No. _____
Addressed to: Northern Arc Capital Limited

PLACEMENT MEMORANDUM
(For Private Placement of Non-Convertible Debentures)

*** Please refer pages 1-5 for all information required to be placed on the front page of a placement memorandum as per Schedule II of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.*

(a) Issuer:

Name	**INCRED FINANCIAL SERVICES LIMITED**
Logo (if any)	
Corporate identity number	U74899MH1991PLC340312
Permanent account number	AAACV3232G
Date and place of incorporation	Date of incorporation: January 8, 1991 Place of incorporation: Mumbai, India
Latest registration / identification number issued by the RBI	B-13.02395
Address (registered office)	Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051
Address (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 number	022- 4097 7000
Compliance officer	Name: Mr. Gajendra Thakur Designation: Company Secretary of the Issuer Address: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051 India Phone No.: 022- 4097 7000 Email: gajendra.thakur@incred.com
Website Address	www.incred.com
E-mail Address	incred.compliance@incred.com

(b) Compliance Officer, Company Secretary, Chief Financial Officer and Promoters:

(i) *Compliance Officer:*

Name	Mr. Gajendra Thakur
Telephone number	022- 4097 7000
E-mail address	gajendra.thakur@incred.com

(ii) ***Company Secretary:***

Name	Mr. Gajendra Thakur
Telephone number	022- 4097 7000
E-mail address	gajendra.thakur@incred.com

(iii) ***Chief Financial Officer:***

Name	Mr. Vivek Bansal
Telephone number	022- 4097 7000
E-mail address	vivek.bansal@incred.com

(iv) ***Promoters:***

	A	**B**
Name	**Bee Finance Limited**	**Mr. Bhupinder Singh**
Telephone number	022- 4097 7000	022- 4097 7000
E-mail address	incred.compliance@incrd.com	incred.compliance@incrd.com

(c) Debenture Trustee and Credit Rating Agency:

(i) Debenture Trustee:

Name	**Catalyst Trusteeship Limited**
Address	Windsor,6th Floor, Office No.604, C.S.T Road, Kalina, Santa Cruz (East), Mumbai 400098
Logo	
Telephone numbers	022- 49220555
E-mail addresses	umesh.salvi@ctltrustee.com
Contact Person	Mr. Umesh Salvi

(ii) Credit Rating Agency:

Name	CRISIL Ratings Limited (A subsidiary of CRISIL Limited)
Address	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, India
Logo	
Telephone numbers	022-3342 3000
E-mail addresses	Vani.ojasvi@crisil.com
Contact Person	Ms. Vani Ojasvi

(d) Placement Memorandum:

Date	September 28, 2021
Type	Private placement of principal protected, market linked non-convertible debentures

(e) Debentures:

Nature	Rated, Unsubordinated, Secured, Redeemable, Transferable, Listed, Principal Protected, Market Linked Non-Convertible Debentures.
Number	750 (seven hundred and fifty)
Price	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture
Amount	INR 75,00,00,000 (Indian Rupees Seventy Five Crores only).
Issue size (base issue or green shoe)	INR 75,00,00,000 (Indian Rupees Seventy Five Crores only). Green Shoe: N.A

(f) The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum:

Not Applicable.

(g) Registrar:

Name	Link Intime India Private Limited
Logo	LINK Intime
Address	C 101, 247 Park B S Marg Vikhroli West, Mumbai - 400 083
Telephone numbers	022 4918 6000
Fax number	022 4918 6060
Website address	www,linkintime.co.in
E-mail addresses	mumbai@linkintime.co.in

(h) Issue Schedule:

Date of opening of the issue	September 29, 2021
Date of closing of the issue	September 29, 2021
Date of earliest closing of the issue, if any	N.A.

(i) Credit Rating:

The Rating Agency has assigned a rating of "CRISIL PP-MLD A r" (pronounced as "Principal Protected Market Linked Debenture Single A") with 'Watch Positive' 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. The rating letter from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

The Rating Agency has issued a press release of the credit rating in respect of the Debentures bearing reference no. RL/VLEAFP/278595/LTPPMLD/0921/17999/98455733 on September 22, 2021. The copies of the press release and the rating rationale in respect of the rating for the Debentures is provided in **Annexure II** of this Placement Memorandum.

(j) All ratings obtained for the private placement:

Please refer to Paragraph I (*Credit Rating*) above. No other ratings have been obtained for the purposes of this Issue.

(k) The name(s) of the stock exchanges where the securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE.

(l) The details about eligible investors:

The following categories of investors 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:

(i) Mutual Funds
(ii) Alternative Investment Funds
(iii) Non-banking financial companies
(iv) Provident Funds and Pension Funds
(v) Corporates
(vi) Banks
(vii) Foreign Portfolio Investors (FPIs)
(viii) Insurance Companies
(ix) Investment holding companies of high net worth individuals
(x) Any other person eligible to invest in the Debentures

(m) Coupon and Redemption/Debenture Trustee:

Coupon Rate	The coupon rate payable on the Debentures is linked to the Reference Index (being NIFTY 50). In this regard please refer to Section 5.32.
Coupon Payment Frequency	Bullet payment on the Final Redemption Date.
Redemption Date	March 29, 2024
Redemption Amount	INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture in the manner set out in **Annexure VI** (*Illustration of Bond Cash Flows*) hereto.
Details of Debenture Trustee	Please refer to paragraph (c)(i) above.

(n) Issue Details:

Nature	Rated, Unsubordinated, Secured, Transferable, Listed, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures
Issue size (base issue and green shoe option, if any)	INR 75,00,00,000 (Indian Rupees Seventy Five Crores only). Green Shoe: N.A
Shelf or tranche size	INR 75,00,00,000 (Indian Rupees Seventy Five Crores only).

(o) Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:

Not Applicable.

(p) Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable: Not applicable.

INCRED FINANCIAL SERVICES LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: 8th January 1991
Registered Office: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051, India
Telephone No.: 022- 4097 7000
Website: www.incred.com

Placement Memorandum for issue of Debentures on a private placement basis
Dated: September 28, 2021

Issue of 750 (seven hundred fifty) Rated, Unsubordinated, Secured, Transferable, Listed, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh) each, aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) on a private placement basis (the "Issue").

Background

This Placement Memorandum (as defined below) 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 Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on May 19, 2021 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 and September 23, 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 provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 1500,00,00,000/- (Indian Rupees One Thousand Five Hundred Crores only). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CRISIL Ratings Limited ("**Rating Agency**" / **CRISIL**") The Rating Agency has vide its letter dated September 22, 2021 assigned a rating of "CRISIL PP-MLD A r" (pronounced as "Principal Protected Market Linked Debenture Single A") with 'Watch Positive' in respect of the Debentures. 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 Placement Memorandum for the letter dated September 22, 2021 from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opening on: September 29, 2021
Issue Closing on: September 29, 2021
Deemed Date of Allotment: September 29, 2021

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 ("**BSE**").

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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 Placement Memorandum.

Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes Indian Accounting Standards (IND-AS).
Applicant	means a person who has submitted a completed Application Form to the Issuer.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as **Annexure IV**.
Application Money	means the subscription amounts paid by the Applicant at the time of submitting the Application Form.
Annualised Interest Rate or Annualised Coupon Rate	means: (a) 0% (zero percent), if the Reference Index Performance is less than or equal to -25% (minus twenty five percent); and/or (b) 9.25% (nine decimal two five percent) (XIRR), if the Reference Index Performance is greater than -25% (minus twenty five percent).
Asset Cover	means the value of the Hypothecated Assets after taking into account all other charges in respect of the Hypothecated Assets which is to be maintained at 1.00 (one decimal zero zero) times the value of the Outstanding Principal Amounts until the Final Settlement Date.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Beneficial Owners	means the holders of the Debentures in dematerialised form whose name is recorded as such with the Depository in the Register of Beneficial Owners
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	means the BSE Limited.
Business Day	means any day (other than a Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which the commercial banks are open for business in New Delhi, India and Mumbai, India. For the purpose of this definition, in respect of:

	(a) Announcement of issue period: Business Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in New Delhi, India and Mumbai, India are open for business. (b) The time period between the Issue Closing Date and the listing of the Debentures on the BSE: Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.
Capital Adequacy Ratio	means the capital adequacy ratio as determined under the NBFC Directions
CDSL	Central Depository Services (India) Limited.
CERSAI	Means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Change of Control	means the shareholders of the Issuer (as on the Effective Date) ceasing to exercise Control over the Issuer.
Change of Control Event	means any event, including without limitation, the issuance of any shares (whether equity or convertible into equity), or any transfer, sale, creation of security interest (including pledge) or encumbrance over any shares (whether equity or convertible into equity), which by itself, or together with other actions (including the conversion of any convertible instruments into equity shares) may result in a Change of Control.
Client Protection Claim	means any claim, proceeding or investigation by a person in respect of any Client Protection Laws.
Client Protection Laws	means any laws, rules or regulations applicable to the Issuer as a non-banking finance company or otherwise concerning consumer protection matters.
Client Loan	means each loan made by the Issuer as a lender.
Company/Issuer	InCred Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra Kurla Complex (BKC), Mumbai – 400 051, India.
Conditions Precedent	means the conditions precedent set out under the heading in Section 5.32 of this Placement Memorandum.
Conditions Subsequent	means the conditions subsequent set out in Section 5.32 of this Placement Memorandum.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	has the meaning given to it in the Companies Act, 2013.
Crore	means ten million
Debentures/NCDs	750 (seven hundred and fifty) rated, unsubordinated, secured, transferable, listed, redeemable, principal protected, market linked non-convertible debentures of face value of INR 10,00,000/- (Rupees Ten Lakh) each, aggregating up to INR 75,00,00,000/- (Rupees

	Seventy Five Crores only). This bond 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.10 lakh.
Debenture Holders / Investors	means the Applicants whose names and addresses are set out in the Application Form and for any subsequent Debenture Holders, each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail.
Debenture Trustee	Catalyst Trusteeship Limited.
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Company 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.
Debt Disclosure Document	means this Placement Memorandum
Deed of Hypothecation	has the meaning given to it in Section 5.32.
Deemed Date of Allotment	September 29, 2021
Demat	means 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
Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Date	means the date on which any interest or liquidated damages, any Redemption Payment or premature redemption amount and/or any

	other amounts payable, are due and payable, including but not limited to each of Redemption Dates and any other date on which any payment is to be made by the Issuer under the Transaction Documents.
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in 8.14 below.
Environmental and Social Claim	means any claim, proceeding or investigation in respect of any Environmental and Social Requirements.
Environmental and Social Requirements.	means any law, rule or regulation (including international treaty obligations) applicable in the Republic of India and, in respect of the Issuer, any country in which the Issuer carries out business activities concerning (a) environmental matters, (b) natural resource management, (c) any environmental and/or social permit, license, consent, approval or other authorisation required by the Issuer to conduct its business, (d) labour, (e) social security, (f) industrial relations, (g) protection of occupational as well as public health and safety, (h) public participation, (i) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (j) the protection and empowerment of indigenous people or ethnic groups, (k) the protection, restoration and promotion of cultural heritage and (l) protection of employees and citizens.
Event of Default	means the events of default set out in Section 5.32 of this Placement Memorandum.
Exclusion List	means the list of excluded activities set out in the DTD.
Final Fixing Date	means the date occurring 15 (fifteen) days prior to the Final Redemption date or any other date on which a Redemption Payment is to be made in accordance with the DTD.
Final Fixing Level	means the official closing level of the Reference Index on the Final Fixing Date.
Final Redemption Date	means March 29, 2024.
Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any

	forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
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
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.
Gross Loan Portfolio	means the outstanding principal amounts of all Client Loans originated by the Issuer on its own books and the Off Balance Sheet Portfolio, other than the Issuer's business correspondent portfolio.
Group Entities	means and refers to the subsidiaries of the Issuer, associate companies (as defined under the Act) of the Issuer, and the entities under Control of the Issuer, from time to time, and "**Group Entity**" shall mean anyone of them.
Hypothecated Assets	has the meaning given to it in Section 5.32.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Initial Fixing Date	means September 29, 2021 (i.e., the Deemed Date of Allotment).
Initial Fixing Level	means the official closing level of the Reference Index on the Initial Fixing Date.
Interest Amounts or Coupon Amounts	means in respect of any Debenture, the interest or the coupon payable on such Debenture, determined as follows: [IA = FV * [(1+ Annualised Interest Rate) $^{(\text{Tenor in Days}/365)}$ - 1]

	where: (a) "IA" is the Interest Amounts; (b) "FV" is the face value of such Debenture; and (c) "Tenor in Days" means the period between the Deemed Date of Allotment and the Final Redemption Date, determined in days.
Issue	means the private placement of the Debentures.
Issue Closing Date	September 29, 2021
Issue Opening Date	September 29, 2021
Listed NCDs Operational Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" to the extent applicable in respect of the private placement of debt securities, as amended, modified, or restated from time to time.
Listing Period	has the meaning given to it in Section 5.32.
LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (a) the financial condition, business or operations of the Issuer; (b) the ability of the Issuer to perform its obligations under the Transaction Documents; or the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
MLD Issuance Requirements	means the requirements in respect of the issue and listing of structured debt securities/ market linked debt securities prescribed in Chapter X (*Structured or market linked debt securities*) of the Listed NCDs Operational Circular.
Monthly Book Debt/Asset Cover Report	has the meaning given to it in the Deed of Hypothecation.
Moratorium Directions (COVID-19)	means, collectively, the RBI's circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on "*COVID-19 – Regulatory Package*", the RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on

	"*COVID19 Regulatory Package - Asset Classification and Provisioning*", the RBI circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 on "*COVID-19 – Regulatory Package*", and the RBI circular no. DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 on "*COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets*" (each as amended, modified or restated from time to time).
NBFC	Non-banking financial company
NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable read with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "Implementation of Indian Accounting Standards".
N.A.	Not Applicable
Net Worth	has the meaning given to it in the Act.
NSDL	National Securities Depository Limited
Objectionable Practice	means any acts of bribery or corruption, financing of terrorist/terrorist organisation, misrepresentation for financial benefit, money laundering activities (howsoever described under Applicable Law) or any act of falsifying/alteration of evidence relating to the aforesaid activities.
OFAC	means the Office of Foreign Assets Control of the U.S. Department of the Treasury, which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted individuals, organizations, and foreign countries and regimes
OFAC List	means the Specially Designated Nationals and Blocked Persons List and any other lists administered or enforced by OFAC, including but not limited to the Sectoral Sanctions Identifications List, the Foreign Sanctions Evaders List, the Palestinian Legislative Council List, and the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions, in each case as published by OFAC from time to time.
Off Balance Sheet Portfolio	means the outstanding principal balance of all Client Loans securitised, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever including Client Loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book, excluding interest receivables and accrued interest.
Outstanding Amounts	means, at any date, the Outstanding Principal Amounts together with any Interest Amounts (including any accrued but unpaid/uncrystallised Interest Amounts), additional interest, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures.
Outstanding Principal Amounts	means, at any date, the principal amounts outstanding under the Debentures.
PAN	Permanent Account Number
Payment Default	means any event, act or condition which, with notice or lapse of time,

	or both, would constitute an Event of Default under paragraph (a) under Section 5.32.
Permitted Merger	means the proposed merger between the Company and KKR India Financial Services Limited.
Person	shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.
Placement Memorandum/Offer Document	means this placement memorandum issued by the Issuer for the issue of the Debentures on a private placement basis in accordance with Applicable Laws.
Private Placement Offer cum Application Letter/PPOA	The 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.
Purpose	means for (a) the general corporate purposes of the Issuer, (b) the ordinary course of business of the Issuer including for repayment or refinancing of the existing debt of the Issuer, and (c) for deployment in the business of the Issuer and growth in the books of assets of the Issuer.
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
Rating	means "CRISIL PP-MLD A r".
Rating Agency	CRISIL Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its registered office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, India
RBI	Reserve Bank of India.
Record Date	means in relation to any Due Date on which any payments are scheduled to be made by the Issuer to the Debenture Holders, the day falling at least 15 (fifteen) calendar days prior to such Due Date.
Redemption Date	means each of the Final Redemption Date and the dates on which a Redemption Payment is required to be made as more particularly set out in Schedule VI of this Placement Memorandum and any other date on which a Redemption Payment is to be made.
Redemption Payment	means, in respect of any Debenture, the aggregate of the face value/Outstanding Principal Amount of such Debenture, and the Interest Amounts in respect of such Debenture calculated in the manner set out in the DTD.
REF / Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of the SEBI Recovery Expense Fund Circular.
Reference Index	means the NIFTY 50.
Reference Index Performance	means the performance of the Reference Index on the Final Fixing Date in comparison to the Initial Fixing Date, and shall be calculated (as a percentage) as the difference of (a) the ratio of (i) the Final Fixing Level, and (ii) the Initial Fixing Level, and (b) 1 (one), multiplied by

	100, and followed by the "%" symbol.
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depository.
Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Act.
Registrar/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 National Rupee.
RTGS	Real Time Gross Settlement.
Sanctions	means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctioning Authority.
Sanctioning Authority	means any of the United Nations Security Council, the European Union (or member state thereof), the United Kingdom (including Her Majesty's Treasury) and the United States (including OFAC).
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 Centralized Database Circular	means the SEBI circular bearing reference number SEBI/HO/DDHS1/P/CIR/2021/572 dated June 4, 2021 on "Centralized Database for Corporate Bonds/Debentures".
SEBI Defaults (Procedure) Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "*Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities*" issued by SEBI.
SEBI Due Diligence Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*".
SEBI ILNCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 together with the Listed NCDs Operational Circular, as amended from time to time.
SEBI Listing Timelines	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Operational Circular.
SEBI Monitoring Circular	means the SEBI circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23 dated November 12, 2020 on "*Monitoring and Disclosures by Debenture Trustee(s)*".
SEBI Recovery Expense Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund*" issued by SEBI
Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, default interest, additional interest, liquidated damages and all costs, charges,

	expenses and other amounts payable by the Issuer in respect of the Debentures.
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
Special Resolution	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets", as may be amended, modified or restated from time to time.
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
Total Assets	means, for any date of determination, the total assets of the Issuer on such date.
TDS	Tax Deducted at Source.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 7 of this Placement Memorandum.
Transaction Security	has the meaning given to it in the DTD.
Valuation Agent	has the meaning given to it under Section 7.3.1(o).
WDM	Wholesale Debt Market segment of the BSE
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.
Workers' Rights Requirements	means each of the requirements set out in the DTD.
XIRR	means the internal rate of return calculated using the XIRR function in Microsoft Excel software.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

ISSUER'S RESPONSIBILITY
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement 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 this Placement 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 Placement Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading.
DISCLAIMER
This Placement Memorandum contains no unsubstantiated forward-looking statements. To the extent there are any forward-looking statements under this Placement Memorandum, such statements shall be considered to be null and void.
UNDERTAKINGS
Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the 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' given on page number 22 under the section 'GENERAL RISKS AND RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES'
The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held 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
The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed

2.1 ISSUER'S DISCLAIMER

This Placement 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 Placement 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 Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI ILNCS Regulations as amended from time to time and

applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement 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 Placement 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 Placement 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 Placement 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 Placement 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 being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI ILNCS Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement 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 Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, 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 Placement Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those 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 persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement 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 Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in 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 Placement 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 Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement 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 Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement 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 Placement 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 Placement 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 Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The Placement 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 Placement Memorandum has been/shall be filed with the BSE in terms of the SEBI ILNCS Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement 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 Placement 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 RBI

The company 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 Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI ILNCS Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement 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 Placement Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement 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 Mumbai, India. This Placement 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 the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: RISK FACTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. 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.

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 Placement Memorandum and/or the Private Placement Offer cum Application Letter 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 Placement Memorandum and/or the Private Placement Offer cum Application Letter 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.

THE PRINCIPAL AMOUNT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER WHEREBY THE INVESTORS MAY OR MAY NOT RECOVER ALL OR PART OF THE FUNDS 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 CRISIL PP-MLD A r; (Principal Protected Market Linked Single A; Watch Positive) rating to the Debentures of the Issuer. 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 Placement 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, however, the recovery of 100% amounts 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.

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 Model Risk

The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

3.25 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 31st March 2021 are set out in **Annexure V** hereto.

SECTION 5: REGULATORY DISCLOSURES

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

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee:

(a) This Placement Memorandum;
(b) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(c) 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);
(d) Copies of the resolutions 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;
(e) 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 and September 23, 2021 authorizing the issuance of the Debentures and the list of authorized signatories;
(f) Copy of last 3 (Three) years audited Annual Reports;
(g) Reports about the business or transaction to which the proceeds of the securities are to be applied directly or indirectly;
(h) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(i) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the 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 such debt securities have been proposed to be listed.
(j) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained;
(k) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
(l) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:

(m) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

5.2 Issuer's Absolute Responsibility

Issuer's Absolute Responsibility
The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document 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 offer document 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.

5.3 Details of Promoters of the Issuer Company

(a) A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Accountant Number:

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.

