

January 31, 2022

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

Sub: Outcome of the Board Meeting and submission under Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

Ref: Company Code: 11843

Dear Sir / Madam,

The Board of Directors of the Company at their Meeting held today i.e. on Monday, January 31, 2022, inter-alia, considered and approved the following:

1. Unaudited Standalone Financial Results accompanied by limited review report issued by the statutory auditors as required under the Regulation 52 of SEBI LODR for the quarter and nine months ended December 31, 2021.

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

1. Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2021, accompanied by Limited Review Report issued by the Statutory Auditors as **Annexure 1**; and
2. Disclosures in accordance with Regulation 52 (4) of SEBI LODR for the quarter and nine months ended December 31, 2021, as **Annexure 2**.

The Board Meeting commenced at 11:30 A.M.(IST) and concluded at 1:15 P.M.(IST)

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

Thank You

Yours sincerely,

For InCred Financial Services Limited

Gajendra Thakur
Company Secretary

INCREC FINANCIAL SERVICES LIMITED

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

Registered Office:
Unit No. 1203,12th floor, B wing,
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Email: care@incred.com
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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 52 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 December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" 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 and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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 comparative financial information of the Company for the corresponding period ended on December 31, 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

Chartered Accountants

InCred Financial Services Limited

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7. The Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor who expressed an unmodified opinion on those financial information on May 7, 2021.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

SARVESH
VISHWESH
WARTY

Digitally signed by SARVESH
VISHWESH WARTY
DN: cn=SARVESH VISHWESH
WARTY, c=IN, o=Personal,
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Date: 2022.01.31 13:05:54
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per Sarvesh Warty
Partner
Membership No: 121411
UDIN: 22121411AAAAAU5324

Mumbai
January 31, 2022

INCRD FINANCIAL SERVICES LIMITED

Corporate Office and Registered Office:

Unit 1203, 12th Floor, B wing, The Capital, Plot no C-70, G Block, Bandra Kurla Complex, Mumbai, India, 400051

CIN: U74899MH1991PLC340312 | Email: incred.compliance@incred.com | Contact: 022-4097 7000 | Website-www.incred.com

STANDALONE STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(INR in lakhs)

Particulars	Quarter ended			Nine months ended		Year Ended
	December 31, 2021 Unaudited	September 30, 2021 Unaudited	December 31, 2020 Unaudited	December 31, 2021 Unaudited	December 31, 2020 Unaudited	March 31, 2021 Audited
	(Refer Note 11)			(Refer Note 8)		
Revenue From operations			(Refer Note 8 and 11)			
(i) Interest income	13,179.95	11,196.46	10,253.56	34,993.22	27,808.63	37,711.75
(ii) Fees and commission income	302.59	281.75	182.05	714.48	342.03	557.16
(iii) Net gain on fair value changes	33.64	26.49	103.38	84.92	181.76	268.91
(I) Total revenue from operations	13,516.18	11,504.70	10,538.99	35,792.62	28,332.42	38,537.82
(II) Other income	1,111.51	902.81	123.62	2,217.40	328.81	647.09
(III) Total income (I + II)	14,627.69	12,407.51	10,662.61	38,010.02	28,661.23	39,184.91
Expenses						
(i) Finance costs	6,161.26	5,109.43	4,066.52	15,543.11	11,372.91	15,271.40
Net loss on derecognition of financial instruments under amortised cost category						
(ii) (Refer note 15)	1,045.87	-	-	1,045.87	-	-
(iii) Impairment on financial instruments	1,240.82	979.61	3,919.60	4,276.53	6,842.98	8,865.37
(iv) Employee benefits expenses	3,649.14	3,664.28	2,204.91	10,315.59	6,647.25	9,159.37
(v) Depreciation, amortization and impairment	284.43	213.31	247.71	686.06	744.48	841.79
(vi) Others expenses	1,543.35	1,606.77	852.88	4,499.36	2,419.21	3,805.92
(IV) Total expenses	13,924.87	11,573.40	11,291.62	36,366.52	28,026.83	37,943.85
(V) Profit before tax (III - IV)	702.82	834.11	(629.01)	1,643.50	634.40	1,241.06
Tax Expense:						
(i) Current Tax	225.75	159.30	934.36	407.86	934.36	1,135.14
(ii) Deferred Tax	(32.90)	41.93	(862.05)	9.04	(862.05)	(917.52)
(VI) Total Tax Expense	192.85	201.23	72.31	416.90	72.31	217.62
(VII) Profit for the period (V - VI)	509.97	632.88	(701.32)	1,226.60	562.09	1,023.44
(VIII) Other comprehensive income						
(A) (i) Items that will not be reclassified to profit or loss						
(a) Remeasurements of the defined benefit plans	(25.97)	(51.96)	(9.05)	(77.93)	(9.05)	(26.29)
(b) Equity instruments through other comprehensive income	-	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	6.54	13.08	2.28	19.62	2.28	6.62
Subtotal (A)	(19.43)	(38.88)	(6.77)	(58.31)	(6.77)	(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	24.30	(124.94)	6.48	(100.64)	6.48	118.97
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(88.92)	(59.80)	-	(148.72)	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	16.26	46.50	(1.63)	62.76	(1.63)	(29.95)
Subtotal (B)	(48.36)	(138.24)	4.85	(186.60)	4.85	89.02
Other comprehensive income (A + B)	(67.79)	(177.12)	(1.92)	(244.91)	(1.92)	69.35
(XI) Total comprehensive income for the period (VII + VIII)	442.18	455.76	(703.24)	981.69	560.17	1,092.79
(X) Earnings per equity share (EPS) (refer note 4)						
(Face value of INR 10 each)						
Basic (INR) (not annualised except for yearly data)	0.13	0.16	(0.18)	0.32	0.15	0.27
Diluted (INR) (not annualised except for yearly data)	0.13	0.16	(0.18)	0.31	0.15	0.26

