91,84,577	-	15,000	14,34,471	-
Profit on sale of Debentures	-	-	-	20,69,940	-	-	-	-	-
Expense transaction	-	-	-	-	-	-	-	-	-
License fees	-	-	-	-	-	-	-	-	-
Interest on ICD	-	-	-	1,76,301	-	-	84,99,081	-	-

Expenses on account of reimbursement	-	-	-	-	-	-	-	-	-
Fee and commission	-	-	-	1,87,62,754	19,00,800	-	14,89,798	-	40,72,779
EMI on loans transferred to IFSL	-	-	-	32,03,47,380	-	-	-	-	-
Repayment of EMI on loans transferred to IFSL	-	-	-	32,03,47,380	-	-	-	-	-
Loss on sale of Fixed Assets	-	-	-	920	-	-	-	-	-

Summary of balance receivable from / (payable to) the above related are as follows:

Balance outstanding	Holding Company			Subsidiaries		
	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019

Advances/Receivables	-	-	-	-	10,41,23,814	8,56,31,289
Investments (at cost)	-	-	-	39,09,69,389	21,09,69,389	70,19,43,697
Loans	-	-	-	-	-	3,92,81,306
ICD Payable	-	-	-	4,00,20,072	-	-
Other Payables	-	-	-	- 29,35,249	-	-
Security deposit payable	-	-	-	-	-	-
Number of options outstanding	241	248	549	24,000	-	10,00,000

Balance outstanding	KMP/ KMP exercising influence/ close member of KMP			Enterprises owned or controlled by Key Managerial Personnel			Associate of subsidiary		
	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ended March 31, 2019

Advances/Receivables	-	-	-	31,73,726	99,19,343	-	15,47,000	17,10,607	13,75,299
Investments (at cost)	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
ICD Payable	-	-	-	45,01,63,078	-	-	13,00,32,615	-	-
Other Payables	-	-	-	-	19,00,800	-	44,128	-	-
Security deposit payable	3,20,000	3,20,000	-	-	-	-	-	-	-
Number of options outstanding	-	-	-	-	-	-	-	-	-

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

RTA CONSENT LETTER

Link Intime India Pvt. Ltd.
CIN : U67190MH1999PTC118368
C- 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel. : +91 22 4918 6000
Fax : +91 22 4918 6060
E-mail : mumbai@linkintime.co.in
Website : www.linkintime.co.in

12/01/2022

To,

Incred Financial Services Limited
Unit No. 1203, 12th floor, B Wing,
The Capital, Plot No. C - 70, G Block,
Bandra - Kurla Complex,
Mumbai-400051

Dear Sir/Madam,

Sub.: Consent to act as Registrar to the Proposed issue of "Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture (NCD) " Of Face Value of INR 10 Lakh Each For Cash At Par Aggregating To INR 45 crores

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue of "Secured Redeemable Listed Non-Convertible Debenture (NCD)" Of Face Value Of Rs. 10 Lakh Each) For Cash At Par Aggregating To **INR 15 crores with an option to retain oversubscription of INR 30 crs** and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our Permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

Ganesh Jadhav
Asst. Vice President - Depository Operations

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Unaudited Financial Results as on September 30, 2021 with Limited Review Report

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
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 quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to note 9 to the Statement, which describes the uncertainty continued to be caused by COVID-19 pandemic and related events which could impact the Company's estimates of impairment of loans to customers. Our conclusion is not modified in respect of this matter.