The details of the Promoters of the Issuer are set out below:

Personal details of the Promoter		
a.	Full name	Mr. Bhupinder Singh
b.	Date of Birth	14.11.1974
c.	Age	47 years
d.	Photograph	
e.	Permanent Address/Personal Address	Flat No. 2302, 2403, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi Mumbai- 400011
f.	Present Address	Flat No. 2302, 2403, Vivaria Tower A, NR. Jacob Circle Sane Guruji Marg, Mahalaxmi Mumbai- 400011
g.	E-mail Address / Telephone Number	incred.compliance@incrd.com
h.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	ANVPS2558R
i.	Educational Qualifications	Undergraduate degree in engineering and post graduate diploma in management from the Indian Institute of Management, Ahmedabad.
j.	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.
k.	Positions/posts held in the past	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.
l.	Directorship Held	1. Booth Fintech Private Limited 2. Incred Management and Technology Services Private Limited 3. InCred Capital Wealth Portfolio Managers Private Limited (Formerly known as BSH Corporate Advisors and Consultants Private Limited) 4. InCred Capital Financial Services Private Limited (Formerly known as

		Proud Securities and Credits Private Limited) 5. Mvalu Technology Services Private Limited 6. InCred Wealth Limited (Formerly known as InCred Capital Inclusion Advisory Services) Private Limited 7. InCred. AI Limited 8. B Singh Holdings Limited 9. B Singh & Partners PTE
m.	Other ventures of the promoter	-
n.	Special Achievements	-
o.	Business and financial activities	Banking and Finance

Personal details of the Promoter		
a.	Full name	Bee Finance Limited
b.	Date of Birth	N. A
c.	Age	N. A
d.	Photograph	N. A
e.	Permanent Address/Personal Address	4th floor, Raffles tower, 19, cyber city, ebene 72201, Republic of Mauritis.
f.	Present Address	N. A
g.	E-mail Address / Telephone Number	-
h.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	N.A.
i.	Educational Qualifications	N. A
j.	Relevant Background and Experience	N. A
k.	Positions/posts held in the past	N. A
l.	Directorship Held	N. A
m.	Other ventures of the promoter	N. A
n.	Special Achievements	N. A
o.	Business and financial activities	Investment Holding Company

(b) A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document:

Declaration
The Issuer confirms that (to the extent applicable) the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document

5.4 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of the opening the issue) by the rating agencies in relation to the issue shall be disclosed. The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted (not older than one year on the date of opening of the issue) shall also be disclosed.

The Rating Agency has assigned a rating of "**CRISIL PP-MLD A r**" (pronounced as "CRISIL Principal Protected Market Linked Debenture Single A") with 'Watch Positive' 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. The rating letter from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

The Rating Agency has issued a press release of the credit rating in respect of the Debentures bearing reference no. RL/VLEAFP/278595/LTPPMLD/0921/17999/9845573 on September 22, 2021. The copies of the press release and the rating rationale in respect of the rating for the Debentures is provided in **Annexure II** of this Placement Memorandum.

5.5 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board.

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 Issuer has obtained the letter from the BSE dated [__], 2021 pursuant to which the BSE has provided its in-principle approval for the listing of the Debentures on the WDM segment of the BSE.

The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer will create the Recovery Expense Fund in accordance with the SEBI REF Circular with the BSE. In this regard, please also refer to the section on "*Creation of recovery expense fund*" under Section 5.32 below.

5.6 Issue Schedule

The following details regarding the issue to be captured in a table format under "Issue Schedule", as prescribed below:

PARTICULARS	DATE
Issue Opening Date	September 29, 2021
Issue Closing Date	September 29, 2021
Pay In Date	September 29, 2021
Deemed Date of Allotment	September 29, 2021

5.7 Name, logo, addresses, website URL, email address, telephone number and contact person of the following:

(i) **Debenture Trustee to the Issue**

Name	Catalyst Trusteeship Limited
Logo	
Address	Registered Office: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune Corporate Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098
Website	www.catalysttrustee.com
E-mail address	complianceCTL-mumbai@ctltrustee.com
Telephone Number	022- 49220555
Contact Person Details	Mr. Umesh Salvi

(ii) **Credit Rating Agency for the Issue**

Name	CRISIL Ratings Limited (A subsidiary of CRISIL Limited)
Logo	
Address	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, India
Website	www.crisil.com/ratings
E-mail address	Vani.ojasvi@crisil.com
Telephone Number	022-3342 3000
Contact Person Details	Ms. Vani Ojasvi

(iii) **Registrar the Issue**

Name	Link Intime India Private Limited
Logo	
Address	C 101, 247 Park B S Marg Vikhroli West, Mumbai - 400 083
Website	www.linkintime.co.in
E-mail address	mumbai@linkintime.co.in
Telephone Number	022 4918 6000
Contact Person Details	Mr. Ganesh Jadhav

(iv) **Statutory Auditors**

Name	S. R. Batliboi & Associates LLP
Logo	-
Address	12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai-400028
Website	N.A.

E-mail address	srba@srb.in
Telephone Number	022-6819 8000
Contact Person Details	Rajiv Sane

(v) **Legal Counsel**

Name	N. A. The Issuer has been advised by its in-house legal and compliance team.
Logo	N. A
Address	N. A
Website	N. A
E-mail address	N. A
Telephone Number	N. A
Contact Person Details	N. A

(vi) **Guarantor**

Corporate Guarantor

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(vii) **Arrangers**

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

5.8 About the Issuer

A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information:-

(a) **Overview of the business of the issuer:**

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.

Branch details:

The Company has 20 branch offices as on June 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.	Vadodara-Sarabhai road	Gujarat	Vadodara	157, K -10 Atlantis, B- Tower, Sarabhai road, Nr. Genda circle, Vadodara -390007 , Gujarat
7.	Rajkot-Shastri Medan	Gujarat	Rajkot	301, 3rd Floor, The Imperia, Opp. Shastri Medan, Above FEDERAL Bank, Limda Chowk, Rajkot - 360001.
8.	Kolkata-Camac Street	West Bengal	Kolkatta	AWFIS 4th Floor, 8/1A Sir William Jones Sarani, 1 Camac Street, Kolkata, - 700071
9.	Pune-Shivajinagar	Maharashtra	Pune	4th floor city square building Maple group near zenith complex behind pride Hotel shivajinagar-411005
10.	Thane-wagle estate	Maharashtra	Thane	316 3rd Floor Tower B Lodha Supremus2 wagle estate Thane-400604
11.	Mumbai-Andheri	Maharashtra	Mumbai	Unit No.303A-02,3rd floor, Kaledonia Building, B-wing, Station Road, Andheri East-400053
12.	New Delhi-Connaught Place	NCT OF DELHI	New Delhi	406, 4th Floor, Competent House, Middle Circle , Connaught Place, New Delhi -110001
13.	Vijayawada-Pantakaluva Road	Andhra Pradesh	Vijayawada	57-2-15, 2nd Floor, Pantakaluva Road, Vijayawada- 520010

14.	Jaipur-Malviya Marg	Rajasthan	Jaipur	Office NO-201, City Corporate Buillding, Malviya Marg, C-Scheme , Jaipur-302001
15.	Hubli-dharawad road	Karnataka	Hubli	307, 3rd floor, Nirwana wali Trade winds, Hosura, oppp. ksrtc bustop, Hubli - dharawad road, Hubli
16.	Coimbatore-RS Puram	Tamil Nadu	Coimbatore	Shop No:36/8, 1st Floor, Ashirwad (Opp Petrol Bunk), D.B.Road, R.S.Puram Coimbatore 641002
17.	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
18.	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
19.	Bangalore-Whitefield	Karnataka	Bangalore	Unit:2, Discover Block, ITPL, Whitefield, Bangalore – 560066
20.	Mumbai - Bandra Kurla complex	Maharashtra	Mumbai	No.1203, B Wing, The capital, Bandra Kurla complex, Mumbai 400051

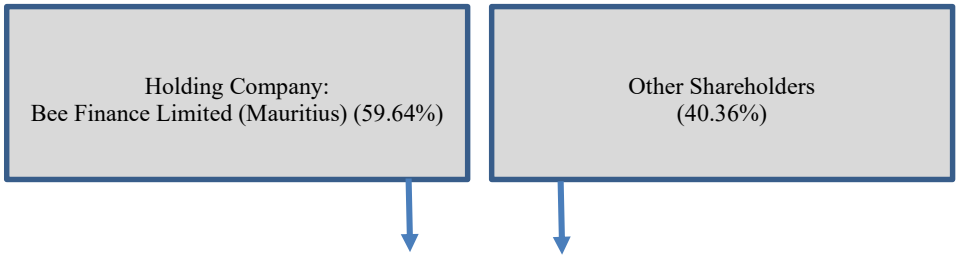
Subsidiary details:

The Company has following subsidiaries as on June 30, 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
3	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

(b) **Corporate Structure of the issuer:**

The graphic description/organogram of the corporate structure of the issuer is as follows:



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

Not Applicable

5.9 Financial Information

(a) **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 the placement memorandum or issue opening date, as applicable.**

Attached as **Annexure V**

However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

Not Applicable

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors.**

Not Applicable

(c) **Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

i. The issue is made on the EBP platform irrespective of the issue size; and
ii. The issue is open for subscription only to Qualified Institutional Buyers.

Not Applicable as the Issuer has been in existence for a period of more that 3 (three) years prior to the date of this Placement Memorandum.

(d) **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 on consolidated and standalone basis:**

(INR in crores)

Parameters	Audited INDAS	Audited INDAS	Audited INDAS
For Financial Entities	**March 31, 2019**	**March 31, 2020**	**March 31, 2021**
Balance Sheet			
Net Fixed Assets	14.37	34.00	35.13
Current assets	768.21	918.89	1,349.48
Non- Current Assets	1,094.92	1,251.44	1,406.79
Total assets	1,877.50	2,204.34	2,791.41
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	835.53	553.97	727.64
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
Equity (equity and other equity)	595.67	1,024.28	1,045.85
Total equity and liabilities	1,877.50	2,204.34	2,791.41
Profit and Loss			
Total revenue - From operations - Other income	290.75	331.57	391.85
Total Expenses	285.14	318.52	379.44
Total comprehensive income - Profit / loss - Other comprehensive income	4.16	3.04	10.93
Profit / loss after tax	3.77	2.75	10.23
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
Cash Flow			
Net cash generated from operating activities	(337.46)	(262.80)	(496.11)
Net cash used in / generated from investing activities	(17.13)	(45.35)	(100.10)
Net cash used in financing activities	249.18	325.30	581.62
Cash and cash equivalents	(55.50)	8.14	(6.46)

Balance as per statement of cash flows	(55.50)	8.14	(6.46)

Additional information			
Net Worth	558.12	1,009.10	1,020.13
Cash and Cash equivalents	18.4649	37.73	13.2338
Current investments	1.2163	10.0381	76.6475
Assets Under Management*	1762.4849	2101.88	2644.65
Off balance sheet assets	NA	NA	NA
Total Debts to Total assets**	0.67	0.51	0.60
Debt Service Coverage Ratios	NA	NA	NA
Interest Income	283.3182	311.03	377.1175
Interest Expense	137.8397	116.06	152.714
Interest service coverage ratio	1.04	1.11	1.08
Provisioning & write Offs***	24.0249	55.3023	88.6537
Bad debts to Account receivable ratio	0.27%	1.70%	1.69%
Gross NPA (%)	1.82%	2.83%	3.43%
Net NPA (%)	0.71%	1.34%	1.71%
Tier I Capital Adequacy Ratio (%)	29.15	45.37	36.54
Tier II Capital Adequacy Ratio (%)	0.42	0.56	0.66

* Gross carrying amount as per IND AS
** Total Debts = Debt securities + Borrowings (other than debt securities)
*** Provisioning & Write off includes ECL provision

(f) **Debt: Equity Ratio of the Issuer:- (As on 30th June 21)** (Rs. In Crs)

Before the issue	1.90
After the issue	1.97

Calculations

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

Debt	1,960.43
Equity	1,031.60
Debt/Equity	**1.90**

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

Debt	2,035.43
Equity	1,031.60
Debt/Equity	**1.97**

5.10 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.

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

(a) **Details of Share Capital as at last quarter end, i.e., June 30, 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	30,77,27,936	307,72,79,360
b) Preference shares	7,85,16,289	78,51,62,890

(b) **Changes in its capital structure as at last quarter end i.e., June 30, 2021 for the last five years:**

(c)

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

(d) **Equity Share Capital History of the Company, for the last three 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.)	
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 tha	Preferential Allotme	30,76,29,303	3,07,62,93,030.00	2,78,45,69,361.49	N.A

Date of Allotment	No. of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	Cumulative			Remarks
				n Cash	nt				
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

(e) **Details of any Acquisition of or Amalgamation with any entity 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

(f) **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.

(g) **Details of the shareholding of the Company as at the latest quarter end, i.e., June 30, 2021 as per the format specified under the listing regulations:-**
Shareholding pattern of the Company as on June 30, 2021:

Sr. No.	Name of the Shareholder	Number of Shares	Number of shares held in demat form	Percentage of Shareholding
1.	Promoter &	23,28,92,679	23,28,92,679	60.29

	Promoter Group			
2.	Foreign Companies	6,59,96,008	6,59,96,008	17.08
3	Others	8,73,55,538	7,53,96,068	22.63
	Total	**38,62,44,225**	**37,42,84,755**	100

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	9.21
2.	Vistra ITCL (India) Limited (acting as the trustee of Elevar I-IV AIF)	95,12,768	95,12,768	12.11
3.	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V (FMO)	4,50,36,665	4,50,36,665	57.35
4.	Moore Strategic Ventures, LLC	1,26,83,724	1,26,83,724	16.15
5.	V Ocean Investments Ltd (The Fund), Mauritius	4,045,319	4,045,319	5.15
	Total	**7,85,16,289**	**7,85,16,289**	**100**

(h) **List of top 10 holders of equity shares of the Company as at the latest quarter end, i.e June 30, 2021:**

Sr. No	Name of Shareholder	Total Number of Equity Shares	No of shares in demat form	CCPS	Fully diluted (Ratio 1:1)	Total shareholding as % of total no. of equity shares
				0	23,03,73,125	59.64%

Sr. No	Name of Shareholder	Total Number of Equity Shares	No of shares in demat form	CCPS	Fully diluted (Ratio 1:1)	Total shareholding as % of total no. of equity shares
1.	Bee Finance Limited (Mauritius)	23,03,73,125	23,03,73,125			
2.	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V (FMO)	100	100	4,50,36,665	4,50,36,765	11.66%
3.	Oaks Asset Management Private Limited	1,86,43,793	1,86,43,793	72,37,813	25,881,606	6.70%
4.	Investcorp Private Equity Fund II	14,241,228	14,241,228	0	14,241,228	3.69%
5.	Moore Strategic Ventures, LLC	100	100	1,26,83,724	1,26,83,824	3.28%
6.	Dalmia Enterprise Holdings	96,28,069	-	0	96,28,069	2.49%
7.	Vistra ITCL (India) Limited (acting as the trustee of Elevar I-IV AIF)	100	100	95,12,768	95,12,868	2.46%
8.	V Ocean Investments Ltd (The Fund), Mauritius	44,80,100	44,80,100	40,45,319	85,25,419	2.21%
9.	Paragon Partners Growth Fund A/C Paragon Partners Growth Fund-I	63,94,605	63,94,605	0	63,94,605	1.66%
10.	Bhupinder Singh	25,19,554	25,19,554	0	25,19,554	0.65%

5.12 Following details regarding the directors of the Company*:

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

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

Name, Designation, DIN and Occupation	Age	Address	Date of the Apointment	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 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	No
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
Name: Mr. Antonius Bruijninckx Designation: Additional Director DIN: 08589813 Occupation: Business	57	Drossaardlaan 8 1272 PP Huizen NA NL	06/11/2019	1. Fennickx Beheer B.V. 2. ID Professionals B.V. 3. MBH B.V. 4. Novum Foundation 5. Koninklijke Tichelaar (Royal Tichelaar) B.V	No
Debashish Dutta Gupta Designation: Independent Director DIN: Occupation: Professional	52	41, Windmills of Your Mind, EPIP Road 5B, Near KTPO Whitefield, Bangalore North Karnataka – 560066	1/12/2020	-	No

(b) **Details of change in directors since last three years as on 30th June 2021:**

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

5.13 Following details regarding the auditors of the Company:

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

Name of the	Address	Auditor since	Remarks

Auditor			
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 of the Auditor	Address	Date of appointment	Date of cessation, if applicable	Date of Resignation, if applicable
BSR & Co LLP	(5th Floor, Lodha Excelus, Apollo mills compound, N.M Joshi Marg, Mahalaxmi, Mumbai-400011)	28/09/2017	24/08/2021	24/08/2021

5.14 Details of the following liabilities of the issuer, as at the end of the last quarter, i.e June 30, 2021, or if available, a later date:

(a)**Details of outstanding secured loan facilities as on June 30, 2021**:

(Rs. in Crores)

Sr. No.	Name of Lender	Repayment Date/ Schedule	Repayment Terms	Type of Facility	Type of Security	*Type of Charge	Amount sanctioned	Principal Amount Outstanding	Security Cover
1	IDFC First Bank	28-Jun-23	36 monthly installments	Term Loan	Movable	Hypothecation	100.00	66.67	1.20
2	YES Bank	18-Jul-21	30 Monthly Installments	Term Loan	Movable	Hypothecation	100.00	3.33	1.25
3	Bank Of Baroda	30-Sep-22	16 Equal quarterly installments	Term Loan 1	Movable	Hypothecation	150.00	46.88	1.25
4	Bank Of Baroda	12-Jul-22	36 monthly installments	Term Loan 2	Movable	Hypothecation	150.00	54.17	1.25
5	Bank of Maharashtra	26-Jan-24	16 Equal quarterly installments	Term Loan 1	Movable	Hypothecation	20.00	13.75	1.25
6	Bank of India	30-Nov-24	18 equal quarterly Instalments	Term Loan	Movable	Hypothecation	50.00	38.88	1.33
7	State Bank of India	28-Feb-25	19 equal quarterly Instalments	Term Loan	Movable	Hypothecation	75.00	59.21	1.33

8	Central Bank of India	30-Apr-23	12 equal quarterly Instalments	Term Loan	Movable	Hypothecation	50.00	33.33	1.25
9	Union Bank of India	30-Jun-25	18 equal quarterly Instalments	Term Loan	Movable	Hypothecation	100.00	88.89	1.25
10	Tata Capital Financial Services Limited	15-Aug-22	36 monthly installments	Term Loan	Movable	Hypothecation	40.00	10.14	1.25
11	Hinduja Leyland Finance	22-Nov-21	36 monthly installments	Term Loan	Movable	Hypothecation	40.00	6.40	1.25
12	Northern Arc Ltd	05-Dec-22	36 monthly installments	Term Loan	Movable	Hypothecation	15.00	5.92	1.15
13	Nabkisan Finance Ltd	01-Jun-23	12 equal quarterly Instalments	Term Loan	Movable	Hypothecation	20.00	13.33	1.25
14	Bank of Maharashtra	15-Sep-25	18 equal quarterly Instalments	Term Loan	Movable	Hypothecation	50.00	47.22	1.25
15	Maanaveeya Development & Finance Pvt Ltd	24-Dec-23	36 Equal monthly installments	Term Loan	Movable	Hypothecation	25.00	22.73	1.25
16	Tata Capital Financial Services Limited	15-Dec-23	36 Equal monthly installments	Term Loan	Movable	Hypothecation	24.50	16.05	1.25
17	Indian Bank	31-Dec-25	18 equal quarterly Instalments	Term Loan	Movable	Hypothecation	50.00	50.00	1.25
18	Aditya Birla Finance Ltd.	15-Feb-24	Equal 36 monthly instalments	Term Loan	Movable	Hypothecation	40.00	35.56	1.25
19	IDFC First Bank	26-Aug-21	Rollover/ Repayable on Demand	WCDL	Movable	Hypothecation	20.00	-	1.20
20	RBL Bank Ltd	28-Sep-20	Rollover/ Repayable on Demand	Cash Credit	Movable	Hypothecation	10.00	9.85	1.25
21	IDFC First Bank	26-Aug-21	Rollover/ Repayable on Demand	Cash Credit	Movable	Hypothecation	30.00	-	1.20

22	Karnataka Bank	30-Nov-21	Rollover/ Repayable on Demand	Cash Credit	Movable	Hypothecation	10.00	9.77	1.10
23	Canara Bank	28-Mar-26	18 quarterly Instalments	Term loan	Movable	Hypothecation	50.00	40.00	1.25
24	RBL Bank Ltd	02-Mar-22	Rollover/ Repayable on Demand	WCDL	Movable	Hypothecation	25.00	-	1.25
25	Hinduja Leyland Finance	19-Mar-24	36 equal monthly Instalments,	Term loan 2	Movable	Hypothecation	35.00	32.50	1.20
26	Yes Bank	23-Dec-21	Rollover/ Repayable on Demand	Cash Credit	Movable	Hypothecation	10.00		1.25
27	Financing for Healthier Lives DAC	02-Jun-26	Bullet payment on maturity	ECB Term Loan	Movable	Hypothecation	51.10	51.10	1.20
28	Karnataka Bank Limited	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	Movable	Hypothecation	35.00	35.00	1.20
29	Nabkisan Finance Ltd	31-May-23	Repayable in 8 quarterly instalments	Term Loan	Movable	Hypothecation	20.00	20.00	1.25
	Total						**1,395.60**	**810.66**	