Notes:

- 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 January 31, 2022.
- 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.
- 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 nine months ended December 31, 2021 has been carried out by the Statutory Auditors of the Company.
- Earnings per equity share for the quarter ended December 31, 2021 ; September 30, 2021 and December 31, 2020 and for nine months ended December 31, 2021 and December 31, 2020 have not been annualised.
- 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.
- Disclosures pursuant to RBI Notification - RBI/2021-22/31 DOR STR,REC.11/21.04.048/2021-22 dated 5 May 2021 - Resolution Framework- 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

(INR in lakhs)

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 December 31, 2021.

- On August 16, 2021, the Company entered into agreements with KKR India Financial Services Limited ("KIFS") for the demerger of the retail lending, SME lending, housing finance business and ancillary activities of the Company to KIFS ("Proposed Demerger"). The Board of Directors of the Company at their meeting held on September 3, 2021 has approved a composite scheme of arrangement ("Scheme") amongst KKR Capital Markets India Private Limited, Bee Finance Limited, KIFS and the Company and their respective shareholders for the Proposed Demerger. The Scheme has been filed with the National Company Law Tribunal on September 27, 2021. The Scheme will be effective post completion of customary conditions, including receipt of approvals from the relevant statutory authorities. Further, the Company has received no-objection from RBI on December 08, 2021 and in-principle approval from BSE Limited on December 24, 2021. The Equity Shareholders, Preference Shareholders and secured creditors of the Company have also approved the Scheme at their respective meetings convened by the NCLT held on December 15, 2021.
- 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 ("IHFPPL") (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 nine months unaudited results of IHFPPL for comparative purpose.
- 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 period, the Company had 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 December 31, 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 Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and reules there under. The ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate and assess the impact of the rules as and when the same are notified. The Company will record any related impact in the period the rules becomes effective.
11. The statement of standalone financial results includes the results for the quarter ended December 31, 2021 being the balancing figure between year to date figures up to the nine months of the current financial year and half year ended September 30, 2021 of current financial year. The figures for quarter ended December 31, 2020 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 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. Pursuant to the RBI circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances – Clarifications" and review of the Company's current policy for measuring expected credit losses as per Ind AS, the Company has aligned its definition of default (i.e Stage III) with the aforesaid circular for asset classification and provisioning purpose as per Ind AS and the resultant impact has been effected in these financial results.
15. The Company has sold its existing business of Direct Sourced Two-Wheeler Loans comprising of loan portfolio amounting to Rs. 2,085.87 lakhs for Rs. 1,040.00 lakhs effective October 01, 2021. The sale has resulted in a gross loss of Rs. 1,045.87 lakhs with a corresponding release of loan provision amounting to Rs. 481.67 lakhs, thus resulting in a net charge of Rs.564.20 lakhs for the quarter. Further, disclosures as required by the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 is as under:

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

(INR in crores)

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

16. There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
17. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2021 is attached as Annexure I to these financial results.
18. The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For InCred Financial Services Limited

**VIVEK
BANSAL** Digitally signed
by VIVEK BANSAL
Date: 2022.01.31
12:55:31 +05'30'

Place: Mumbai
Date: January 31, 2022

Vivek Bansal
Whole Time Director & CFO
DIN: 07835456

ANNEXURE 2

Annexure 1:

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at December 31, 2021 with respect to listed secured debentures of the Company issued on a private placement basis.

a) Omitted

b) Omitted

Debt equity ratio of the Company

c) as at December 31, 2021 (Refer Note 1): 2.39

d) Omitted

e) Omitted

f) Debt service coverage ratio: Not applicable

g) Interest service coverage ratio: Not applicable

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

i) Capital Redemption Reserve: Nil

j) Net worth (Refer Note 2): INR 1,06,126.13 lakhs

k) Net profit after tax:

Particulars	Nine months ended December 31, 2021	Quarter ended December 31, 2021
Net profit after tax:	INR 1,226.60 lakhs	INR 509.97 lakhs

l) Earnings per share (not annualised):

Particulars	Nine months ended December 31, 2021	Quarter ended December 31, 2021
- Basic:	INR 0.32	INR 0.13
- Diluted:	INR 0.31	INR 0.13

m) Current ratio: Not applicable

n) Long term debt to working capital: Not applicable

o) Bad debts to Account receivable ratio: Not applicable

p) Current liability ratio: Not applicable

q) Total debts to total assets (Refer Note 3): 68.45%

r) Debtors turnover: Not applicable

s) Inventory turnover: Not applicable

t) Operating margin (%): Not applicable

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

Particulars	Nine months ended December 31, 2021	Quarter ended December 31, 2021
Net profit margin (%):	3.23%	3.49%

v) Sector specific ratios:

Gross NPA ratio (stage III assets) (Refer Note 5)	3.90%
Net NPA ratio (stage III assets) (Refer Note 6)	1.94%
Provision coverage ratio (Refer Note 7)	51.34%
CRAR	29.36%
Liquidity coverage ratio	Not applicable

Notes:

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

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

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

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

5 Gross NPA ratio = Stage III loan book / Total loan book.

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

7 Provision coverage ratio = Provision on Stage III loan book / Stage III loan book.