6. The figures for the previous quarter ended June 30, 2021, as reported in these unaudited standalone financial results have been approved by the Company's Board of Directors, but have not been subjected to a review.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

7. The comparative financial information of the Company for the corresponding period ended September 30, 2020, included in these standalone Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor who expressed an unmodified conclusion and unmodified opinion on those financial information on November 6, 2020 and May 7, 2021 respectively.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No: 121411
UDIN: 21121411AAACDY4162

Mumbai
October 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

INCRED 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 STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

(INR in lakhs)

Particulars	Quarter ended		Half year ended		Year Ended
	September 30, 2021 Unaudited	June 30, 2021 Unaudited	September 30, 2021 Unaudited	September 30, 2020 Unaudited (Restated)	March 31, 2021 Audited
	(Refer Note 11)	(Refer Note 11)		(Refer Note 8)	
Revenue From operations					
(i) Interest income	11,196.46	10,616.82	21,813.27	17,555.07	37,711.75
(ii) Fees and commission income	281.75	130.14	411.89	159.97	557.16
(iii) Net gain on fair value changes	26.49	24.79	51.28	78.38	268.91
(I) Total revenue from operations	**11,504.70**	**10,771.75**	**22,276.44**	**17,793.42**	**38,537.82**
(II) Other income	902.81	203.09	1,105.89	205.19	647.09
(III) Total income (I + II)	**12,407.51**	**10,974.84**	**23,382.33**	**17,998.61**	**39,184.91**
Expenses					
(i) Finance costs	5,109.43	4,272.42	9,381.85	7,306.39	15,271.40
(ii) Impairment on financial instruments	979.61	2,056.10	3,035.71	2,923.38	8,865.37
(iii) Employee benefits expenses	3,664.28	3,002.17	6,666.45	4,442.34	9,159.37
(iv) Depreciation, amortization and impairment	213.31	188.31	401.63	496.78	841.79
(v) Others expenses	1,606.77	1,349.24	2,956.01	1,566.33	3,805.92
(IV) Total expenses	**11,573.40**	**10,868.24**	**22,441.65**	**16,735.22**	**37,943.86**
(V) Profit before exceptional items and tax (III - IV)	**834.11**	**106.60**	**940.68**	**1,263.39**	**1,241.06**
(VI) Exceptional items	-	-	-	-	-
(VII) Profit before tax (V - VI)	**834.11**	**106.60**	**940.68**	**1,263.39**	**1,241.06**
(VIII) Tax Expense:					
(i) Current Tax	159.30	22.81	182.11	1,020.05	1,135.14
(ii) Deferred Tax	41.93	-	41.93	(780.44)	(917.52)
(IX) Profit for the period (VII - VIII)	**632.88**	**83.79**	**716.64**	**1,023.78**	**1,023.44**
(X) Other comprehensive income					
(A) (i) Items that will not be reclassified to profit or loss					
(a) Remeasurements of the defined benefit plans	(51.96)	-	(51.96)	(6.03)	(26.29)
(b) Equity instruments through other comprehensive income	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	13.08	-	13.08	1.52	6.62
Subtotal (A)	(38.88)	-	(38.88)	(4.51)	(19.67)
(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	(124.94)	-	(124.94)	393.82	118.97
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(59.80)	-	(59.80)	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	46.50	-	46.50	(99.13)	(29.95)
Subtotal (B)	(138.24)	-	(138.24)	294.69	89.03
Other comprehensive Income (A + B)	**(177.12)**	**-**	**(177.12)**	**290.18**	**69.35**
(XI) Total comprehensive income for the period (IX + X)	**455.76**	**83.79**	**539.52**	**1,313.96**	**1,092.79**
(XII) Earnings per equity share (EPS) (refer note 4)					
(Face value of INR 10 each)					
Basic (INR)	0.16	0.02	0.19	0.27	0.27
Diluted (INR)	0.16	0.02	0.18	0.27	0.26

Incred Financial Services Limited

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes -

1. **Statement of Assets and Liabilities as at September 30, 2021**

(INR in lakhs)