**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 June 30, 2021**: **NIL**

(c)**Details of outstanding non-convertible securities as on June 30, 2021:**

Debenture Series	Tenor / Period of Maturity	Coupon	Amount (INR)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security *
IFSL/2019/0 01	730 days	NA	15.80 Cr	01/10/2019	30/09/2021	CARE PP-MLD / A	Secured	1.10 times
IFSL/2019/005	732 days	INR 230,580	26.20cr	13/12/2019	14/12/2021	CARE PP-MLD / A	Secured	1.10 times
IFSL/2019-20/007	693 days	INR 230,580	8.70 cr	21/01/2020	14/12/2021	CARE PP-MLD / A	Secured	1.10 times
IFSL/2019-20/008	729 days	10.90%	39.60 Cr	20/02/2020	21/12/2021	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	25/03/2020	03/03/2023	CARE PP-MLD / A	Secured	1.10 times
IFSL/2020-21/MLD/004	862 days	10.25%	8.71 Cr	22/10/2020	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 / Negative	Secured	1.20 times
IFSL/2020-21/002	545 days	9.50%	100.00 Cr	23 /06/ 2020	20 /12/2021	CARE A / Negative	Secured	1.10 times
IFSL/2020-21/003	1095 days	9.75%	100.00 Cr	26 /06/ 2020	26 /06/2023	CARE A / Negative	Secured	1.10 times
IFSL/2020-21/004	546 days	9.50%	50.00 Cr	31 /07/2020	28 /01/2022	CARE A / Negative	Secured	1.20 times
IFSL/2020-21/005	549 days	9.40%	50.00 Cr	10 /08/2020	10/02/2022	CARE A / Negative	Secured	1.10 times
IFSL/2020-21/006	549 days	9.40%	75.00 Cr	11 /09/2020	14/03/2022	CARE A / Negative	Secured	1.20 times
IFSL/2020-21/008	547 days	9.10%	25.00 Cr	04 /12/2020	04/06/2022	CARE A / Negative	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
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

Debenture Series	Tenor / Period of Maturity	Coupon	Amount (INR)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security *
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

*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 June 30, 2021)**:

(*Rs. in Crores*)

Name of the holders of non-convertible Securities	No. of Debentures held	Amount	% of total NCS outstanding
CENTRAL BANK OF INDIA	1000	1,00,00,00,000	12.68%
UNION BANK OF INDIA	1000	1,00,00,00,000	12.68%
BANK OF INDIA	1000	1,00,00,00,000	12.68%
INDIAN BANK	500	50,00,00,000	6.34%
SPORTA TECHNOLOGIES PRIVATE LIMITED	500	50,00,00,000	6.34%
PUNJAB NATIONAL BANK	500	50,00,00,000	6.34%
KEMWELL BIOPHARMA PRIVATE LIMITED	350	35,00,00,000	4.44%
BANK OF MAHARASHTRA	250	25,00,00,000	3.17%
BANK OF BARODA	250	25,00,00,000	3.17%
NIRANJAN LAKHUMAL HIRANANDANI	150	15,00,00,000	1.90%

(e)**Details of outstanding Commercial Paper as at the end of the last quarter (**as on June 30, 2021**) in the following format:-**

Nil

(f)**Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2021:**

Party Name (in case of Facility)/ Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date/Schedule	Credit Rating	Secured / Unsecured	Security
MVALU Technology Services Pvt. Ltd.	Inter-Corporate Deposits	13.00	13.00	30 September 2021	N.A.	Unsecured	NA

Incred Capital Financial Services Pvt. Ltd.	Inter-Corporate Deposits	25.00	25.00	30 September 2021	N.A.	Unsecured	NA
TOTAL		**38.00**	**38.00**				

5.15 Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

(i) **in whole or part,**
(ii) **at a premium or discount, or**
(iii) **in pursuance of an option or not:**

NIL

5.16 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:

(a) **Details with regard to the lending done by the issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:**

(i) **Lending policy: Should contain overview of origination, risk management, monitoring and collections:**

The Company offers personal loan under Consumer segment, Student loan & Secured School Finance under Education loan segment and supply chain finance, Escrow backed lending and lending to FIs under SME segment.

Category	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 upgradation of infrastructure.
MSME Loans	Anchor- backed Business Loans	Business Loans, Partnership Two Wheelers Loans and Supply Chain Finance loans backed by Anchor Partners
	Non anchor Business Loans	Business Loans and Supply Chain Finance loans not 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

The company has robust underwriting criteria across business vertical as enumerated under:

1. **Personal loans**

   This is one business at Incred which has 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.

   Key underwriting criteria is outlined here:

   - Mandatory download of in-house built Android app
   - Ping location of borrower thrice a day to verify his/her office/home identity and tracking live location
   - Reading of B-C text messages to track end use of funds, default with any other lender, spending pattern etc.
   - Cross verify of employment with Provident Fund department
   - Video KYC of each borrower; **Selfie ID verification**: mandatory in-app selfie protects applicants against ID theft. Ambiguous or mis-matched cases are investigated
   - **Banking and employment verification**: bank statements, and digital employment-traces, are scanned algorithmically for fraud "tells". Ambiguous cases are investigated
   - **Velocity control**: "un-natural" concentrations of applicants from catchment areas are flagged by ML algorithms and investigated. A catchment could be an office, employer, geo-location or residential area
   - **Local presence**: InCred lends where collections management and agencies are well established.
   - **Analytic Targeting**: ML models are used to identify lower risk cases that remain in soft-Collections, and higher risk cases fast-tracked to field Collections.

   ~47% of the personal loan portfolio (Rs.180 Cr) is covered by First Loss Default Guarantee (FLDG) in form of cash collateral. The average FLDG is 5% which is well above the gross NPA of 3.7% as observed in this portfolio.

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. Secondly, we are able to issue loan sanction pre an I20 which solves a critical need for students. Finally, we are able to provide 100% financing so that students are not required to provide their own funds.

This offering is built by a team of industry pioneers who have built and scaled a business successfully in the past.

1. Loan to Salary over loan tenor (7 years) is below 10% in every case which implies lower risk of delinquencies and represents super prime customers. This also highlights good academic background and demand for these students for job in USA.
2. These students represent the Indian Institute of Technology, top NITs and top regional technology institutes from India who go for further studies in USA. It is imperative to highlight that these students would have got job in India without any further studies but given much higher career prospects and compensation post higher studies they opt for pursuing master degree courses
3. ~80% of student Loan borrower belongs to the top 100 universities in the world.

Key underwriting criteria is outlined here:

Unique approach to underwriting, based on the student's potential rather than on the family's financial background

- Extensive in-person Credit interaction with student
- Based on student's GPA, GRE scores, quality of undergraduate degree, quality of grad school admission, job-placement record of the student's grad school
- Review of family's financial/ credit background to understand the student's needs, not to evaluate credit-worthiness

- **Eligibility**

  Indian Students aspiring to seek higher education outside India. The loan products under the purview of this document are:
  - Education loans for Indian students studying in the USA
  - Education loans for Indian students studying in other countries

  This is an Indian Rupee denominated education loan. The loan will be disbursed in India in Indian Rupees and will be converted in foreign currency by InCred appointed forex vendor on behalf of student, wherever required.

- **Courses** – Only for Science, Technology, Engineering & Mathematics (STEM Courses)
- **Loan amount** – Max. 50 Lacs
- **Moratorium** – Principal for tenor of course (Generally 2 years); no moratorium period on interest amount
- **Personal guarantee of Parents is mandatory**

4. Secured School Financing

- Funding only to K-12 schools; school should be operational since last 10 years and Class 10th verifiable results should be available for last 5 years
- Lending is based on Hypothecation of fees (must have)
- End use of funds should be for brownfield expansion i.e. for increasing the existing infrastructure capacity not for building the new schools
- Personal guarantee of all the trustee is mandatory
- Personal property of any one Trustee should be explored
- Cash flow from existing operation must be sufficient to service EMI for loan to be taken from Incred
- Sole lender to ensure that in case of any issues we work to get trustee changed
- Minimum number of students and loan amount as under:

CBSE Schools: No of students	Loan Amount
400-600	Upto Rs.200 Lakhs
601-800	Upto Rs.250 Lakhs
800-1000	Upto Rs.300 Lakhs
>1000	Upto Rs.500 Lakhs

State Board: No of students	Loan Amount
501-700	Upto Rs.150 Lacs
701-1000	Upto Rs.200 Lacs
1001-1300	Upto Rs.250 Lacs
1300-1600	Upto Rs.300 Lacs
>1600	Upto Rs. 500 Lacs

- Regular monitoring of portfolio based on:
  - Student intake
  - Retention ratio
  - Student to teacher ratio
  - Results trend
  - Financial and banking analysis
  - Visit to premises

5. Supply chain financing

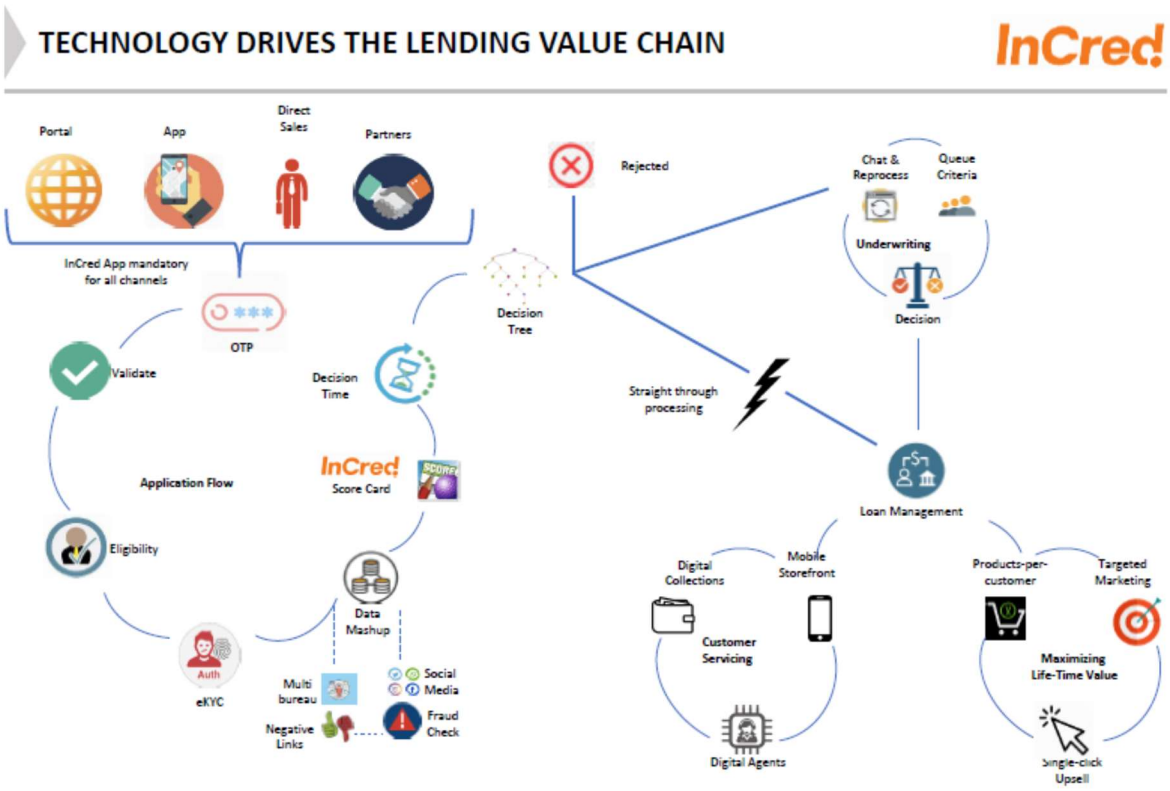
- 100% Direct Sourcing through Anchor tie-ups (national distributors/OEM) - Stop-Supply arrangement with each anchor
- Online anchor portal and automated disbursements act as checks on limit utilization, overdue status and limit renewals
- Credit assessment is based on:
  - Past trading history and business dependence with anchor
  - Working capital requirement assessment
  - Financial analysis/Bureau/ROC/Open market due diligence

6. Lending to FIs & Escrow Backed Lending

- 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

- 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.
- Borrowers operating in Tier 3 and Tier 4 cities, having management team with proven track record of lending to rural and semi-urban sector
- Checks on adherence of RBI regulatory norms such as minimum net worth requirement, Capital adequacy, KYC, AML etc.
- 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
- There is a dedicated Portfolio Monitoring team to conduct regular visits to Client's HO, Branches on sample basis.

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-segments, the application of these principles to each product-segment 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-segments, 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-segment)

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-segments, 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-segments, 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, product or customer level credit risk expectations, the operational cost of serving that product or customer segment, and InCred's expected return on capital

2.2. From a credit risk viewpoint, the pricing will be linked to expected risk levels. This will be at the product-segment level, wherein product-segments 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-market segment

2.3. Pricing may be varied through the term of the loan or credit facility, based on product-market 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

2.5. The interpretation of this guideline within each product-segment is set out in the annexures. These will be reviewed and updated by the RMC on a quarterly basis.

3. Credit Approval and Denials

3.1. The credit approval follows the credit appraisal process, as set out in section 6. 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-segment

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

3.5. Each product-segment 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-market 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-segment 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-segment "verticals". Deviations, if any, should be brought to the notice of the respective product-segment 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-segments 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-segments. 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-segment

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-segment 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-segment. The product-segment 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-segment, 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

Key Risk Parameters: The general key risk parameters are given below which is subject to change periodically.

Key Risk Parameters			
1.	Maximum Limit Amount	a) Maximum loan amount disbursed to be calculated on the basis of the average banking credit in last 6 months bank statement, as per the Limit Matrix. ➢ For ICF – 1 Rating: - Monthly Avg. Bank credit *1.25 ➢ For ICF – 2 Rating: - Monthly Avg. Bank credit *1.00 ➢ For ICF – 3 Rating: - Monthly Avg. Bank credit *0.75 ➢ For ICF – 4 Rating: - Monthly Avg. Bank credit *0.50 ➢ For ICF – 1 Rating: - Nil b) 2 times of monthly purchase from the Anchor (If limit is for multiple anchor then Average Purchase from all empaneled Anchor to be considered) c) Current assets – Current Liabilities (excluding all WC facility) = WC GAP. WC GAP Less all Present WC facility = Max Eligible Amount d) Max limit eligibility based on the InCred Internal Rating ➢ For Internal rating ICF 1 & ICF 2 Max limit is upto Rs. 5 Cr ➢ For Internal rating ICF 3 Max limit is upto Rs. 2 Cr ➢ For Internal rating ICF 4 Max limit is upto Rs. 1 Cr **Lower of the above 4 will be the max limit amount eligibility from InCred** e)	With recommendation of concern approving authority, deviation can be approved by Higher Approving Authority
	Business background	Minimum 3 years in similar business operations. Businesses which have been established for less than 3 years can be considered under the following circumstances: ➢ If part of a large group company, which is established for more than 3 years and is in the same line of business subject to such flagship group concern firm /company to stand as corporate guarantee ➢ If there is a change in the constitution of the borrower with no change in the line of business. ➢ In case of transfer of ownership of business, at least 51% of the shareholding to remain	Allowed up to 2 years and to be approved by NCM with satisfactory clarification. No deviation allowed below 2 years YIB

		same to consider for business continuity and to carry on same line of business. **Business continuity of last three years in the same field to be validated from any of the following documents** ➢ Shops & Establishment Certificate ➢ Excise registration certificate ➢ Sales Tax registration certificate ➢ Small scale unit registration certificate ➢ Tax audit reports (Form 3CD/3CB) for a period of 3 continuous latest years ➢ Current Account / Overdraft Limit/ Cash Credit Limit statement for past 3 years. ➢ Copy of acknowledgment of Income Tax Return (ITR). Goods and Service Tax (GST) Registration Certificate is mandatory for all cases			
2.	Turnover validation (BTO)	80% turnover of previous year financial statements to be validated from bank statement. For calculation of annualized turnover last 6 months turnover to be doubled. Following items to be excluded in calculating banking credits; ➢ Loan disbursement ➢ Credits which are bounced subsequently. However, all the bounces cleared within 7 days of bounce not to be excluded from BTO. ➢ Inter company/Group / Sister Concern transactions	Up to 70% only approved by NCM		
3.	Adjusted Net worth	Adjusted Net worth to be positive Adjusted Net worth = Capital + unsecured loans from family members+ Profit/ Reserves and Surplus – Miscellaneous/ Amortized Expenses & Debit Balance in P&L for all cases – unsecured loans given to family members – aged debtors (if still un-recovered as on date) over 6 months.	No Deviation		
4.	Interest Service Coverage Ratio (ISCR)	Minimum ISCR of 1.3 times as per last audited b/s	Up to 1.00 times by respective approving Authority and below 1.00 to be approved by higher committee		
5.	DSCR	Minimum DSCR of 1.00 times as per last audited balance sheet	Up to 0.90	Min BTO – 110%	Respective Approving Authority
			Up to 0.80	Min BTO – 120 %	
			Up to 0.70	Min BTO – 130%	
			<0.70	Hard Reject	
6.	Debt –Equity Ratio (ATNW)	Max. 3.5 times as per last audited / provisional financials	With recommendation of concern approving authority		

		Exceptional approval required if ratio is over 3.5 times including all balance sheet and post balance loans. Debt is defined as "Bank borrowings (secured/unsecured term loans, CC/OD and any other bank borrowings), and unsecured loans from market".	can approved by Higher Approving Authority
7.	EBIDTA and PAT margin	➢ EBIDTA >1.25% as per last audited financials ➢ PAT >0.40% as per last audited financials and there should not be any cash loss for last 3 years	**EBIDTA -** Up to 0.50% by respective approving Authority and below 0.50% to be allowed in case no deviation in D/E. Else to be approved by higher Authority **PAT -** Up to 0.20% by respective approving Authority and below 0.20% to be allowed in case no deviation in D/E and cash profit is not negative for last audited years. Else to be approved by higher authority
8.	Current Ratio	Min 1 times as per last audited financials	With recommendation of concern approving authority can approved by Higher Approving Authority
	Real Estate position	Ownership of at least one property (Residence or factory/office) ➢ Applicant must have one owned property, either residence or office or factory or workshop within the same city (Ownership proof can be House tax payment receipt, copy of title documents,). ➢ Owned property must be within branch municipal limit and must be residential, commercial or industrial property ➢ Property can be in the name of Borrower / spouse / parents / son ➢ Ancestral property at native place, property under construction or partly paid properties are not to be considered. . Real Estate Position to be verified through ➢ Bank Sanction letter Collateral Security clause and bank sanction letter should not be more than 12 months old and property to be visited by Credit / sales team / RCU ➢ Property Tax not older than 18 months, ➢ Title documents with visit report of credit / sales / RCU. Every 6 months same need to be verified by	Rented profiles to be considered only when customer has 12 months proven track and stability at current office & residence of 3 years and max exposure would be upto 50 lakhs only to be approved by Head - SCF

		visit of RCU / Credit / Portfolio	
9.	Consumer / Individual CIBIL Score (Minimum)	➢ Minimum Score should be 630 or -1. (i.e. version 2.0 score). Report validity is 45 days from date of report ➢ In case of Partnership entity/Private Limited and Public Limited – CIBIL to be pulled for all Partners/ Directors /Shareholders with stake >=15%. Lower score to be considered only in cases where score is low on account of minor credit card issues (if established) and loans are clean. ➢ ***Note: - For any deviation in CIBIL Score, prior approval / consent to be taken***	➢ CIBIL Score up to 580 approved by NCM ➢ <580 to be approved by Head SCF
10.	Commercial CIBIL	➢ All commercial CIBIL report to be vetted by NCM and same to be approved by the Approving authority. Any deviation in commercial CIBIL report to be captured in CAM and to be approved. ➢ Any report older than 45 days to be checked again. ➢ Commercial CIBIL is acceptable for DPD upto 30 days or SMA -0 reported in last 12 month. Rest to be approved ass per deviation	To be Approved by respective approving authority.
11.	Inward return	Inward cheque returns should not be more than 5% of the total cheques issued in last 6 month bank statement. Returns on account of technical reasons, if established, shall not be counted.	Upto 7% by NCM
12.	Repayment track with Distributors /OEM's / ANCHORS	Should not have poor repayment track as per the feedback from Anchor / OEM in last 12 months track ➢ *Average Delay between 0-10 days Excellent track* ➢ *Average Delay between 10-20 days Good track* ➢ *Average Delay Between 20-30 days Satisfactory track* ➢ *Average Delay more than 30 days poor track*	No Deviation
13.	Due Diligence Process	CIBIL, Commercial CIBIL, ROC search, other desktop search like, BIFR, High Marks, CIBIL Suit search, reference from Anchor's / reference from existing lenders	NA
14.	Age Limit	Main promoter / Guarantors (running the business) with minimum 25 years and maximum 60 years at the time of loan origination and maturity respectively.	Deviations allowed up to 70 years in case PG of successor is available. To be approved by respective Approving authority

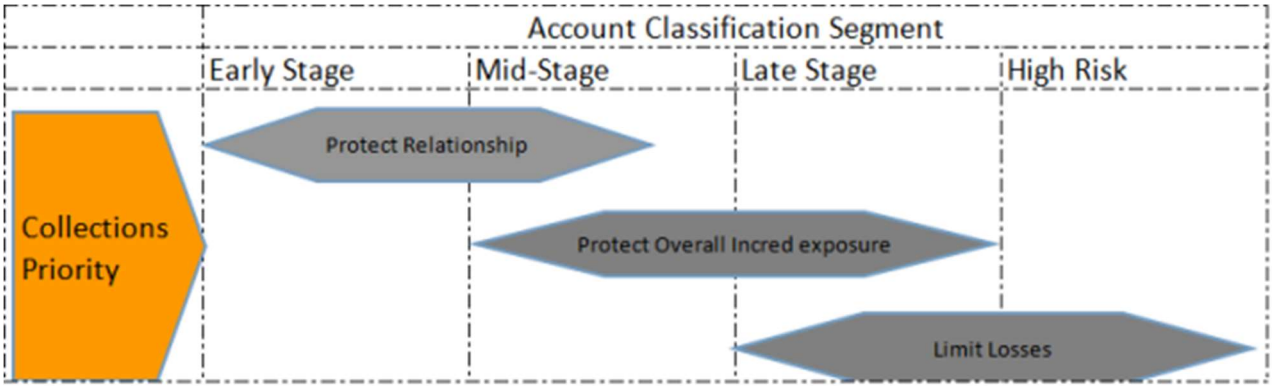
Collections and Recoveries Process Note

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

5.17 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

5.18 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 non-convertible securities of the Issuer.

5.19 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 prospectus against the promoter of the company:

None

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

None

5.21 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee:

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. 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 Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

5.22 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:

N.A.

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

(a) **The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:**

Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with the SEBI Circular on day count convention dated November 11, 2016, as may be amended from time to time.

(b) **Procedure and time schedule for allotment and issue of securities should be disclosed:**

The issue schedule for the issue of the Debentures is as follows:

PARTICULARS	DATE
Issue Opening Date	September 29, 2021
Issue Closing Date	September 29, 2021
Pay In Date	September 29, 2021
Deemed Date of Allotment	September 29, 2021

Please also refer Section 8.9 (*Issue Procedure*).

(c) **Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration:**

As set out in Annexure VI (*Illustration of Bond Cash Flows*) (subject to adjustments for

Business Day Convention).

5.24 Disclosures pertaining to wilful defaulter:

The disclosures pertaining to wilful defaulter is as provided in Section 6 of this Placement Memorandum.

5.25 UNDERTAKING BY THE ISSUER

Please refer to paragraph (3) of Section 9 of this Placement Memorandum.

5.26 Risk Factors

Please refer to Section 3 (*Risk Factors*) of this Placement Memorandum.

5.27 Other details:

(a) **Debenture Redemption Reserve ("DRR") Creation - relevant legislations and applicability:**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, 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 intend to create any reserve funds for the redemption of the Debentures.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines, etc.).:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI ILNCS Regulations (including the MLD Issuance Requirements), the LODR Regulations the NBFC Directions and the applicable guidelines and directions issued by the RBI and SEBI.

(c) **Default in Payment:**

If, at any time, there shall be a Payment Default or an Event of Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.

(d) **Delay in Listing:**

In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will:

(i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the applicable Annualised Interest Rate, from the closure of the issue of the Debentures until the listing of the Debentures is completed; and

(ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

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

(i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the SEBI Listing Timelines.

(ii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum from the expiry of the Allotment Period.

(f) **Issue details:**

The issue details for the Issue is as provided in Section 5.32 of this Placement Memorandum.

(g) **Application process:**

The application process for the Issue is as provided in SECTION 8**:** of this Placement Memorandum.

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

The disclosures required under the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities), Rules, 2014 is provided as Annexure X. Please refer Annexure X for all disclosures required under the Companies (Prospectus and Allotment of Securities), Rules, 2014 are set out therein.

(i) **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:**

N.A.

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

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

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 and September 23, 2021authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholders Resolution dated May 19, 2021 authorizing the issue of non-convertible debentures by the Company.
4	Shareholders 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 September 22, 2021.
7	Letter from Catalyst Trusteeship Limited dated September 22, 2021 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
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 the NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.
12	Debenture Trustee Agreement to be executed by the Issuer and the Debenture Trustee.
13	Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.
14	Deed of Hypothecation to be executed by the Issuer and the Debenture Trustee.

5.29 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of INR 75,00,00,000/- (Indian Rupees Seventy Five Crores only) by issue of rated, unsubordinated, secured transferable, listed, redeemable, principal protected, market linked non-convertible debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.32 of this Placement Memorandum.

5.30 Issue Size

The aggregate issue size for the Debentures is of INR 75,00,00,000/- (Indian Rupees Seventy Five Crores only).

5.31 Utilization of the Issue Proceeds

(a) The funds raised by the Issue shall be utilized by the Company for (a) the general corporate purposes of the Company, (b) the ordinary course of business of the Company including for repayment or refinancing of the existing debt of the Company, and (c) deployment in the business of the Company and growth in the books of assets of the Company ("**Purpose**").

(b) The funds raised by the Issue shall be utilised by the Company solely for the Purpose and the Company shall not use the proceeds of the Issue towards:

(i) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or

indirectly);

(ii) any speculative purposes;

(iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); and

(iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI).

5.32 Summary of terms – the following terms to be included in the placement memorandum:-

Security Name	IFSL/2021-22/MLD/009/Market Linked Coupon/March 2024
Issuer	InCred Financial Services Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Rated, unsubordinated, secured transferable, listed, redeemable, principal protected, market linked non-convertible debentures
Seniority (Senior or Subordinated)	Senior
Eligible Investors	As set out in Section 8.14 below.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	(a) The Company shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the SEBI Listing Timelines ("**Listing Period**"). (b) The Company shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) The Company shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the rating of the Debentures is not downgraded or withdrawn throughout the tenor of the Debentures. (d) The Company agrees and undertakes that as and when required by the Debenture Holders, it shall obtain an additional credit rating for the Issue from any credit rating agency registered with/accredited by SEBI. The Company shall ensure and procure that such rating is at least equivalent to the Rating. (e) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Company will: (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the applicable Annualised Interest Rate, from the closure of the issue of the Debentures until the listing of the Debentures is completed; and

	(ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of the Instrument	"CRISIL PP-MLD A" (pronounced as "CRISIL Principal Protected Market Linked Debenture Single A r") with 'watch positive' by CRISIL Ratings Limited
Issue Size	INR 75,00,00,000/- (Indian Rupees Seventy Five Crore)
Minimum Subscription	The minimum application size for the Issue shall be 1 Debentures and in multiples of 1 Debenture thereafter.
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	To raise secured debt up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crore). The funds raised by the Issue shall be utilized by the Company for (a) the general corporate purposes of the Issuer, (b) the ordinary course of business of the Issuer including for repayment or refinancing of the existing debt of the Company, and (c) deployment in the business of the Company and growth in the books of assets of the Issuer. 100% (one hundred percent) of the issue proceeds shall be used for the purpose set out above. The funds raised by the issue of the Debentures shall be utilised by the Issuer solely for the abovementioned purposes and the Issuer shall not use the proceeds of the Issue towards: (a) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly); (b) any speculative purposes; (c) investment in the real estate sector/real estate business (including the acquisition/purchase of land); and (d) in contravention of applicable law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI).
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable. The proceeds raised from the Issue will be used solely for the Purpose.
Details of the utilization of the Proceeds	The funds raised by the Issue shall be utilized by the Company for (a) the general corporate purposes of the Issuer, (b) the ordinary course of business of the Issuer including for repayment or refinancing of the existing debt of the Company, and (c) deployment in the business of the Company and growth in the books of assets of the Issuer.

	100% (one hundred percent) of the issue proceeds shall be used for the purpose set out above. The funds raised by the issue of the Debentures shall be utilised by the Issuer solely for the abovementioned purposes and the Issuer shall not use the proceeds of the Issue towards: (a) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly); (b) any speculative purposes; (c) investment in the real estate sector/real estate business (including the acquisition/purchase of land); and (d) in contravention of applicable law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI).
Coupon Rate	The Interest Amounts shall accrue and be payable by the Company to the relevant Debenture Holders at the applicable Annualised Interest Rate being as follows: (a) 0% (zero percent), if the Reference Index Performance is less than or equal to -25% (minus twenty five percent); and/or (b) 9.25% (nine decimal two five percent) (XIRR), if the Reference Index Performance is greater than -25% (minus twenty five percent). .
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	The Interest Amounts shall accrue and be payable by the Company to the relevant Debenture Holders at the applicable Annualised Interest Rate on the Final Redemption Date in accordance with Annexure VI (*Illustration of Bond Cash Flows*)
Coupon Payment Dates	The Interest Amounts shall accrue and be payable by the Company to the relevant Debenture Holders at the applicable Annualised Interest Rate on the Final Redemption Date in accordance with Annexure VI (*Illustration of Bond Cash Flows*)
Coupon Type (Fixed, floating or other structure)	The coupon rate payable on the Debentures is linked to the Reference Index (being NIFTY 50).
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor, etc.)	N.A.
Day Count Basis (Actual/Actual)	Actual / Actual
Interest on Application	(i) Interest at 9.25% (nine decimal two five percent) XIRR subject to deduction of tax at source in accordance with Applicable Law, will be

Money	paid by the Company on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 7 (seven) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable. (ii) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit. (iii) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.
Default Interest Rate	(a) The Issuer agrees to pay an additional interest rate of 2% (two percent) per annum above the applicable Annualised Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured, on the relevant Due Date occurring during the aforementioned period. (b) The Issuer agrees to pay an additional interest rate of 2% (two percent) per annum above the applicable Annualised Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of any breach of its obligations set out under the Transaction Documents until such breach is cured on each on the relevant Due Date occurring during the aforementioned period.
Tenor	30 (thirty) months/912 (nine hundred and twelve) days from the Deemed Date of Allotment
Redemption Date / Maturity Date	March 29, 2024.
Redemption Amount	INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture in the manner set out in **Annexure VI** (*Illustration of Bond Cash Flows*) hereto.
Redemption Premium/ Discount	Not Applicable
Issue Price	INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable

Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	N.A.
Face Value	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture
Minimum Application size and in multiples of 1 (one) Debt Security thereafter	The minimum application size for the Issue shall be 1 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	
Issue Opening Date	September 29, 2021
Issue Closing Date	September 29, 2021
Date of earliest closing of the issue, if any	N.A.
Pay-in Date	September 29, 2021
Deemed Date of Allotment	September 29, 2021
Settlement mode of the Instrument	Cheque(s) or electronic mode of transfer like RTGS/NEFT/direct credit.
Depositories	NSDL and CDSL
Disclosure of Interest/Dividend / redemption dates	On the dates set out in Annexure VI (*Illustration of Bond Cash Flows*) (subject to adjustments for Business Day Convention).
Record Date	In relation to any Due Date on which any payments are scheduled to be made by the Issuer to the Debenture Holders, the day falling at least 15 (fifteen) calendar days prior to such Due Date.
All covenants of the issue (including side letters, accelerated	**Representations and Warranties** Please refer Section 7.2 of this Placement Memorandum.

payment clause, etc.)	**Affirmative Covenants** Please refer Section 7.3.1 of this Placement Memorandum. **Negative Covenants** Please refer Section 7.3.2 of this Placement Memorandum. **Reporting Covenants** Please refer Section 7.3.4 of this Placement Memorandum. **Financial Covenants** Please refer Section 7.3.5 of this Placement Memorandum.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	**SECURITY** (a) The Debentures shall be secured by way of (i) a first ranking *pari passu* and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over all the receivables of the Issuer as described therein (the "**Hypothecated Assets**"), and (ii) such other security interest as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**"). (b) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (c) The Issuer shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof, each within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation. (d) the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured by a first ranking *pari passu* and continuing security by way of a first ranking *pari passu* charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders; (ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall be held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee; (iii) the Debenture Trustee shall be at liberty to incur all costs and

	expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof; (iv) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto, as soon as practicable and in any case no later than 30 (thirty) calendar days after the date of execution of the Deed of Hypothecation; (v) until the Final Settlement Date, the Issuer shall, on a monthly basis, at the time periods set out in the Deed of Hypothecation, provide the Monthly Book Debt/Asset Cover Report; (vi) to keep the Application Money in a separate bank account in the event the DTD and the other Transaction Documents are not executed on or before the Deemed Date of Allotment; (vii) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time; and (viii) the security interest created on the Hypothecated Assets shall be a continuing security. **Specific Disclosures** (a) **Type of security**: Book debts (i.e., movable assets). (b) **Type of charge**: Hypothecation. (c) **Date of creation of security/ likely date of creation of security**: On or prior to the Deemed Date of Allotment. (d) **Minimum security cover**: N.A.. (e) **Revaluation**: N. A. (f) **Replacement of security**: N.A. (g) **Interest over and above the coupon rate**: in the event of any delay in the execution of any Transaction Documents (including the DTD or the Deed of Hypothecation), the Issuer will, at the option of the Debenture Holders, either: (i) refund the Application Money together with interest at the Interest Rate/discharge the Secured Obligations to the Debenture Holders; or (ii) pay to the Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the applicable Annualised Interest Rate

	till the relevant Transaction Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders;
Transaction Documents	Shall be as set out in Section 7.1 below
Conditions Precedent to Disbursement	The Issuer shall fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee/the Applicants, prior to the Deemed Date of Allotment, and shall submit and provide to the Debenture Trustee/the Applicants: (a) a copy of resolution of the Issuer's board of directors/committee of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (b) a copy of the resolution of the shareholders of the Issuer under Section 42 of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (c) a copy of a special resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the Act; (d) a copy of a special resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the Act approving the creation of security over the Hypothecated Assets OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the Act; (e) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer; (f) execution, delivery and stamping of the Transaction Documents (including the Debt Disclosure Document) in a form and manner satisfactory to the Debenture Trustee; (g) a copy of the rating letter and/or the rating rationale issued by the Rating Agency in relation to the Rating; (h) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue; (i) a copy of the consent from the Registrar to act as the registrar and transfer agent for the Issue; (j) copies of the tripartite agreement(s) executed between the Issuer, the Registrar and each Depository; (k) evidence that all 'know your customer' requirements to the satisfaction of the Debenture Trustee/the Applicants has been provided; (l) the audited financial statements of the Issuer for the Financial Year

	ended March 31, 2021; (m) a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate: (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles and specimen signatures of such authorised signatories; (ii) the Issuer has the necessary power under the Constitutional Documents to borrow monies by way of the issuance of the Debentures and create the Transaction Security to secure such Debentures; (iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded; (iv) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation; (v) the representations and warranties contained in the DTD are true and correct in all respects; (vi) no Event of Default has occurred or is subsisting; (vii) no Material Adverse Effect has occurred; and (viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents; (n) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures; (o) the due diligence certificates from the Debenture Trustee in accordance with the SEBI Due Diligence Circular and the SEBI ILNCS Regulations; and (p) such other information, documents, certificates, opinions and instruments as the Debenture Holders may reasonably request.
Conditions Subsequent to Disbursement	The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee: (a) the Issuer shall ensure that the Debentures are allotted within the SEBI Listing Timelines, and ensure and procure that the Debentures are

	credited into the demat accounts of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment; (b) the Issuer shall, on or prior to the utilisation of the Application Money received by the Issuer, or within 15 (fifteen) days of the allotment of Debentures, whichever is earlier, file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the Debenture Holders and with the prescribed fee; (c) the Issuer shall, in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of execution of the Deed of Hypothecation; (d) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines; and (e) comply with such other condition and provide such other information and documents as the Debenture Holders may reasonably request or as may be required under Applicable Law.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	**Events of Default** (a) ***Payment Defaults*** The Issuer does not pay on the Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless the failure to pay is caused by a technical error and the payment is made within 3 (three) calendar day of the Due Date. (b) ***Insolvency / Inability to Pay Debts*** (i) The Issuer is unable or admits in writing its inability to pay its debts as they mature and/or fall due, or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness. (ii) Any resolution is passed resolving or to consider resolving that the Issuer be wound up voluntarily, or any order for winding up of the Issuer is made by any competent court or tribunal, other than for the purposes of any amalgamation or reconstruction of the Issuer entered into with the prior approval of the Debenture Trustee in accordance with the provisions of the DTD. (iii) The Issuer commits any act or undertakes any action which may result in the insolvency/liquidation of the Issuer.

	(iv) The Issuer being determined as insolvent under the Insolvency and Bankruptcy Code, 2016 (read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder from time to time). (c) ***Business*** (i) The Issuer without obtaining the prior consent of the Majority Debenture Holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so. (ii) The passing of any order of a competent court or tribunal ordering, restraining or otherwise preventing the Issuer from conducting all or any material part of its business. (iii) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any Governmental Authority, and the Issuer has exhausted all remedies and appeals relating thereof. (d) ***Misrepresentation*** Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. (e) ***Material Adverse Effect*** The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions on the Debenture Holders). (f) ***Cross Default*** The Issuer: (i) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or

	(iii) any Financial Indebtedness of the Issuer is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof. (g) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator*** Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer, or other protection from the Company's creditors is declared or imposed in respect of any Financial Indebtedness of the Company; (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer or its creditors generally; (iii) the appointment, or the permission/allowance of the appointment, of a liquidator, receiver, provisional liquidator, administrative receiver, administrator, compulsory manager, resolution professional, trustee, supervisor or other similar officer in respect of the Issuer or any of its assets or any part of the undertaking of the Issuer; (iv) a petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer is filed by the Issuer (voluntary or otherwise) or any other person, or such a petition has been admitted, and such proceedings dismissed within 15 (fifteen) days of filing; (v) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework); (vi) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Issuer; (vii) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or (viii) any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-paragraphs (i) to (vii) above.

	(h) ***Creditors' Process and Expropriation*** (i) Any expropriation, attachment, garnishee, sequestration, distress or execution affects the Hypothecated Assets, or any part of the Assets of the Issuer. (ii) All or a material part of the undertaking, assets, rights or revenues of the Issuer are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of all or substantial part of the business or operations of the Issuer (including operations, properties and other assets), or shall have taken any action for the dissolution of the Issuer, or any action that would prevent the Issuer, their members, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority. (i) ***Judgment Defaults*** One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer, provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days. (j) ***Transaction Documents; Authorisations*** (i) the DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer. (ii) The withdrawal, failure of renewal, or failure by the Issuer to obtain any Authorisation or any other statutory or regulatory approval in any relevant jurisdiction for the issuance of the Debentures or the providing of the Transaction Security. (k) ***Unlawfulness*** It is or becomes unlawful or illegal for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable. (l) ***Repudiation*** The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents. (m) ***Security in Jeopardy*** In the opinion of the Debenture Trustee any Hypothecated Asset(s) are

	in jeopardy. (n) ***Security*** (i) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable. (ii) The Issuer creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee. PROVIDED THAT this provision shall not be applicable if the Asset Cover is maintained. (iii) The Issuer fails to create and perfect the security over the Hypothecated Assets within the timelines prescribed by under the Transaction Documents (including in respect of the filing of Form-CHG 9 with the ROC). (o) ***Change of Control*** Any Change of Control or a Change of Control Event occurs, other than in accordance with the terms of the DTD. (p) ***Breach of Other Covenants*** Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than (a) to (o) above) which is not remedied (if capable of being remedied) within such time period as may be prescribed by the Debenture Holders in their sole discretion (if any). (q) ***Wilful Default*** Any Promoter or any director of the Issuer is/are: (i) declared as wilful defaulter(s) by any Governmental Authority; or (ii) accused of, charged with, arrested or convicted of a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of such Promoter(s) and/or director(s), including any accusations, charges and/or convictions of any offence relating to bribery, and such Promoter(s) and/or director(s) are not discharged within 7 (seven) Business Days from such declaration/accusation. (r) ***Delisting*** If the Debentures are listed and any Debenture is subsequently delisted

	from any exchange on which it is listed without the prior written consent of the Debenture Trustee. (s) ***Cessation*** The Issuer ceases or threatens to cease to carry on the main business it is currently engaged in. (t) ***Alteration in Constitutional Documents*** The Issuer, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change may, in the opinion of the Debenture Trustee, detrimentally affect the interests of the Debenture Holder(s), and (ii) the Issuer refuses or neglects to or is unable to rescind such alteration. (u) ***Non-compliance with Judicial Order*** The Issuer fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending. (v) ***Sale, disposal*** Sale, transfer, or other disposition of all or substantially all of the Issuer's Assets other than in the normal course of business of the Issuer. (w) ***Third party*** A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Issuer may be obligated as a borrower or guarantor and pursuant to which the Issuer is called upon to and makes a prepayment to a third party without the prior written consent of the Debenture Holders. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders. **Consequences and Remedies/Manner of voting** If one or more Events of Default occur(s), the Debenture Trustee may, in its discretion, and, upon request, in writing, of the Special Majority Debenture Holders or by a Special Resolution, by a notice in writing to the Issuer initiate the following course of action: (a) require the Issuer to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with the DTD and the other Transaction Documents; (b) accelerate the redemption of the Debentures and declare all or any of the Debentures to be immediately due and payable, whereupon it shall

	become immediately due and payable; (c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents; (d) appoint any independent agency to inspect and examine the working of the Issuer and give a report to the Debenture Holders/the Debenture Trustee. The Issuer shall provide its full co-operation and necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses; (e) take any actions in respect of the SEBI Defaults (Procedure) Circular in accordance with the provisions of the DTD; (f) take all such other action as is expressly permitted under the DTD or in the other Transaction Documents or permitted under Applicable Law; and/or (g) exercise any other right that the Debenture Trustee and/or the Debenture Holders may have under the Transaction Documents or under Applicable Law. The manner of voting shall be more particularly set out in the Debenture Trust Deed. In addition to the foregoing, in accordance with the SEBI Defaults (Procedure) Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with the SEBI Defaults (Procedure) Circular.
Creation of recovery expense fund	**Details and purpose of the recovery expense fund** (a) The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular. (b) The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. (c) The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents. (d) On the occurrence of an Event of Default, if the Security is proposed to

	be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Please refer sections named "Default Interest Rate" and "Events of Default".
Provisions related to Cross Default Clause	The Issuer: (i) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Issuer is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof.
Role and Responsibilities of Debenture Trustee	The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including: (a) the Debenture Trustee may, in relation to the DTD and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (b) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has

	been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (c) with a view to facilitating any dealing under any provisions of the DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD; (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures; (e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders; (f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; (g) subject to the approval of the Debenture Holder(s) by way of a Special Resolution passed at a meeting of Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents; (h) subject to the approval of the Debenture Holder(s) by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or

	provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (i) notwithstanding anything contained to the contrary in the DTD, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; (j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; and (k) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular, the SEBI Centralized Database Circular and the SEBI Recovery Expense Fund Circular.
Risk factors pertaining to the issue	Please refer to Section 3 (*Risk Factors*) of this Placement Memorandum
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai, India and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India.
Additional Disclosures (Security Creation)	In the event of any delay in the execution of any Transaction Documents (including the DTD or the Deed of Hypothecation), the Issuer will, at the option of the Debenture Holders, either: (i) refund the Application Money together with interest at the Interest Rate/discharge the Secured Obligations to the Debenture Holders; or (ii) pay to the Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Interest Rate till the relevant Transaction Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders.
Additional Disclosures (Default in Payment)	The Issuer agrees to pay an additional interest rate of 2% (two percent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured, on each Interest Payment Date occurring during the aforementioned period.