Particulars	As at September 30, 2021 Unaudited	As at March 31, 2021 Audited
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	10,806.42	1,323.38
(b) Bank balance other than cash and cash equivalents	1,833.23	588.46
(c) Derivative financial instruments	429.48	-
(d) Loans	2,87,707.20	2,55,359.84
(e) Investments	23,934.33	12,670.66
(f) Other financial assets	4,834.81	1,821.28
	3,29,545.47	**2,71,763.62**
(2) Non-financial assets		
(a) Current tax assets (Net)	1,374.90	720.61
(b) Deferred tax assets (Net)	1,875.05	1,857.39
(c) Property, plant and equipment	3,140.83	3,276.35
(d) Capital work-in-progress	16.53	14.49
(e) Other intangible assets	196.17	222.49
(f) Other non-financial assets	1,409.85	1,285.55
	8,013.33	**7,376.88**
Total assets	**3,37,558.80**	**2,79,140.50**
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(a) Debt securities	1,14,954.82	73,827.02
(b) Borrowings (other than debt securities)	1,07,552.67	93,422.08
(c) Other financial liabilities	4,209.42	4,231.88
	2,26,716.91	**1,71,480.98**
(2) Non-financial liabilities		
(a) Provisions	258.14	169.48
(b) Other non-financial liabilities	3,499.63	2,905.26
	3,757.77	**3,074.74**
EQUITY		
(a) Equity share capital	38,769.26	38,624.42
(b) Other equity	68,314.86	65,960.36
	1,07,084.12	**1,04,584.78**
Total liabilities and equity	**3,37,558.80**	**2,79,140.50**

Indiaid Financial Services Limited

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

2. **Cash Flow Statement for the half year ended September 30, 2021**

(INR in lakhs)

Particulars	Period ended September 30, 2021
Cash flow from operating activities	
Profit before tax	940.68
Adjustments ro reconcile net profit to net cash generated from / (used in) operating activities	
Depreciation and amortisation	401.63
Net (gain)/loss on fair value changes	(51.28)
Interest income	(21,813.27)
Finance cost	9,284.66
Impairment loss	3,035.71
Share based expense	1,380.33
Advertisement expense	15.31
Retirement benefit expenses	30.26
Interest expense on lease liability	97.19
Reversal of rent expense	(197.84)
Operating profit before working capital changes	**(6,876.62)**
Working capital adjustments	
(Increase) in Loans	(34,759.50)
(Increase) in other financial assets	(3,013.53)
(Increase) in other non financial assets	(139.61)
Increase in other financial liabilities	78.18
Increase in provisions	6.44
Increase in other non financial liabilities	594.37
Cash generated from operations	**(44,110.27)**
Interest received on loans	20,535.86
Interest paid on borrowings	(8,765.26)
Income taxes paid (net)	(961.23)
Net cash (used in) operating activities	**(33,300.90)**
Cash flow from investing activities	
Purchase of property, plant and equipment	(207.04)
Purchase of intangibles assets	(32.74)
Capital work-in-progress	(2.03)
Purchase of investments	(2,09,341.57)
Proceeds from sale of investments	1,98,293.88
Investment in term deposits earmarked with banks	(44,719.26)
Proceeds from maturity of term deposits earmarked with banks	43,534.14
Net cash (used in) investing activities	**(12,474.62)**
Cash flow from financing activities	
Issue of equity shares (including securities premium)	579.34
Proceeds from borrowings (other than debt securities)	48,670.00
Proceeds from issue of debt securities	51,850.00
Repayment of borrowings (other than debt securities)	(32,701.08)
Redemption of debt securities	(11,170.63)
Net cash generated from financing activities	**57,227.63**
Net increase / (decrease) in cash and cash equivalents	**11,452.11**
Cash and cash equivalents at the beginning of the year	(645.69)
Cash and cash equivalents at the end of the year	**10,806.42**

Note:
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

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Notes:

1. 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 October 25, 2021.

2. 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.

3. 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 quarter and half year ended September 30, 2021 has been carried out by the Statutory Auditors of the Company.

4. Earnings per equity share for the quarter ended September 30, 2021 and June 30, 2021 and for half year ended September 30, 2021 and September 30, 2020 have not been annualised.

5. 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.