Additional Disclosures (Delay in Listing)	In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will: (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the applicable Annualised Interest Rate, from the closure of the issue of the Debentures until the listing of the Debentures is completed; and (ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

Notes:

a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

b. 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.

c. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

d. The issuer shall provide granular disclosures in their placement 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".

5.33 Disclosures pursuant to Chapter X (*Structured or market linked debt securities*) of the Listed NCDs Operational Circular with respect to issue and listing of structured debt securities/ market linked debt securities

(a) *Credit rating by any registered CRAs shall bear a prefix 'PP-MLD' denoting Principal Protected Market Linked Debt securities followed by the standardized rating symbols for long/ short term debt securities on the lines specified in SEBI Circular No. CIR/MIRSD/4/2011 dated June 15, 2011, SEBI/HO/MIRSD/DOS3/CIR/P/2019/70 dated June 13, 2019 or as may be specified by the Board.*

The Rating Agency has assigned a rating of "CRISIL PP-MLD A r" (pronounced as "Principal Protected Market Linked Debenture Single A") with 'Watch Positive' 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. The rating letter from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

(b) *A detailed scenario analysis/ valuation matrix showing value of the security under different market conditions such as rising, stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation.*

Please refer Annexure VI (Illustration of Bond Cash Flows) of this Placement Memorandum.

(c) *A risk factor shall be prominently displayed that such securities are subject to model risk,*

i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

Please refer Section 3.24 (*Model Risk*) of this Placement Memorandum.

(d) *A risk factor shall be prominently displayed stating that in case of principal/ Capital Protected Market Linked Debt securities, the principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the issuer.*

Please refer Section 3.5(C) (*Credit Risk*) of this Placement Memorandum.

(e) *Where indicative returns/ interest rates are mentioned in the offer document in percentage terms, such figures shall be shown only on annualized basis.*

Please refer Annexure VI (*Illustration of Bond Cash Flows*) of this Placement Memorandum.

(f) *It shall be disclosed therein that the latest and historical valuation for such securities shall be made available on the websites of the issuer and of the valuer appointed for the purpose.*

The latest and historical valuation for such securities shall be made available on the website of the Issuer: Available at www.incred.com.

The latest and historical valuation for such securities shall be made available on the website of the Valuation Agent appointed for the purpose: Available at www.crisil.com.

(g) *All commissions by whatever name called, if any, paid by issuer to distributor for selling/ distribution of such securities to end investors shall be disclosed in the offer document.*

N.A.

(h) *Conditions for premature redemption of such securities, if any, shall be clearly disclosed in the offer document.*

Premature redemption is not contemplated for the issue of the Debentures.

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

(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**: N.A

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter**: N.A

(D) **Name of the entity declared as a Wilful Defaulter**: N.A

(E) **Steps taken, if any, for the removal from the list of wilful defaulters**: N.A

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

(G) **Any other disclosure as specified by SEBI:** N.A

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 exclusive first charge by way of hypothecation over the Hypothecated 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.

7.2 Representations and Warranties of the Issuer

(a) ***Status***

(i) It is a company, duly incorporated, registered and validly existing under Applicable Law.

(ii) It is a non-banking financial company registered with the RBI.

(iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) ***Binding obligations***

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) ***Non-conflict with other obligations***

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with, or constitute a default under:

(i) any Applicable Law;

(ii) its Constitutional Documents;

(iii) any judgement, decree, order or award; or

(iv) any agreement or instrument binding upon it or any of its Assets.

(d) ***Power and authority; Illegality***

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents. It is not unlawful or illegal for the Issuer to perform any of its obligations under the Transaction Documents.

(e) ***Validity and admissibility in evidence***

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) for it to carry on its business, and which are material,

have been obtained or effected and are in full force and effect.

(f) ***No default***

(i) No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

(g) ***Pari passu ranking***

The payment obligations of the Issuer under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) ***No proceedings pending***

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been threatened or commenced against the Issuer, which if determined adversely, may have or which purport to have a Material Adverse Effect.

(i) ***No misleading information***

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(j) ***Compliance***

(i) The Issuer has complied with Applicable Law.

(ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.

(iii) No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.

(iv) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.

(v) Neither the Issuer nor any Group Entity has violated, or breached any Applicable Law (including, but not limited to, any Environmental and Social Requirements or Client Protection Laws) which has resulted in or could reasonably be expected to have a Material Adverse Effect.

(vi) The Issuer and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws.

(vii) With respect to all such Environmental and Social Requirements, the Issuer and each Group Entity (A) have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (B) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (C) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.

(k) ***Assets***

(i) Except for the security interests and encumbrances created and recorded with the ROC, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(ii) Without prejudice to (i) above, the Issuer is the sole owner of all Assets shown on its financial statements provided to the Debenture Holders, other than specifically set out in the aforementioned financial statements.

(l) ***Financial statements***

(i) Its audited financial statements most recently supplied to the Debenture Trustee as of March 31, 2021 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its audited financial statements as of March 31, 2021 provided to the Debenture Trustee, give an accurate, true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) ***Solvency***

(i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.

(ii) The Issuer is solvent and is capable of paying/meeting its obligations as and when they become due.

(iii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.

(iv) The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(v) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(vi) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).

(vii) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) ***Hypothecated Assets***

(i) The Hypothecated Assets are the sole and absolute property of the Issuer and, except for the security interests and encumbrances created and recorded with the ROC, are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

(ii) Except for the security interests and encumbrances created and recorded with the ROC, none of the Client Loans comprising the Hypothecated Assets have been previously hypothecated, sold, transferred or assigned to any other bank or financial institution.

(iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(o) ***Material Adverse Effect***

(i) No fact or circumstance, condition, proceeding or occurrence exists that has a Material Adverse Effect.

(ii) No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(p) ***Confirmations***

No investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents.

(q) ***Market Linked Debentures***

(i) The Debentures issued are principal protected and promise the return of the principal amount of the Debentures in full on the Final Redemption Date.

(ii) The Company has a Net Worth of more than INR 100,00,00,000 (Indian Rupees One Hundred Crore).

7.3 COVENANTS OF THE ISSUER

7.3.1. AFFIRMATIVE COVENANTS

The Issuer shall:

(a) ***Use of Proceeds***

use the proceeds of the Issue only for the Purpose;

(b) ***Loss or damage by uncovered risks***

promptly inform the Debenture Trustee of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties;

(c) ***Costs and expenses***

pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;

(d) ***Payment of Rents, etc.***

pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable;

(e) ***Preserve corporate status***

(i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;

(ii) comply with all acts, authorisations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority;

(iii) promptly obtain, comply with all necessary authorisations, licenses, consents and approvals required under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents; and

(iv) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;

(f) ***Pay stamp duty***

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand;

(g) ***Furnish information to trustee***

(i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;

(ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(iii) furnish quarterly report to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:

(A) updated list of the names and addresses of the Debenture Holders;

(B) details of the interest due, but unpaid and reasons thereof;

(C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same; and

(D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due;

(iv) provide a periodical status/performance report within 7 (seven) days of the relevant board meeting of the Issuer, or within 45 (forty five) days of a Quarterly Date, whichever is earlier; and

(v) inform and provide the Debenture Trustee with applicable documents in respect of the following:

(A) notice of any Event of Default or potential Event of Default;

(B) any and all information required to be provided to the Debenture Holders under Applicable Law and the listing agreement to be entered into between the Issuer and the BSE; and

(C) any and all orders, directions, notices, of any court or tribunal affecting or likely to affect the Hypothecated Assets;

(vi) ***Redressal of Grievances***

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer 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 Trustee and shall advise the Debenture Trustee periodically of the compliance;

(vii) ***Comply with Investor Education and Protection Fund requirements***

comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("**IEPF**"), if applicable to it. The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority;

(viii) ***Corporate Governance; Fair Practices Code***

comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, SEBI, any stock exchange, or any Governmental Authority) and the fair practices code prescribed by the RBI;

(ix) ***Further assurances***

(A) provide details of any litigation, arbitration, legal action or administrative proceedings that if determined adversely could have

a Material Adverse Effect on the Issuer (including any proceedings which are required to be disclosed by the Issuer to the relevant stock exchanges under Applicable Law), other than those proceedings which are initiated by the Issuer in its capacity as a lender in respect of the Client Loans in its ordinary course of business;

(B) comply with any monitoring and/or servicing requests from Debenture Holders;

(C) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(D) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the DTD or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD;

(E) comply with:

(1) all Applicable Law (including but not limited the MLD Issuance Requirements to all environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;

(2) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(3) the provisions of the Act in relation to the Issue;

(4) procure that the Debentures are rated and continue to be rated until the Final Settlement Date;

(5) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Issuer shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holders; and

(6) if so required, the terms of Chapter XI (*Operational framework for transactions in defaulted debt securities post*

maturity date/ redemption date) of the Listed NCDs Operational Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with therein;

(x) conduct (and ensure that all of the Group Entities will conduct) their respective businesses in all material respects in compliance with all Applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the above;

(xi) promptly inform the Debenture Trustee of any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Issuer shall promptly inform the Debenture Trustee, on (A) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (B) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion; and

(xii) abide by (and ensure that the Group Entities will abide by) the Workers' Rights Requirements;

(h) ***Security***

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

(i) the Debentures shall be secured by a first ranking *pari passu* and continuing security by way of a first ranking *pari passu* charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;

(ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer;

(iii) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;

(iv) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents by executing the duly stamped Deed of Hypothecation;

(v) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the

charge created to the CERSAI in relation thereto, as soon as practicable and in any case no later than 30 (thirty) calendar days after the date of execution of the Deed of Hypothecation;

(vi) until the Final Settlement Date, the Issuer shall, on a monthly basis, at the time periods set out in the Deed of Hypothecation, provide the Monthly Book Debt/Asset Cover Report;

(vii) to keep the Application Money in a separate bank account in the event the DTD and the other Transaction Documents are not executed on or before the Deemed Date of Allotment;

(viii) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;

(ix) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;

(x) furnish and execute all necessary documents to give effect to the Hypothecated Assets;

(xi) the security interest created on the Hypothecated Assets shall be a continuing security;

(xii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders;

(xiii) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and

(xiv) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(i) ***Filings; Compliance with BSE requirements***

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

(A) the Issuer shall comply with the relevant provisions of the LODR Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021) applicable to listed entities which have listed their non-convertible securities, including (to the extent applicable), the provisions of Chapter II (Principles governing disclosures and obligations of listed entity), Chapter III (Common obligations of listed entities), Chapter IV (Obligations of a listed entity which has listed its specified securities and non-convertible

debt securities), and Chapter V (Obligations of listed entity which has listed its non-convertible securities) of the LODR Regulations.

(B) it will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the asset cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with the SEBI's circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23 dated November 12, 2020 on "*Monitoring and Disclosures by Debenture Trustee(s)*" ("**SEBI Monitoring Circular**"), the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with the SEBI Monitoring Circular:

(1) an asset cover certificate on a quarterly basis, within 60 (sixty) days from each Quarterly Date in the format prescribed in the SEBI Monitoring Circular;

(2) (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within 60 (sixty) days from each Quarterly Date;

(3) (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 60 (sixty) days from each Quarterly date;

(4) (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a half yearly basis, within 60 (sixty) days from the end of each financial half-year;

(5) (to the extent applicable) the financials/value of guarantor prepared on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each Financial Year; and

(6) (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, on an annual basis, within 75 (seventy five) days from the end of each Financial Year;

(C) it will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as prescribed under Annex-II of the SEBI Centralized Database Circular, in such format as may be prescribed by the BSE;

(D) it will provide/fill all such information as prescribed in Annex-I of the SEBI Centralized Database Circular at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures;

(E) it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Placement Memorandum in such manner as may be specified by SEBI from time to time;

(F) (if so required) it will submit to the Debenture Trustee, on an annual basis, a certificate from the statutory auditor of the Issuer in relation to the value of the book debts/receivables comprising the Hypothecated Assets; and

(G) it will provide such assistance as may be required by the Debenture Trustee to, prior to the creation of charge to secure the Debentures, exercise independent due diligence to ensure that such security is free from any encumbrance or that the necessary consent(s) from other charge-holders (if applicable) have been obtained in the manner as may be specified by the SEBI from time to time;

(j) ***Execution of Transaction Documents***

in the event of any delay in the execution of any Transaction Documents (including the DTD or the Deed of Hypothecation), the Issuer will, at the option of the Debenture Holders, either:

(iii) refund the Application Money together with interest at the applicable Annualised Interest Rate/discharge the Secured Obligations to the Debenture Holders; or

(iv) pay to the Debenture Holders penal interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the applicable Annualised Interest Rate till the relevant Transaction Documents (as the case may be) are duly executed to the satisfaction of the Debenture Holders;

(k) ***Internal Control***

the Issuer shall maintain internal control for the purpose of:

(i) preventing fraud on amounts lent by the Issuer; and

(ii) preventing money being used for money laundering or illegal purposes;

(l) ***Audit and Inspection***

the Issuer shall permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them; and

(m) ***Books and Records***

the Issuer shall maintain its accounts and records in accordance with Applicable Law;

(n) ***Access; Periodic Portfolio Monitoring***

the Issuer shall provide the Debenture Trustee and the Debenture Holders and any of their representatives, professional advisers and contractors with relevant data/information and access to and/or permit them to, at the cost of the Issuer:

(i) examine and inspect the books and records, office premises, and the premises of the Issuer;

(ii) portfolio data in the format prescribed by the Debenture Holders from time to time; and

(iii) discuss the affairs, finances and accounts of the Issuer with, and be advised as to the same, by the relevant officers; and

(o) ***Valuation***

(i) the Company has appointed CRISIL Limited, a third party valuation agency (being a valuation agency appointed by Association of Mutual Funds in India) ("**Valuation Agent**") as the third party valuation agency in accordance with the MLD Issuance Requirements;

(ii) the Company shall provide to the Debenture Holders, as and when requested by them, the valuation report of the Valuation Agent prepared in accordance with the MLD Issuance Requirements;

(iii) the Company shall solely bear all costs incurred for valuation; and

(iv) the Company shall make available the valuation reports of the Valuation Agent on its website. Without prejudice to the above:

(A) the valuation reports will also be available on the website of the Valuation Agent in accordance with the timelines prescribed in the MLD Issuance Requirements; and

(B) the Company shall procure that the valuation reports are provided at at least a weekly frequency to the Debenture Holders or such other timelines in accordance with MLD Issuance Requirements.

7.3.2. NEGATIVE COVENANTS

The Issuer shall not take any action in relation to the items set out below without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

(a) ***Change of business***

(i) change the general nature of its business from that which is permitted as a non-banking financial company registered with the RBI; and/or

(ii) any changes/amendments/modifications to its Constitutional Documents where such change/amendment/modification has a Material Adverse Effect;

(b) ***Dividend***

declare or pay any dividend or make any distributions on its equity or preference shares. PROVIDED THAT no dividend or any distributions can be made by the Issuer if an Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;

(c) ***Promoter Shareholding***

issue any additional shares or equity interests or permit any of its existing shares or equity interests to be transferred, sold, pledged or otherwise encumbered which would lead to the effective shareholding of the Promoters to reduce below 18% (eighteen percent) of the shareholding of the Issuer.

(d) ***Merger, consolidation, etc.***

other than in respect of the Permitted Merger, in any Financial Year undertake or permit any scheme of expansion, enter into any merger, demerger, acquisition, de-merger, re-structuring, consolidation, re-organisation, scheme of arrangement, amalgamation, reconstitution or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, in excess of 10% (ten percent) of the Issuer's Net Worth. It is clarified that the prior written consent of the Debenture Trustee would not be required for the Permitted Merger.

(e) ***Change of Control***

permit the occurrence of any Change of Control, or any Change of Control Event;

(f) ***Loans and Guarantees***

the Issuer shall not:

(i) commencing from the Effective Date, provide any advances or loans, or place any deposits with, or provide any other form of Financial Indebtedness to, any single person, where such advances, loans, deposits or Financial Indebtedness (as the case maybe) is in excess of 10% (ten percent) of the Issuer's Net Worth;

(ii) give or issue any guarantee, indemnity, bond or letter of credit to or for the benefit of any person;

(iii) permit to subsist any guarantee in respect of any Financial Indebtedness of any other person; or

(iv) invest in the share capital of any other person;

(g) ***Related Party Transactions***

enter into any transactions with any Related Party or any transactions that are classified as "related party transactions" for the purposes of the Applicable Accounting Standards except in accordance with Applicable Law, other than in the normal course of business with any of its holding or subsidiary company, if such transactions exceeds 20% (twenty percent) of the Net Worth of the Issuer (determined in accordance with its latest quarterly financial statements);

(h) ***Change in Capital Structure***

(i) permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorised capital of the Issuer; and

(ii) purchase, redeem, buyback, defease, retire, return or pay any of its issued shares or reduce its share capital or resolve to do any of the foregoing;

(i) ***Change in Financial Year***

change its Financial Year end from March 31 of each year to any other date, unless such change is required pursuant to Applicable Law; and

(j) ***Business***

undertake any new major new businesses except in relation to financial services or or diversify its business outside the financial services sector.

(k) ***Restructuring of Financial Indebtedness***

undertake or permit any restructuring or re-schedulement of any of its Financial Indebtedness;

(l) ***Exclusion List and Objectionable Practices***

the Issuer shall not perform or involve in any of the excluded activities as listed in the Exclusion List or finance any person or obligor performing any of the excluded activities as listed in the Exclusion List. Further, the Issuer shall not engage in any Objectionable Practice, nor authorize or permit any other person acting on its behalf or on behalf of such person to do so; and

(m) ***OFAC List and Sanctions***

neither the Issuer nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from the DTD and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions, to the extent possible. The Issuer shall not, and shall require that none of its borrowers engage in any transaction, activity or conduct that would violate any Sanctions. The Issuer shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Issuer shall require that none of its borrowers to whom any debt was made available by the Borrower utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions.

7.3.3. REPORTING COVENANTS

The Issuer shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) at least 2 (two) Business Days prior to the Deemed Date of Allotment, all documents and information and confirmations comprising the Conditions Precedent;

(b) as soon as available, and in any event within 120 (one hundred and twenty) calendar days after the end of each Financial Year of the Issuer:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with the Applicable Accounting Standards including its balance sheet and income statement.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and

changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof;

(ii) a certificate from a Director or a Chief Financial Officer of the Issuer confirming that there is no existing potential Event of Default or Event of Default;

(iii) a copy of all annual information/reports submitted to the RBI; and

(iv) a copy of the corporate social responsibility report of the Issuer.

(c) within 45 (forty five) calendar days after each Quarterly Date:

(i) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with the Applicable Accounting Standards including its balance sheet and income statement;

(ii) details of financials, operations, portfolio growth and asset quality, repossessed assets, funding/borrowing data, in such form and manner as may be acceptable to the Debenture Holders;

(iii) list of the board of directors, together with the details of changes in the board of directors of the Issuer (if any) from that subsisting as of the Effective Date and the date the last report was made pursuant to this sub-Paragraph;

(iv) details of the shareholding pattern, together with the details of the changes in shareholding in the Issuer (if any) from that subsisting as of the Effective Date and the date the last report was made pursuant to this sub- Paragraph;

(v) a certificate signed by an authorised signatory of the Issuer stating that the Issuer is in compliance with all the financial covenants prescribed in Section 7.3.4 (*Financial Covenants*);

(vi) copies of returns filed with the RBI;

(vii) details of changes (if any) in senior management officials of the Issuer, being the chief executive officer or any other official discharging similar functions and responsibilities from that subsisting as of the Effective Date and the date the last report was made pursuant to this sub- Paragraph; and

(viii) details/information in respect of (A) new products introduced or change in existing product features, (B) geographical expansion to any new state (C) material changes to the information technology/MIS systems of the Issuer and (D) any changes in the accounting policy of the Issuer;

(d) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(e) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, arbitration, investigation or other proceeding affecting the Issuer or its property or operations, which if adversely determined, could result in a Material

Adverse Effect;

(f) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default or potential event of default including any steps taken to cure such event;

(g) as soon as practicable, and in any event within 10 (ten) Business Days, any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;

(h) as soon as practicable, and in any event within 10 (ten) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Issuer or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Issuer;

(i) as soon as practicable, and in any event within 10 (ten) Business Days, inform the Debenture Trustee if it has received (A) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time), or (B) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process or otherwise of any suit or other legal process against the Issuer;

(j) as soon as practicable and in any event within 10 (ten) Business Days of:

(i) any change in the statutory auditors of the Issuer;

(ii) any change in the accounting policy of the Issuer; and

(iii) any change in the Constitutional Documents of the Issuer.

(k) without prejudice to paragraph (c), within 60 (sixty) calendar days after each Quarterly Date, a certification from an authorised signatory of the Issuer confirming compliance with the financial covenants set out in Section 7.3.4 (*Financial Covenants*);

(l) within such timelines as may be prescribed by the Debenture Trustee, provide all relevant information required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document, including but not limited to the copies of all reports, balance sheets and the profit and loss account of the Issuer;

(m) if so required under Applicable Law, on an annual basis, provide to the Debenture Trustee a certificate from the statutory auditor of the Issuer providing/confirming the value of the book debts/receivables;

(n) if so required under Applicable Law, within such timelines as may be prescribed by the Debenture Trustee, provide a certificate from the Issuer's statutory auditor in respect of the utilisation of funds, containing such details and information as may be required by the Debenture Trustee;

(o) without prejudice to sub-Paragraph (p) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time; and

(p) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Issuer) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.

7.3.4. FINANCIAL COVENANTS

Until the Final Settlement Date, the Issuer shall:

(i) maintain a Capital Adequacy Ratio of 20% (twenty percent) or such other higher threshold as may be prescribed by the RBI from time to time;

(ii) ensure that the Debt shall not exceed 4 (four) times the Equity of the Issuer; and

(iii) maintain a ratio of A:B of not more than 7% (seven percent), where A is the aggregate of the Net NPA and the write-offs (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis), and B is the Gross Loan Portfolio, multiplied by 100, and followed by the "%" symbol. For the purposes of this sub-Paragraph (c), the write-offs shall be calculated for a period the trailing twelve months.

The financial covenants set out in this Section 7.3.4 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis on each Quarterly Date commencing from December 31, 2021, on the basis of the standalone financial statements of the Issuer. The first date of testing in respect of the covenants set out herein shall be March 31, 2022.

The Issuer shall provide a certificate (in accordance with Section 7.3.3(k)) confirming compliance of the Issuer with the financial covenants set out in this Section 7.3.4 (*Financial Covenants*) within 60 (sixty) calendar days from each Quarterly Date.

For the purpose of this Section 7.3.4 (*Financial Covenants*), the following terms shall have the following meanings:

"**Debt**" shall mean aggregate of:

(a) all outstanding long-term borrowings (whether secured or unsecured);

(b) all contingent liabilities pertaining to corporate and financial guarantees given on behalf of any company, special purpose vehicle, any subsidiary or affiliate to the

extent of the amounts outstanding in respect of such guaranteed debt;

(c) all outstanding short-term debt borrowings (whether secured or unsecured), availed of in lieu of any long-term debt or by way of bridge financing for a long-term debt;

(d) all amounts raised by acceptance under any acceptance credit facility;

(e) all receivables sold or discounted (other than receivables that are sold on a non-recourse basis); and

(f) all amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing.

"**Equity**" means (a) the aggregate of (i) the issued and paid up equity shares of the Issuer, (ii) all compulsorily convertible instruments and preference share capital of the Issuer, (iii) all reserves of the Issuer (excluding revaluation reserves and pertaining to instruments which are not equity shares or compulsorily convertible instruments), and (iv) any deferred tax liability, less (b) the aggregate of any dividend declared, any deferred tax assets, intangibles (including but not restricted to brand valuation, goodwill etc.) as per the latest audited financials of the Issuer.

"**Gross NPA**" means in respect of the Issuer's entire assets under management at any point of time, the outstanding principal value of the Gross Loan Portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) days or more, including restructured loans (other than any loans granted by the Issuer that have been restructured/rescheduled pursuant to the Restructuring Directions (COVID-19) or the Moratorium Directions (COVID-19)) and loans that have been written off by the Issuer.

"**Net NPA**" means, in respect of the Issuer's entire assets under management, the Gross NPA less the provisioning made in respect of the Non-Performing Assets. For the purpose of this definition, "Non-Performing Assets" shall have the meaning prescribed by the RBI under the NBFC Directions.

7.4 EVENTS OF DEFAULT

Please refer Section 5.32 of this Placement Memorandum.

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

Please refer Section 5.32 of this Placement Memorandum.

7.6 DISCRETIONARY AUDIT

On the occurrence of an Event of Default, the Company agrees to the Debenture Trustee or any person authorised by it and/or any Debenture Holder or any person authorised by it conducting an audit on the review of collection standards, management, governance, internal systems and processes, and data integrity of the Company at any time on or prior to the Final Settlement Date. The scope of such audit shall *inter alia* cover visit to operational (field) areas of the Company as well as the head office and/or any regional or state level or other branch offices and discussions with employees of the Company as well as with Clients of the Company. However, such audits shall be carried out only during the business hours of the Company and after giving a 15 (fifteen) days' notice to 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 Placement 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/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/EFT/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 debit corporate action.

The list of beneficiaries as of the relevant 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 Debenture 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 have entered/intend 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 the Act. 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 Placement 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.

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 in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

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 as per the details mentioned in the Application Form.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing

Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. 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 Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the 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 the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

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

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

8.14 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) Alternative Investment Funds
(c) Non-banking financial companies
(d) Provident Funds and Pension Funds
(e) Corporates
(f) Banks
(g) Foreign Portfolio Investors (FPIs)
(h) Insurance Companies
(i) Investment holding companies of high net worth individuals
(j) Any other person 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.

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 DP's 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 CDSL and NSDL 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) Certified true copy of the 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 cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

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

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

(a) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.

(b) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.

(c) If the Final Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

8.25 Tax Deduction at Source

(ii) All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Company is required to make a Tax Deduction pursuant to Applicable Law.

(iii) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.

(iv) If the Company is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.

(v) Within the earlier of (A) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days of each Due Date, the Company shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

8.26 Letters of Allotment

N. A. In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August

10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper* ", the Issuer shall ensure that the Debentures are credited into the demat accounts of the Debenture Holders of the Debentures within 2 (two) Business Days from the Deemed Date of Allotment.

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 September 29, 2021 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

(i) Interest at 9.25% (nine decimal two five percent) XIRR, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Company on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 7 (seven) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.

(ii) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.

(iii) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.

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 Placement 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. Provisions in respect of 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.

SECTION 9: UNDERTAKING PURSUANT TO THE SEBI ILNCS REGULATIONS AND DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR

(1) UNDERTAKINGS IN RELATION TO THE ISSUER BEING ELIGIBLE UNDER THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes and confirms that the following (as set out in Regulation 5 of the SEBI ILNCS Regulations) are not applicable to the Issuer as on the date of this Placement Memorandum:

(a) the Issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board;

(b) any of the promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;

(c) the Issuer or any of its promoters or directors is a wilful defaulter;

(d) any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter;

(e) any of its promoters or directors is a fugitive economic offender; or

(f) any fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the Issuer at the time of filing this Offer Document.

(2) UNDERTAKING ON CREATION OF SECURITY PURSUANT TO REGAULTION 48(2) OF THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

(3) UNDERTAKING PURSUANT TO PARAGRAPH 2.3.24 of SCHEDULE I OF THE SEBI ILNCS REGULATIONS

The Issuer undertakes and states as follows:

(a) investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the 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' given on page number 22 under the section 'GENERAL RISKS AND RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES';

(b) the Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the

opinions and intentions expressed herein are honestly held 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; and

(c) the Issuer has no side letter with any debt securities holder except the one(s) disclosed in this Offer Document/Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

(4) **DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising receivables from loans provided by the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer. The details of the underlying loan agreements will be set out in the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not Applicable

(f) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: N. A.

(g) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not applicable.

(h) **Declaration**: The Issuer declares that debt securities shall be considered as secured

only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

(i) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(j) **Details of security to be created**: Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.32 (*Issue Details*).

(k) **Process of due diligence carried out by the debenture trustee**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*". The due diligence broadly includes the following:

(i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.

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

(iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Due Diligence Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Placement Memorandum, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

(l) **Due diligence certificate as per the format specified in Annexure A**: Enclosed as Annexure VII.

(m) **Due diligence certificate as per the format specified in Schedule IV of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**: Enclosed as Annexure VII.

(5) **OTHER UNDERTAKINGS**

The Issuer hereby confirms that:

(a) the Issuer is eligible and in compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, to make the Private Placement of Debt Instruments;

(b) (to the extent applicable) the Issuer or its promoters or whole-time directors are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009;

(c) neither the Issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (ss) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

(d) the Issuer, its promoters, its directors are not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

SECTION 10: DECLARATION AND ATTESTATION BY DIRECTORS

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, Companies Act, 2013 and the rules and regulations made thereunder;

B. The compliance with the Companies Act, 2013 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 Placement Memorandum;

D. Whatever is stated in this Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum 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.

E.

GENERAL RISK
Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. 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.

I am authorized by the Board of Directors of the Issuer *vide* resolution number 6 dated February 17, 2021 read with the resolutions passed by the Finance Committee of the Board of Directors dated May 24, 2021 and September 23, 2021 to sign this Placement Memorandum 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 Placement Memorandum 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**

BHUPINDER SINGH Digitally signed by BHUPINDER SINGH Date: 2021.09.29 12:14:34 +05'30'

Gajendra Thakur
Company Secretary
September 28, 2021

Attested By
Bhupinder Singh
(Director)

ANNEXURE I: TERM SHEET

As provided in Section 5.32 above.

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/VLEAFP/278595/LTPPMLD/0921/17999/98455733
September 22, 2021

Mr. Vivek Bansal
Chief Financial Officer
Incred Financial Services Limited
The Capital, Unit No. 1502A
15th Floor - B Wing,
Bandra Kurla Complex
Mumbai City - 400051
8826272192

Dear Mr. Vivek Bansal,

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

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL PPMLD A r (pronounced as CRISIL PPMLD A r rating) rating on the captioned debt instrument and decided to place the rating under "Rating Watch with Positive Implications". 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 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.*

Details of the Rs. 200Crore Long Term Principal Protected Market Linked Debentures of Incred Financial Services Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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.*

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

September 22, 2021 | Mumbai

Incred Financial Services Limited

Ratings continues on 'Watch Positive'; 'CRISIL PPMLD A r' assigned to Long Term Principal Protected Market Linked Debentures; Placed on 'Watch Positive' rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.2250 Crore (Enhanced from Rs.1750 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 (Assigned; Placed 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.825 Crore Non Convertible Debentures	**CRISIL A/Watch Positive (Continues on 'Rating Watch with Positive Implications')**
Rs.100 Crore Commercial Paper	**CRISIL A1/Watch Positive (Continues on 'Rating Watch with Positive Implications')**

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

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL PPMLD A r'** rating to Rs 200 crore long term principal protected market linked debentures and placed on **'Rating Watch with Positive Implications'** of Incred Financial Services Limited (Incred). Outstanding ratings of 'CRISIL A/CRISIL PPMLD A r/CRISIL A1' on existing long term bank loan facilities, non-convertible debenture, long term principal protected market linked debentures and commercial paper programme continue to be on **'Rating Watch with Positive Implications'**.

CRISIL Ratings had placed the ratings on debt instruments of Incred 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, other relevant governmental/regulatory authorities and third parties.

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.

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 August 31, 2021, the AUM stood at Rs 2,773 crore, which marks a marginal increase of 5% from the AUM as on March 31, 2021 driven by the slowdown after the pandemic's second wave.

With gradual pick-up in business activity, monthly collection efficiency 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 August 2021, the collection efficiency was 100%. Monthly disbursements also exhibited a similar trend over the period. After dropping to Rs 29 crore in April 2020, a gradual ramp up in business alongside 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 19.5 crore (including Rs 8.6 crore of write offs) in Q1 2022. Asset quality has remained volatile amidst the on-going pandemic and lockdown, the 90+ days past due (dpd) stood at 3.95% as on June 30, 2021, compared with 3.43% 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 has a restructured portfolio of Rs 117 crore as on August 31, 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 1,053 crore with low gearing of 1.5 times as on June 30, 2021. This marks a significant improvement from Rs 595 crore of networth as on March 31, 2019 and a peak gearing of 2.1 times. 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, 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 2,773 crore as of August 31, 2021. The AUM mix consists of personal loans (32%), secured school financing (20%), student loans (15%), lending to NBFCs and escrow backed lending (20%) and anchor-backed business lines (11%). The company's portfolio also comprises non anchor backed business loans (2%) and two-wheeler Loans (1%) which are now 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.

Weaknesses:

- **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 optimising 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 Q1 2022, the company reported an annualized RoMA of 0.1% corresponding to a net profit of Rs 1 crore. After adjusting for non-cash ESOP expenses, the annualized RoMA for the quarter was 0.4%.

  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% as of December 31, 2021 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, have again elevated marginally to 3.95% as on June 30, 2021. As on August 31, 2021, the company had a restructured portfolio of Rs 117 crore and 82% of it was current (0 dpd) and 10% was in the 90+ dpd bucket.

  In terms of collections, when calculated after giving benefit of overdues, 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 August 2021, it was 100%. 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 2,043 crore, a year ago - registering a growth of 29% 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 to Rs.2773 crore as on 31st August 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

CRISIL Ratings believes Incred has a comfortable liquidity position. As on August 31, 2021, the company had liquidity balance of Rs 228.2 crore (includes cash and equivalents, excludes cash credit lines and committed bank lines, excluding any upcoming collections). This balance covers the estimated outflow towards debt obligations and operating expenses scheduled for the succeeding 3 months, by over 1.6 times. Considering the undrawn CC/WCDL lines, the liquidity coverage increases to 2.3 times. Incrementally, the company has raised external funds of about Rs 1400 crore in fiscal 2021 and Rs 687 crore in the first 4 months 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 2,773 crore as on August 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^	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 Convertible Debenture	11-Sep-20	NA	14-Mar-22	50	Simple	CRISIL A/Watch 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	200	Highly Complex	CRISIL PPMLD A r/Watch Positive
NA	Long Term Principal Protected Market	NA	NA	NA	78.5	Highly Complex	CRISIL PPMLD A r/Watch Positive

	Linked Debentures^						
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
NA	Commercial Paper	NA	NA	7 to 365 Days	100	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	30-Mar-19	NA	05-Apr-22	15	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-	50	NA	CRISIL A/Watch

				26			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	Cash Credit and Working Capital Demand Loan	NA	NA	NA	105	NA	CRISIL A/Watch Positive
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	855.5	NA	CRISIL A/Watch Positive

^*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	20-08-21	CRISIL A/Watch Positive	02-07-20	CRISIL A1		--		--	--
			--	10-08-21	CRISIL A/Stable		--		--		--	--
			--	04-03-21	CRISIL A1 / CRISIL A/Stable		--		--		--	--
			--	25-02-21	CRISIL A1		--		--		--	--
Commercial Paper	ST	100.0	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	825.0	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	20-08-21	CRISIL PPMLD A r /Watch Positive		--		--		--	--
			--	10-08-21	CRISIL PPMLD A r /Stable		--		--		--	--
			--	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	**355.5**	**Not Applicable**	**CRISIL A/Watch Positive**
Proposed Long Term Bank	**500**	**Not Applicable**	**CRISIL A/Watch Positive**

Loan Facility			
Term Loan	300	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	100	IDFC FIRST Bank Limited	CRISIL A/Watch Positive
Term Loan	50	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	15	Northern Arc Capital Limited	CRISIL A/Watch Positive
Term Loan	75	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	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-Sep-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

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CL/MUM/21-22/DEB/484

22-Sep-2021

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

Kind Attn:-**Ashish Singhal**

Dear Sir,

Consent to act as Trustee for Secured, Listed, Redeemable, Non-Convertible Debentures aggregating to upto Rupees 100.0000 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, Redeemable non-convertible debentures aggregating upto 100.0000 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.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt securities) Regulations 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

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
Believe in yourself... Trust us!

CL/MUM/21-22/DEB/484

22-Sep-2021

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

Kind Attn:-**Ashish Singhal**

Dear Sir,

Consent to act as Trustee for Secured, Listed, Redeemable, Non-Convertible Debentures aggregating to upto Rupees 100.0000 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, Redeemable, Non-convertible debentures aggregating upto 100.0000 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance Fee:	Rs.100,000.00 plus applicable taxes (One Time, Non Refundable payable on appointment as trustee).
Service Charges:	Rs.150,000.00 . plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till. 31-Mar-2022

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and reimbursed on actual basis.

Yours faithfully,

For Catalyst Trusteeship Limited

For 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.

ANNEXURE IV: APPLICATION FORM

INCRED FINANCIAL SERVICES LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: January 08, 1991
Registered 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.: 022- 4097 7000
Website: **www.incred.com**

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

Issue of 750 (Seven Hundred and Fifty) rated, unsubordinated, secured, transferable, listed, redeemable, principal protected, market linked non-convertible market linked debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each, aggregating up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores only) on a private placement basis (the "Issue").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____In words: _____-only
Amount INR_____/-In words Indian Rupees :_____Only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

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

Total Amount Enclosed
(In Figures) INR_/- (In words) _Only

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 ____

I AM/ 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 placement memorandum dated September 28, 2021 ("**Placement Memorandum**") issued by the Issuer 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 Debenture 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 Placement 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.

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) we 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.

Applicant's
Signature

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

(Note : Cheque and Drafts are subject to realisation)

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

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**	**1**	-	-	-	-	-	-	-	-

Received from _____

Address_____

_____

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

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. Cheque(s)/Demand Draft(s) should be drawn in favour of **"INCRED FINANCIAL SERVICES LIMITED"** and crossed **"A/C Payee Only"** Cheque(s)/Demand Draft(s) may be drawn on any scheduled bank and payable at, India**.** The payment can also be made through RTGS as per the following details:

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

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than
a) for adjustment against allotment of securities; or
b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

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 (Restated)	Standalone
			March 31, 2021	March 31, 2020	March 31, 2019
			Audited	Audited	Audited
I		EQUITY ASSETS			
	1	Financial Assets			
	(a)	Cash and cash equivalents	13,23,38,067	37,72,83,149	18,46,49,096
	(b)	Bank balance other than cash and cash equivalents	5,88,45,636	7,35,88,393	2,67,46,585
	(c)	Loans	25,53,59,83,631	20,48,49,16,840	17,33,10,29,073
	(d)	Receivables			
		(I) Trade receivables	-	-	-
		(II) Other receivables	-	-	-
	(e)	Investments	1,26,70,66,158	31,13,50,281	77,26,99,120
	(f)	Other financial assets	18,21,27,726	16,90,39,295	12,08,15,436
	2	Non-financial assets			
	(a)	Current tax assets (net)	7,20,60,830	8,62,35,866	5,07,69,077
	(b)	Deferred tax assets (net)	18,57,39,089	9,63,21,433	7,91,95,532
	(c)	Property, plant, and equipment	32,76,35,058	29,75,07,157	10,39,94,850
	(d)	Capital work-in-progress	14,49,497	1,25,06,109	-
	(e)	Other intangible assets	2,22,49,409	2,99,96,682	3,96,96,074
	(f)	Other non-financial assets	12,85,55,353	10,46,22,039	6,54,14,502
		Total assets (1+2)	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	7,38,27,02,389	4,21,05,61,873	4,78,14,79,722