6. During the previous year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020.

i) Disclosure as per format prescribed under notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the half year ended September 30, 2021:

(INR in lakhs)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan*
Personal Loans#	7,351	6,789.43	-	-	917.58
Corporate persons	-	-	-	-	-
- of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**7,351**	**6,789.43**	**-**	**-**	**917.58**

**The Company, being NBFC, has complied with Ind-AS and has made adequate provision on impairment loss allowance as per ECL model for the year ended March 31, 2021*

 # Out of the above, there are no accounts, for which resolution framwork under RBI circular "Resolution framework for COVID related stress dated 6th August 2020" has been implemented post March 31, 2021

ii) Disclosure as per format prescribed under notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the half year ended September 30, 2021:

(INR in lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year*	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	7,492.72	1,095.39	106.34	738.82	5,552.17
Corporate persons	-	-	-	-	-
- of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**7,492.72**	**1,095.39**	**106.34**	**738.82**	**5,552.17**

** Accounts written off during the half year were classified as NPA prior to being written off*

iii) Disclosure as per format prescribed under notification no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 for the half year ended September 30, 2021:

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	1,595	2	-
(B)	Number of accounts where resolution plan has been implemented under this window	1,595	2	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	324.60	23.91	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan*	0.32	0.06	-

**The Company, being NBFC, has complied with Ind-AS and has made adequate provision on impairment loss allowance as per ECL model for the period ended September 30, 2021.*

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7. 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.

8. During the previous year ended March 31, 2021, the NCLT, Mumbai bench had approved the Scheme of Amalgamation ("Scheme") of Incred Housing Finance Private Limited ("IHFPL") (a wholly-owned subsidiary of the Company) with the Company vide order no 'CP(CAA)/1094/MB/2020 Connected with CA(CAA)/1105/MB /2020' on March 11, 2021 from the Appointed Date of April 1, 2020. The Scheme was filed with the Registrar of Companies, Maharashtra at Mumbai on June 3, 2021.
In accordance with the requirements of Para 9(iii) of Appendix C of Ind AS 103, the standalone financial results of the Company in respect of the previous period have been restated from the Appointed Date to include the half year unaudited results of IHFPL for comparative purpose.

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 half year, the Company has provided loan moratorium in respect of certain loan accounts pursuant to RBI's Resolution Framework 2.0. dated May 5, 2021 for COVID-19 induced stress.
As at September 30, 2021, the Company holds adequate impairment allowance on the loan portfolio as per requirements of Ind AS 109. However, giving the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainty caused by resurgence of COVID-19 pandemic and related factors.

10. 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.

11. The statement of standalone financial results includes the results for the quarter ended September 30, 2021 being the balancing figure between year to date figures up to the half year of the current financial year and quarter ended June 30, 2021 of current financial year. The figures for quarter ended June 30, 2021 are approved by the Board of Directors and were not subject to limited review by Statutory Auditors of the Company.

12. Pursuant to SEBI circular dated October 5, 2021, the Company has elected an option to not present the figures for the corresponding quarter dated September 30, 2020 and cash flow statement for the half year ended September 30, 2020 and also has elected the option of not presenting the consolidated financial results for any interim periods and the same shall be provided on an annual basis.

13. 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.

14. There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

15. 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

Vivek Bansal
Whole Time Director & CFO
DIN: 07835456

Place: Mumbai
Date: October 25, 2021

Incred Financial Services Limited

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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, 2021 with respect to listed secured debentures of the Company issued on a private placement basis.

a) Omitted	
b) Omitted	
c) **Debt equity ratio of the Company as at September 30, 2021:**	2.12
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:** *	INR 1,05,012.90 lakhs
k) **Net profit after tax:**	INR 716.64 lakhs
l) **Earnings per share:**	
- Basic:	INR 0.19
- Diluted:	INR 0.18
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:**	65.92%
r) **Debtors turnover:**	Not applicable
s) **Inventory turnover:**	Not applicable
t) **Operating margin (%):**	Not applicable
u) **Net profit margin (%):**	3.06%
v) **Sector specific ratios:**	
Stage 3 ratio	3.94%
Provision coverage ratio	52.12%
Liquidity coverage ratio	Not applicable

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

Incred Financial Services Limited