	(c)	Borrowings (other than debt securities)	9,34,22,07,684	7,03,21,28,030	7,74,97,72,903
	(d)	Other financial liabilities	42,31,88,340	33,42,57,232	8,64,67,692
	(4)	Non-financial liabilities			
	(a)	Current tax liabilities (net)	-	-	-
	(b)	Provisions	1,69,48,492	1,58,41,057	1,48,13,697
	(c)	Other non-financial liabilities	29,05,25,545	20,78,21,246	18,57,90,168
	(5)	EQUITY			
	(a)	Equity share capital	3,86,24,42,250	3,86,15,30,160	3,07,62,93,030
	(b)	Other equity	6,59,60,35,754	6,38,12,27,647	2,88,03,92,131
Total liabilities and equity (3+4+5)			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**	**Consolidated**	**Consolidated**
			March 31, 2020	**March 31, 2019**	**March 31, 2018**
			Audited	**Audited**	**Audited**
I		EQUITY ASSETS			
	1	Financial Assets			
	(a)	Cash and cash equivalents	38,43,63,169	67,73,51,212	605,920,609
	(b)	Bank balance other than cash and cash equivalents	7,35,88,393	2,67,45,585	-
	(c)	Receivables			
		(I) Trade receivables	1,41,00,837	13,18,222	52,34,833
		(II) Other receivables	4,75,167	55,49,774	-
	(d)	Loans	20,48,49,17,213	17,38,00,39,324	14,17,76,06,208
	(e)	Investments	50,51,35,460	52,46,64,917	7,05,57,437
	(f)	Other financial assets	7,73,69,834	5,75,84,818	5,90,75,901
	2	Non-financial assets			
	(a)	Current tax assets (net)	12,82,51,172	9,62,32,284	4,72,72,602
	(b)	Deferred tax assets (net)	11,18,42,754	9,24,60,167	1,57,54,151
	(c)	Property, plant, and equipment	31,45,47,335	13,09,66,441	5,09,65,496
	(d)	Capital work-in-progress	1,25,06,109	-	-
	(e)	Goodwill	6,52,65,005	6,52,65,005	13,51,70,959
	(f)	Other intangible assets	3,08,00,335	44,260,417	97,03,917
	(g)	Other non-financial assets	11,78,31,652	8,20,40,753	7,01,93,381
		Total assets (1+2)	22,32,09,94,436	19,18,44,78,659	15,24,74,54,496
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	2,70,22,651
		(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	58,10,935	3,43,10,336	-
	(b)	Debt securities	4,21,05,61,872	4,78,14,79,722	2,95,46,10,950
	(c)	Borrowings (other than debt securities)	7,03,21,28,032	7,74,97,72,903	7,29,28,95,837
	(d)	Other financial liabilities	33,45,34,532	9,18,14,003	6,68,24,364
	(4)	Non-financial liabilities			
	(a)	Current tax liabilities (net)	-	64,89,760	2,11,58,606
	(b)	Provisions	1,58,41,057	1,53,97,171	2,63,22,983
	(c)	Deferred tax liabilities (net)	10,69,68,615	12,05,53,314	-
	(d)	Other non-financial liabilities	21,01,09,053	19,82,54,874	13,50,89,930
	(5)	EQUITY			
	(a)	Equity share capital	3,86,15,30,161	3,076,293,030	2,64,08,02,470
	(b)	Other equity	6,54,35,10,178	3,10,88,79,831	2,08,27,25,705
Total liabilities and equity (3+4+5)			22,32,09,94,436	19,18,44,77,659	15,24,74,54,496

Abridged Profit and Loss Account for the year ended:

Particulars			**Standalone**	**Standalone**	**Standalone**
			March 31, 2021	**March 31, 2020 (Restated)**	**March 31, 2019**
			Audited	**Audited**	**Audited**
(I)	Income				
	Revenue from operations				
	(a)	Interest Income	3,77,11,75,163	3,11,03,31,704	2,83,31,82,084
	(b)	Fees and Commission Income	5,57,16,094	8,05,95,129	7,29,97,482
	(c)	Net gain on fair value changes	2,68,91,416	4,65,00,583	(5,13,869)
	(d)	Other Operating Income	-	-	-
Total Revenue from operations			3,85,37,81,673	3,23,74,28,416	2,90,56,64,697
(II)	Other Income		6,47,08,539	7,82,36,766	-
(III)	Total Revenue (I+II)		3,91,84,91,213	3,31,56,65,182	2,90,56,64,697

(IV)	Expenditure				
	(a)	Finance costs	1,52,71,40,424	1,16,05,68,756	1,37,83,97,063
	(b)	Impairment on financial instruments	88,65,36,918	56,34,73,718	23,83,43,486
	(c)	Fees and commission expense	-	-	-
	(d)	Employee benefits expense	91,59,37,052	92,40,57,978	74,02,29,181
	(e)	Depreciation and amortization	8,41,79,484	10,99,88,839	1,53,09,991
	(f)	Other Operating expenses	38,05,91,524	42,71,24,299	47,72,79,763
Total Expenditure			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)		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)		12,41,05,811	6,58,75,279	5,61,05,214
(VIII)	Tax Expenses				
	(a)	Current Tax	11,35,13,600	5,27,42,576	4,44,48,170
	(b)	Deferred Tax	(9,17,52,491)	(1,44,09,049)	(2,60,88,992)
(IX)	Profit for the Year (VII-VIII)		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	(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	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	1,18,97,340	-	-

		(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	28,72,744	38,35,386
(XI)		Total comprehensive income for the year (VII + VIII)	10,92,79,021	3,04,14,496	4,15,81,423
(XII)		Earnings per equity share:			
	(a)	Basic	0.27	0.07	0.12
	(b)	Diluted	0.26	0.07	0.12

Abridged Consolidated Profit and Loss Account for the year ended:

Particulars			Consolidated March 31, 2020 Audited	Consolidated March 31, 2019 Audited	Consolidated March 31, 2018 Audited
(I)	Income				
	Revenue from operations				
	(a)	Interest Income	3,10,91,36,811	2,99,40,45,511	982,708,297
	(b)	Fees and Commission Income	8,05,95,129	10,44,67,665	44,394,932
	(c)	Income / (Loss) from Treasury	4,65,00,583	(5,13,869)	61,465,265
	(d)	Other Operating Income	2,55,00,000	6,00,00,000	40,000,000
Total Revenue from operations			3,26,17,32,523	3,15,80,00,307	1,12,85,68,494
(II)	Other Income		6,49,33,730	11,36,41,531	77,41,866
(III)	Total Revenue (I+II)		3,32,66,66,253	3,27,16,41,839	1,13,63,10,360
(IV)	Expenditure				
	(a)	Finance costs	1,16,05,68,756	1,40,82,84,330	29,98,08,578
	(b)	Impairment on financial instruments	56,34,49,668	36,62,19,197	9,97,88,673
	(c)	Fees and commission expense	-	12,79,924	-
	(d)	Employee benefits expense	91,74,99,046	86,36,15,222	43,90,78,828
	(e)	Depreciation and amortization	11,60,68,390	2,75,92,755	73,13,551
	(f)	Other Operating expenses	44,85,05,862	52,34,09,064	29,19,97,781
Total Expenditure			3,20,61,36,723	3,18,91,19,568	1,13,79,89,411
(V)	Profit / (Loss) before share of loss of associates (III - IV)		12,05,29,530	8,25,22,270	(16,79,050)
(VI)	Share of loss of associates		4,91,54,926	-	-
(VII)	Profit / (Loss) before exceptional items and before tax (V - VI)		7,13,74,605	41,41,85,380	(16,79,050)

(VIII)	Exceptional item		-	33,16,63,110	-
(IX)	Profit / (Loss) after exceptional items and before tax (VII - VIII)		7,13,74,605	41,41,85,380	(16,79,050)
(X)	Tax Expenses				
	(a)	Current Tax	5,27,42,576	5,74,54,875	8,42,66,000
	(b)	Deferred Tax	(3,29,99,022)	7,95,23,857	(7,75,68,324)
(IX)	Profit for the Year (VII-VIII)		5,16,31,051	27,72,05,648	(83,76,726)
(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	29,03,231	54,46,658	
		(b) Equity instruments through other comprehensive income	2,250	14,26,000	7,38,750
		(ii) Income tax relating to items that will not be reclassified to profit or loss	(31,737)	(15,18,513)	(2,55,667)
	(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	-	-	(1,05,66,732)
		(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	30,47,446
		Other comprehensive income / (loss) (A + B)	28,73,744	53,54,145	(70,37,203)
(XI)	Total comprehensive income for the year (VII + VIII)		5,45,04,795	28,25,59,794	(1,54,12,929)
	Profit is attributable to:				
	Shareholders of the Group		5,16,31,051	24,53,23,909	(83,76,726)
	Non-controlling interests		-	3,18,81,739	-
	Other Comprehensive Income is attributable to:				
	Shareholders of the Group		28,73,744	53,54,145	(70,37,203)
	Non-controlling interests		-	-	-
	Total Comprehensive Income is attributable to:				
	Shareholders of the Group		5,45,04,795	25,06,78,054	(1,54,12,929)
	Non-controlling interests		-	3,18,81,739	-
(XII)	Earnings per equity share:				

	(a)	Basic	0.14	0.80	(0.03)
	(b)	Diluted	0.14	0.80	(0.03)

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

Particulars	Standalone Year ended March 31, 2021	Standalone Year ended March 31, 2020 (Restated)	Standalone Year ended March 31, 2019
Cash flow from operating activities			
Profit before tax	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	8,41,79,484	10,99,88,839	1,53,09,990
Fair value adjustment on investments	(2,68,91,416)	(4,65,00,583)	5,13,869
Interest income	(3,77,11,75,163)	(3,11,03,31,704)	(2,83,31,82,084)
Finance cost	1,51,19,24,649	1,14,53,90,877	1,37,83,97,063
Impairment loss	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	10,27,93,117	5,83,88,070	1,75,54,933
Advertisement expense	28,01,952	30,61,237	1,39,99,984
Fee and commission income	-	-	(12,72,425)
Retirement benefit expenses	(21,39,484)	32,28,078	62,77,733
Interest expense on lease liability	1,52,15,775	1,51,77,879	
Reversal of rent expense	(2,92,94,592)	(4,01,70,704)	
Operating cash flow before working capital changes	(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	(5,91,79,73,411)	(3,54,16,46,176)	(4,01,38,46,502)
Decrease / (increase) in other financial assets	(1,30,88,431)	(4,53,32,827)	4,22,43,487
(Increase) in other non-financial assets	(2,67,35,266)	(3,30,78,848)	(37,99,170)
(Decrease) in trade payable			
(Decrease) in other payables			-
Increase in other financial liabilities	10,30,09,925	23,40,71,661	2,32,60,244
(Decrease) / increase in provisions	12,79,459	(27,84,192)	(90,65,390)
Increase in other non-financial liabilities	8,27,04,299	1,95,92,140	9,17,57,567
Cash generated from operations	(6,87,27,46,374)	(4,53,70,22,941)	(4,96,54,36,572)
Interest received on loans	3,75,15,44,865	3,02,29,31,932	2,82,51,14,854
Interest paid on borrowings	(1,74,29,34,326)	(1,06,68,87,419)	(1,11,79,08,274)
Income taxes paid	(9,70,02,783)	(4,70,41,319)	(11,63,74,853)
Net cash (used in) operating activities	(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	(8,76,18,552)	(27,55,54,256)	(9,53,70,414)
Purchase of intangibles assets	(1,89,41,560)	(1,07,53,865)	(4,49,58,321)

Capital work-in-progress	1,10,56,612	(1,25,06,109)	
Purchase of investments	(15,61,46,89,124)	(10,83,50,44,908)	(34,42,16,25,898)
Proceeds from sale of investments	14,69,47,67,443	10,72,68,75,110	34,41,73,62,030
Investment in term deposits	(9,65,80,25,064)	(58,14,26,447)	(2,67,46,585)
Interest on term deposits	9,67,24,72,287	53,48,80,173	
Net cash (used in) / generated from investing activities	(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)	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	6,21,73,38,578	1,25,11,61,810	3,00,00,00,000
Proceeds from borrowings (other than debt securities)	7,26,65,00,000	5,53,39,32,483	5,25,00,00,000
Securities premium			-
Redemption of debt securities	(2,80,44,82,147)	(1,88,07,32,508)	(50,00,00,000)
Redemption of borrowings (other than debt securities)	(4,86,68,10,844)	(5,82,79,09,681)	(5,36,16,20,396)
Net cash generated from financing activities	5,81,61,93,946	3,25,30,05,399	2,49,17,81,964
Net (decrease) in cash and cash equivalents	(14,59,23,382)	17,14,56,349	(1,05,41,59,568)
Cash and cash equivalents at the beginning of the year	8,13,53,962	(9,01,02,389)	49,91,28,319
Cash and cash equivalents at the end of the year	(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	13,20,54,186	37,64,90,910	18,40,03,929
Deposit with bank with maturity less than 3 months	-	-	
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	(6,45,68,668)	8,13,53,962	(55,50,32,250)

Particulars		Standalone		
		March 31, 2021	**March 31, 2020 (Restated)**	**March 31, 2019**
		Audited	**Audited**	**Audited**
1	Net Cash (used in) operating Activities	(4,96,11,36,618)	(2,62,80,18,748)	(3,37,46,03,345)
2	Net Cash (used in) / generated from investing activities	(1,00,09,78,958)	(45,35,30,302)	(17,13,39,188)

3	Net Cash generated from financing activities	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)	(14,59,23,382)	17,14,56,349	(1,05,41,59,568)
5	Cash and cash equivalents at beginning of the year	8,13,53,962	(9,01,02,389)	49,91,28,319
6	Cash and cash equivalents at end of the year	(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, 2020**	**Consolidated Year ended March 31, 2019**	**Consolidated Year ended March 31, 2018**
Cash flow from operating activities			
Profit before tax	7,13,74,605	41,41,85,380	(16,79,050)
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities			
Depreciation and amortisation	11,60,68,390	2,75,92,755	73,13,551
Net (gain) on fair value changes	(4,65,00,583)	(414,256,825)	(6,14,65,265)
Interest income	(3,10,78,04,664)	(2,99,40,45,511)	(98,27,08,297)
Finance cost	1,14,53,90,877	1,40,82,84,330	29,98,08,578
Impairment loss	56,34,49,668	37,62,19,197	9,97,88,673
Share based expense	5,83,88,070	20,179,313	
Advertisement expense	30,61,237	1,39,99,984	
Fee and commission income	-	(12,72,425)	
Other expenses	-	1,563,337	(6,74,489)
Provision for employment benefits	32,28,078	(19,90,746)	6,97,697
Impairment of goodwill	-	8,31.07,583	
Share in loss of associate	4,91,54,926	-	-
Interest expense on lease liability	1,51,77,879	-	-
Reversal of rent expense	(4,01,70,704)	-	-
Operating cash flow before working capital changes	(1,16,91,83,221)	(1,06,64,34,628)	(62,07,06,052)
Working capital adjustments			
Decrease / (increase) in other trade receivables	(1,27,82,614)	39,16,611	(52,34,833)
(Increase) in other receivables	50,74,607	(55,49,774)	-
(Increase) in Loans	(3,66,77,02,212)	(3,69,13,50,012)	(10,37,75,45,742)
Decrease / (increase) in other financial assets	(2,05,91,717)	(2,73,03,885)	(4,62,92,587)
(Increase) in other non-financial assets	(3,88,51,136)	(1,17,21,602)	(6,02,72,341)
(Decrease) in trade payable	(12,32,714)	(2,57,89,937)	(3,82,21,594)
(Decrease) in other payables	(2,84,99,400)	3,43,10,336	-
Increase in other financial liabilities	26,77,13,353	2,33,36,584	5,57,14,134
(Decrease) / increase in provisions	86,302	(50,51,745)	2,62,99,775
Increase in other non-financial liabilities	88,71,482	6,30,88,919	10,12,26,653

Cash generated from operations	(4,65,70,98,271)	(4,70,85,49,134)	(10,96,50,32,586)
Interest received on loans	3,10,12,88,497	3,13,72,68,652	-
Interest paid on borrowings	(1,31,57,79,615)	(1,12,26,05,389)	(25,68,89,931)
Income taxes paid	(9,12,13,650)	(12,06,53,397)	(10,20,15,700)
Net cash (used in) operating activities	(2,96,28,03,038)	(2,81,45,39,058)	(11,32,39,39,217)
Cash flow from investing activities			
Purchase of property, plant, and equipment	(27,54,37,368)	(9,55,94,226)	(4,50,09,714)
Purchase of intangibles assets	(1,07,52,865)	(4,64,59,321)	(52,56,300)
Capital work-in-progress	(1,25,06,109)	-	-
Amount received / (Payment made) for acquisition of subsidiary	(10,50,24,534)	2,79,83,126	(10,69,31,423)
Purchase of investments	(11,18,81,18,997)	(34,45,82,29,470)	(5,97,82,483)
Proceeds from sale of investments	11,20,51,77,606	34,41,73,62,030	3,46,37,14,426
Investment in term deposits	(1,68,14,26,447)	(2,67,45,585)	-
Proceeds from maturity of term deposits	1,63,32,53,063	-	
Interest on investments	40,22,351	87,74,651	5,45,56,835
Interest on term deposits	38,25,963	7,68,978	12,71,233
Net cash (used in) / generated from investing activities	(42,69,87,338)	(17,21,38,843)	3,30,25,62,601
Cash flow from financing activities			
Issue of equity shares (including securities premium)	4,27,15,90,282	10,97,10,274	8,33,48,587
Security issue expenses	(5,95,97,233)	(68,07,915)	(4,640,392)
Proceeds from issue of debt securities	1,25,11,60,810	3,00,00,00,000	2,00,00,00,000
Proceeds from borrowings (other than debt securities)	5,53,39,32,483	5,85,00,01,000	5,57,37,62,751
Redemption of debt securities	(1,75,00,00,000)	(50,00,00,000)	-
Redemption of borrowings (other than debt securities)	(5,70,65,31,850)	(6,03,44,76,307)	(5,14,44,444)
Net cash generated from financing activities	3,54,05,54,492	2,41,84,27,369	7,60,10,27,552
Net (decrease) in cash and cash equivalents	15,07,64,115	(5,682,51,532)	(42,03,48,064)
Cash and cash equivalents at the beginning of the year	(6,23,30,133)	50,59,20,609	92,62,69,391
Cash and cash equivalents at the end of the year	8,84,33,982	(6,23,30,133)	50,59,21,327
Cash and cash equivalents			
Cash on hand	8,10,729	7,21,966	1,27,743
Balances with banks			
- Current Accounts	38,35,52,439	67,66,29,246	10,57,10,674
Deposit with bank with maturity less than 3 months			50,00,82,192
Cash and cash equivalents	38,43,63,169	67,73,51,212	60,59,20,609

Less: Bank overdraft and cash credit	(29,62,24,721)	(73,97,43,005)	(10,00,00,000)
Add: Impairment loss allowance on deposits with bank	2,95,534	61,659	
Cash and cash equivalents in cash flow statement	8,84,33,982	(6,23,30,133)	50,59,20,609

Particulars		**Consolidated**	**Consolidated**	**Consolidated**
		March 31, 2020	**March 31, 2019**	**March 31, 2018**
		Audited	**Audited**	**Audited**
1	Net Cash (used in) operating Activities	(2,96,28,03,038)	(2,81,45,39,058)	(11,32,39,39,217)
2	Net Cash (used in) / generated from investing activities	(42,69,87,338)	(17,21,38,843)	3,30,25,62,601
3	Net Cash generated from financing activities	3,54,05,54,492	2,41,84,27,369	7,60,10,27,552
4	Net increase / (decrease) in cash and cash equivalents (1+2+3)	15,07,64,115	(57,82,51,532)	(42,03,48,064)
5	Cash and cash equivalents at beginning of period	(6,23,30,133)	50,59,20,609	92,62,69,391
6	Cash and cash equivalents at end of period	8,84,33,982	(6,23,30,133)	50,59,20,609

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.

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.

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.

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.

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.

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.

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.

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.

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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

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 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 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 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



Audited Financial Statement – Financial Year 2020

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

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 ro 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

Girish Damle
Whole Time Director and CFO
DIN: 07835456

Nikita Hule
Company Secretary

Place: Mumbai
Date: 11 June 2020

Audited Financial Statement – Financial Year 2019

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

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

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 Bansal
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	
Name of the Issuer	Incred Financial Services Limited
Face Value (per security)	INR 10,00,000 (Indian Rupees Ten Lakh)
Issue Date / Date of Allotment	Issue Opening Date: September 29, 2021 Deemed Date of Allotment: September 29, 2021
Date of Redemption	Redemption Date / Maturity Date: March 29, 2024
Tenure	Please refer Section 5.32 (*Summary Terms*).
Coupon Rate	Please refer Section 5.32 (*Summary Terms*). Please also see below.
Frequency of the Coupon Payment with specified dates	Actual/Actual

Cash Flow	Date	No. of days	Amount
Coupon on redemption*	March 29, 2024	912	2,47,364
Face value	March 29, 2024	912	1,000,000
Total			12,47,364

*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.*

Appendix B – Payment of Interest on the Debentures

The Debenture Holders shall be paid Coupon in the manner set out hereinbelow. The Coupon will be linked to the performance of the Underlying Index. The parameters to be used for determining the Coupon are as follows:

Coupon Amount	$Face\ Value * [\ (1 + Annualized\ Coupon\ Rate)^{(Tenor\ in\ Days/365)} - 1\ ]$
Annualized Coupon Rate	Based on 'Reference Index Performance', corresponding 'Annualized Coupon Rate' function' will be applicable

Reference Index Performance	'Annualized Coupon Rate' function
<= -25%	0%
> -25%	9.25% XIRR

Face Value	INR 10,00,000 (Rupees Ten Lakh only) per Debenture

Tenor In Days	912 Days from Deemed Date of Allotment** **In the case of an Early Redemption, Tenor in Days will be number of days between the Deemed Date of Allotment and Early Redemption Date
Reference Index	NIFTY 50
Reference Index Performance	$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$
Initial Fixing Level	Official closing level of the Reference Index as on Initial Fixing Date
Initial Fixing Date	Deemed Date of Allotment
Final Fixing Level	The official closing level of the Reference Index on the Final Fixing Date
Final Fixing Date	15 days prior to the Final Redemption date or Early Redemption date, as applicable

SCENARIO ANALYSIS/VALUATION MATRIX

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 11,000)

Final Fixing Level is less than initial fixing level

Initial Level (assumption)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
11000	0	-100%	10,00,000	10,00,000	NIL
11000	1100	-90%	10,00,000	10,00,000	NIL
11000	2200	-80%	10,00,000	10,00,000	NIL
11000	2750	-75%	10,00,000	12,47,364	9.25%
11000	3300	-70%	10,00,000	12,47,364	9.25%
11000	4400	-60%	10,00,000	12,47,364	9.25%
11000	5500	-50%	10,00,000	12,47,364	9.25%
11000	6600	-40%	10,00,000	12,47,364	9.25%
11000	7700	-30%	10,00,000	12,47,364	9.25%
11000	8800	-20%	10,00,000	12,47,364	9.25%
11000	9900	-10%	10,00,000	12,47,364	9.25%

Final Fixing Level is equal to initial fixing level

Initial Level	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
11000	11000	0%	10,00,000	12,47,364	9.25%

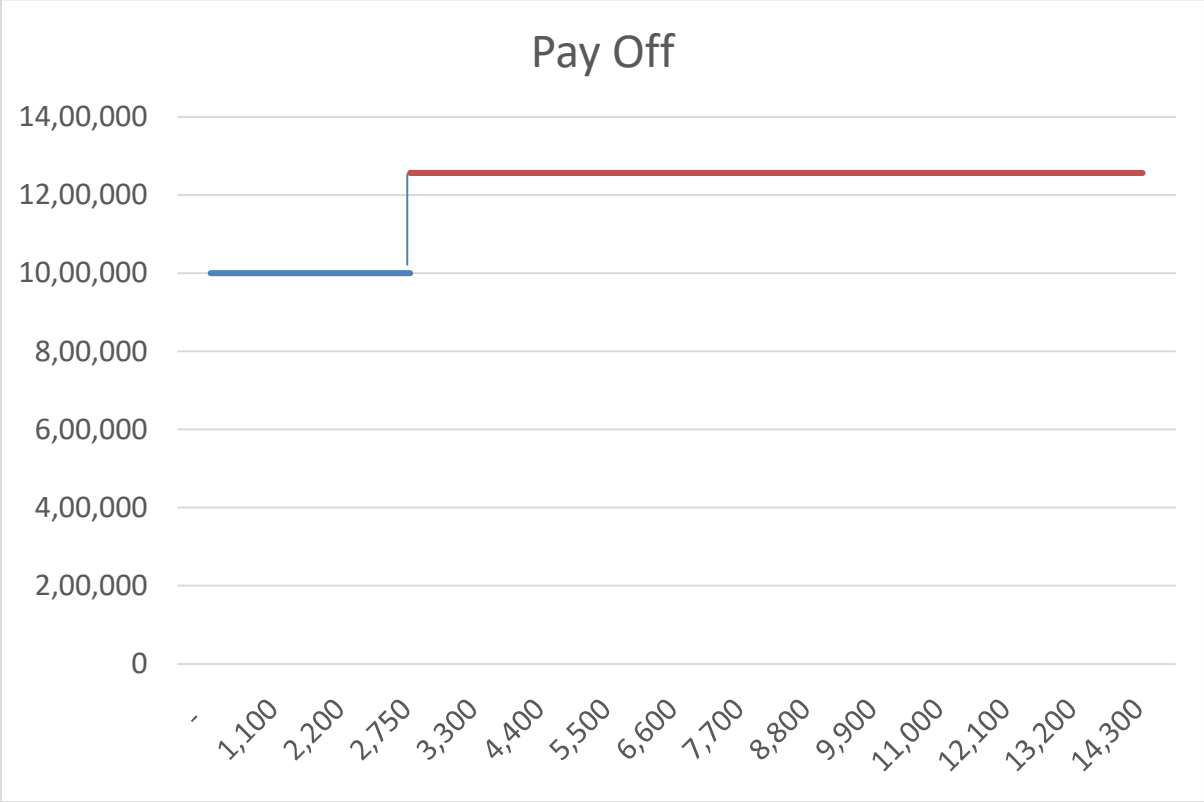
Final Fixing Level is greater than initial fixing level

Initial Level	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR

11000	12100	10%	10,00,000	12,47,364	9.25%
11000	13200	20%	10,00,000	12,47,364	9.25%
11000	14300	30%	10,00,000	12,47,364	9.25%
11000	15400	40%	10,00,000	12,47,364	9.25%
11000	16500	50%	10,00,000	12,47,364	9.25%
11000	17600	60%	10,00,000	12,47,364	9.25%
11000	18700	70%	10,00,000	12,47,364	9.25%
11000	19800	80%	10,00,000	12,47,364	9.25%
11000	20900	90%	10,00,000	12,47,364	9.25%
11000	22000	100%	10,00,000	12,47,364	9.25%

Graphical Representation

NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



Underlying Index on Final Fixing Date

ANNEXURE VII: DUE DILIGENCE CERTIFICATES

CATALYST
Believe in yourself... Trust us!

CTL/21-22/2689

(Annexure A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM
(Applicable for Secured and Unsecured Issuances)

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB.: Issue of Principle protected Non-Convertible Market Linked Debentures ("Debentures") aggregating up to INR Rs. 75,00,00,000/- (Indian Rupees Seventy-Five Crores only) to be issued by Incred Financial Services Limited

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai
Date: September 27, 2021

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED
Authorised Signatory

Authorised Signatory

ANNEXURE VIII: BOARD RESOLUTION AND FINANCE COMMITTEE RESOLUTIONS

InCred
Borrow. With Confidence.

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

CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS OF INCRED FINANCIAL SERVICES LIMITED AT ITS MEETING HELD ON SEPTEMBER 23, 2021 AT MUMBAI

ISSUANCE OF NON-CONVERTIBLE DEBENTURES UPTO 75 CRORES

"**RESOLVED THAT** pursuant to the resolution of the Board passed in its meeting held on February 17, 2021 read with resolution passed by Finance Committee on May 24, 2021 and the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed, and subject to such approvals, consents, sanctions or permissions as may be required from any appropriate statutory and regulatory authorities, the approval of the Committee be and is hereby accorded for:

(a) issue and allotment of 750 (Seven Hundred and Fifty) rated, senior, secured, redeemable, transferable, listed, principal protected market linked non-convertible debentures denominated in Indian Rupees ("**INR**") each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of INR 75,00,00,000 (Indian Rupees Seventy Five Crore) or such other number of Debentures, face value and amount as may be determined ("**Debentures**"), at the interest rate linked to the NIFTY 50 ("**Reference Index**"), such that the annualized coupon rate shall be:

(i) 0% (zero percent), if the Reference Index Performance is less than or equal to -25% (minus twenty five percent); and/or

(ii) 9.25% (nine decimal two five percent) (XIRR), if the Reference Index Performance is greater than -25% (minus twenty five percent),

or such other coupon rate/interest rate as may be agreed, payable on such terms as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a period of 909 (nine hundred and nine) days from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, on a private placement basis to Northern Arc Capital Limited (being the identified person(s) for the purposes of Section 42 of the Act) ("**Investor(s)**"), on such terms as may be agreed with the Investor(s) for (i) the general corporate purposes of the Company, (b) the ordinary course of business of the Company including for repayment or refinancing of the existing debt of the Company, and (c) deployment in the business of the Company and growth in the books of assets of the Company, and for such other purposes as may be agreed with the Investor(s).

For the purposes of the above, reference index performance ("**Reference Index Performance**") shall be calculated (as a percentage) as the difference of (A) the ratio of

(I) the final fixing level (being the official closing level of the Reference Index on the final fixing date, as may be determined in accordance with the Transaction Documents (as defined below)) and (II) the initial fixing level (being the official closing level of the Reference Index on the initial fixing date, as may be determined in accordance with the Transaction Documents), and (B) 1 (one), multiplied by 100, and followed by the "%" symbol; and

(b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon (up to such limits and security cover as may be agreed with the Investor(s)) by one or more of the following: (i) first ranking pari passu charge by way of hypothecation over the loans/book debts of the Company, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the "**Security**")."

"**RESOLVED FURTHER THAT** (i) Mr. Bhupinder Singh, Wholetime Director & CEO, (ii) Mr. Vivek Bansal, Wholetime Director & CFO, (iii) Mr. Gajendra Thakur, Company Secretary, (iv) Ms. Nikita Hule, (v) Mr. Ashish Singhal, (vi) Mr. Amit Saini and (vii) Mr. Suhrid Roy and (viii) Mr. Nutan Kumar (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the issue of Debentures and all other related matters;

(d) seeking the listing of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"*" issued by SEBI;

(f) providing such information or documents to the debenture trustee in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*" issued by SEBI;

(g) providing such information/disclosures in accordance with the Securities and Ex-change Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" issued by SEBI;

(h) approving the debt disclosure document/placement memorandum and the private placement offer cum application letter (including amending, varying or modifying the same,

as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(i) finalising the terms and conditions of the appointment of an arranger, a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including their successors and their agents;

(j) finalising the terms of the the issue, offer and allotment of the Debentures;

(k) entering into arrangements with the depository in connection with issue of Debentures in dematerialised form;

(l) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures;

(m) finalising the date of allocation and the deemed date of allotment of the Debentures;

(n) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;

(o) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the jurisdictional registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest or any depository;

(p) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(q) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the debt disclosure document/placement memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures (collectively, the "**Disclosure Documents**");

(ii) debenture certificate for the Debentures;

(iii) debenture trust deed, debenture trustee agreement, deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable assets, or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto (collectively, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee and/or the holders of the Debentures;

(r) do all acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents; and

(s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable with regard to the issue, offer and allotment of the Debentures."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities."

"**RESOLVED FURTHER THAT** the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the issuance and allotment of the Debentures and the listing of the Debentures."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to register or lodge for registration upon execution, documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf."

"**RESOLVED FURTHER THAT** the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures."

"**RESOLVED FURTHER THAT** the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person

and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company."

"**RESOLVED FURTHER THAT** copies of the foregoing resolutions certified to be true copies by any director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For InCred Financial Services Limited

GAJENDRA SINGH THAKUR
Digitally signed by GAJENDRA SINGH THAKUR
Date: 2021.09.24 12:39:58 +05'30'

Gajendra Thakur
Company Secretary
Membership No.: 19285

ANNEXURE IX: SHAREHOLDERS RESOLUTIONS

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

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

InCred
Borrow. With Confidence.

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 X: DISCLOSURES UNDER THE COMPANIES ACT, 2013 (18 OF 2013) AND RULES PRESCRIBED THEREUNDER

ANNEXURE IX: PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: Northern Arc Capital Limited
Serial No: _____

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 Placement Memorandum and shall together constitute the "Placement Memorandum".

Issue of 750 (Seven Hundred Fifty) rated, unsubordinated, secured, transferable, listed, redeemable principal protected, market linked non-convertible debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each, aggregating up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores only) on a private placement basis (the "Issue").

PART A

1.1 General Information:

(a) **Name, address, website, if any, and other contact details of the company, indicating both registered office and 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

(b) **Date of Incorporation of the Company:**

January 08, 1991

(c) **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.

The Company has 20 branch offices as on June 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.	Vadodara-Sarabhai road	Gujarat	Vadodara	157, K -10 Atlantis, B- Tower, Sarabhai road, Nr. Genda circle, Vadodara -390007 , Gujarat
7.	Rajkot-Shastri Medan	Gujarat	Rajkot	301, 3rd Floor, The Imperia, Opp. Shastri Medan, Above FEDERAL Bank, Limda Chowk, Rajkot - 360001.
8.	Kolkata-Camac Street	West Bengal	Kolkatta	AWFIS 4th Floor, 8/1A Sir William Jones Sarani, 1 Camac Street, Kolkata, - 700071
9.	Pune-Shivajinagar	Maharashtra	Pune	4th floor city square building Maple group near zenith complex behind pride Hotel shivajinagar-411005
10.	Thane-wagle estate	Maharashtra	Thane	316 3rd Floor Tower B Lodha Supremus2 wagle estate Thane-400604
11.	Mumbai-Andheri	Maharashtra	Mumbai	Unit No.303A-02,3rd floor, Kaledonia Building, B-wing, Station Road, Andheri East-400053
12.	New Delhi-Connaught Place	NCT OF DELHI	New Delhi	406, 4th Floor, Competent House, Middle Circle , Connaught Place, New Delhi -110001
13.	Vijayawada-Pantakaluva Road	Andhra Pradesh	Vijayawada	57-2-15, 2nd Floor, Pantakaluva Road, Vijayawada- 520010
14.	Jaipur-Malviya Marg	Rajasthan	Jaipur	Office NO-201, City Corporate Buillding, Malviya Marg, C-Scheme , Jaipur-302001
15.	Hubli-dharawad road	Karnataka	Hubli	307, 3rd floor, Nirwana wali Trade winds, Hosura, oppp. ksrtc bustop, Hubli - dharawad road, Hubli

16.	Coimbatore-RS Puram	Tamil Nadu	Coimbatore	Shop No:36/8, 1st Floor, Ashirwad (Opp Petrol Bunk), D.B.Road, R.S.Puram Coimbatore 641002
17.	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
18.	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
19.	Bangalore-Whitefield	Karnataka	Bangalore	Unit:2, Discover Block, ITPL, Whitefield, Bangalore – 560066
20.	Mumbai - Bandra Kurla complex	Maharashtra	Mumbai	No.1203, B Wing, The capital, Bandra Kurla complex, Mumbai 400051

Subsidiary details:

The Company has following subsidiaries as on June 30, 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
3	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

(d) **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 Jalaria	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.

(e) **Name, addresses, director identification number (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. Antonius Bruijninckx	Drossaardlaan 8 1272 PP Huizen NA NL	Additional Director	08589813	NA*	04.11.1963	06.11.2019	Business
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	Independent Director	08950317	AAFPD9764K	18.06.1968	01.12.2020	Professional

	Bangalore North Whitefield Karnataka, 560066						

1.2 MANAGEMENT PERCEPTION OF RISK FACTORS:

Please refer Section 3 of the placement memorandum dated 28th September 2021 issued by the Company in respect of the Debentures.

a.

b. Details of defaults, if any, including the amount involved, duration of default, and present status, in repayment of:

a. Statutory Dues: NIL
b. Debentures and interest thereon: NIL
c. Deposits and interest thereon: NIL
d. Loan from any bank or financial institution and interest thereon: NIL

c. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

a. Name: Mr. Gajendra Thakur
b. Designation: Company Secretary and Compliance Officer
c. Address: Unit No.1203, 12th Floor, B- Wing, The Capital, Plot No.C-70, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
d. Phone No.: 91 22 4097 7000
e. Email: incred.compliance@incred.com

d. Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

e. NIL

1.3 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to **Annexure V** of this Placement 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 and September 23, 2021. A copy of the said resolutions is attached hereto as **Annexure VIII** of the Placement Memorandum**.**
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 IX** of the Placement Memorandum**.**
Kind of securities offered (i.e. whether share or debenture) and class of	Issue of 750 (Seven Hundred and Fifty) rated, unsubordinated, secured, transferable, listed, redeemable, principal protected, market linked non-convertible debentures of face value of INR

security; the total number of shares or other securities to be issued	10,00,000/- (Indian Rupees Ten Lakhs only) each, aggregating up to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores only)
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
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.
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 as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '*Eligible Investors*' under Section 8.14 of the Placement Memorandum.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value.
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on September 29, 2021 ("**Deemed Date of Allotment**"), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("**Debenture Holders**") within 2 (two) Business Days from the Deemed Date of Allotment, each in accordance with the debenture trust deed ("**DTD**") to be entered into between the Company and the debenture trustee ("**Debenture Trustee**"). In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money, as prescribed under the Companies Act, 2013.

<table>
<tr><td>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]</td><td>Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value.</td></tr>
<tr><td>The change in control, if any, in the company that would occur consequent to the private placement</td><td>No change in control would occur consequent to this private placement.</td></tr>
<tr><td>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</td><td>
<table>
<tr><th>Sr. No.</th><th>Security</th><th>Number of allottees</th><th>Number of Securities</th><th>Face Value</th><th>Type</th></tr>
<tr><td>1</td><td>INE945W07258</td><td>24</td><td>372</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>2</td><td>INE945W07266</td><td>4</td><td>1000</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>3</td><td>INE945W07274</td><td>1</td><td>154</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>4</td><td>INE945W07282</td><td>25</td><td>139</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>5</td><td>INE945W07290</td><td>108</td><td>7500</td><td>INR 1,00,000</td><td>Private Placement</td></tr>
<tr><td>6</td><td>INE945W07308</td><td>1</td><td>150</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>7</td><td>INE945W07324</td><td>1</td><td>200</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>8</td><td>INE945W07332</td><td>1</td><td>200</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>9</td><td>INE945W07316</td><td>1</td><td>1150</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
<tr><td>10</td><td>INE945W07340</td><td>6</td><td>320</td><td>INR 10,00,000</td><td>Private Placement</td></tr>
</table>
</td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not Applicable as the Debentures are non-convertible debt instruments</td></tr>
<tr><td>Amount, which the Company intends to raise by way of proposed offer of securities</td><td>Up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only).</td></tr>
</table>

<table>
<tr><td>Terms of raising of securities:</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>30 Months (Thirty) months from the Deemed Date of Allotment being September 29, 2021

The proposed interest payment and redemption schedules are set out in Annexure VI of the Placement Memorandum.</td></tr>
<tr><td>Rate of Interest or Coupon:</td><td>means:

(c) 0% (zero percent), if the Reference Index Performance is less than or equal to -25% (minus twenty five percent); and/or

(d) 9.25% (nine decimal two five percent) (XIRR), if the Reference Index Performance is greater than -25% (minus twenty five percent).

Please refer to the row titled ‘Coupon Rate’ in Section 5.32 (Issue Details) of the Placement Memorandum.

The proposed interest payment and redemption schedules are set out in Annexure VI of the Placement Memorandum.</td></tr>
<tr><td>Mode of Payment</td><td>cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in the Placement Memorandum</td></tr>
<tr><td>Mode of Repayment</td><td>cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr>
</table>
</td></tr>
<tr><td>Proposed time schedule for which the Issue/Offer Letter is valid</td><td>Issue Opening Date: September 29, 2021
Issue Closing Date: September 29, 2021
Pay-in Date: September 29, 2021
Deemed Date of Allotment: September 29, 2021</td></tr>
<tr><td>Purpose and objects of the Issue/Offer</td><td>To raise debt to the extent of up to Rs. 75,00,00,000 (Indian Rupees Seventy Five Crore).

The funds raised by the Issue shall be utilized by the Issuer for (a) the general corporate purposes of the Issuer, (b) the ordinary course of business of the Issuer including for repayment or refinancing of the existing debt of the Issuer, and (c) deployment in the business of the Issuer and growth in the books of assets of the Issuer.</td></tr>
</table>

	The funds raised by the issue of the Debentures shall be utilised by the Issuer solely for the abovementioned purposes and the Issuer shall not use the proceeds of the Issue towards: (a) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly); (b) any speculative purposes; (c) investment in the real estate sector/real estate business (including the acquisition/purchase of land); and (d) in contravention of applicable law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI).
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 'Description of Security' in Section 5.32 (*Issue Details*) of the Placement Memorandum
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**

1.4 Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels):
Other banking channels – RTGS/NEFT

1.5 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	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>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 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 X.</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</td><td>NIL</td></tr>
</table>

corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the 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	NIL
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

1.6 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	30,77,27,936	307,72,79,360

	b) Preference shares	7,85,16,289	78,51,62,890
Size of the Present Offer	For details, please refer to row titled 'Issue Size' under paragraph 5.28 of this Placement Memorandum		
Paid-up Capital: **a. After the offer:** **b. After the conversion of Convertible Instruments (if applicable)**	INR 386.27 crores Not Applicable as each Debenture is a non-convertible debt instrument which is being issued at face value		
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 in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

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	2,30,37,31,260.00	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
30.03.201	1,40,18,4	1	27.7	Cas	Private Placeme	26,12,46,1	2,61,24,61,68	1,95,94,00,805.27	N.A

7	13	0	9	h	nt	68	0.00		
21.04.2017	28,34,07,79	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

<table>
<tr><td>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.</td><td>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.</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 Placement 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 Placement 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 and the profits and reserves would have to be calculated/determined accordingly.</td></tr>
</table>

PART B (To be filed by the Applicant)

(i) Name: **[-]**;

(ii) Father's name/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 thereunder;

(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; and

(c) The monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer and application letter.

I am authorized by the Board of Directors of the Company *vide* resolution number 6 dated February 17, 2021 read with the resolutions passed by the Finance Committee of the Board of Directors dated May 24, 2021 and September 23, 2021, to sign this private placement offer and application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer and application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer and application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer and application 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 private placement offer and application letter.

For **INCRED FINANCIAL SERVICES PRIVATE LIMITED**



Gajendra Thakur
Company Secretary

September 28, 2021

ANNEXURE X: RELATED PARTY TRANSACTIONS

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 expenses	-	-	-	-	-	-	-	-	-
Refund of amount given for expenses	-	-	-	-	-	-	-	-	-
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 redemption of MLDs	-	-	-	2,95,26,670	-	-	-	-	-
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	-	-	-	32,03,47,380	-	-	-	-	-

loans transferred to IFSL									
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 ende d Marc	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)	For the year ende d Marc

						h 31, 2019			h 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	-	-	-	-	-	-	-	-	-

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

24/09/2021

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 75 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 75 crores** 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