

Date: 06 May 2022

Ref: Company Code: 11843

The National Stock Exchange of India Limited Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400051	BSE Limited Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400001
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Kind Attn: Head – Listing Department / Dept of Corporate Communications**Sub: Secretarial Audit Report and Secretarial Compliance Report pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015**

Dear Sir / Madam,

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Secretarial Audit Report and Secretarial Compliance Report of the Company for the year ended March 31, 2022.

We request you to kindly take the above on records.

Thanking you,

Yours faithfully,

For InCred Financial Services Limited

Gajendra Thakur
Company Secretary
Encl: As above

Incred Financial Services Limited

CIN : U74899MH1991PLC340312

Secretarial Audit Report

For the financial year ended on 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ashish Karodia

M.Com., LL.B, F.C.S.

Company Secretary

208, Trade House,
14/3, South Tukoganj,
Indore (M.P.)
Cell: +91 98261 - 14533
E-mail: ashishkarodia@gmail.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED
31st March, 2022**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Incred Financial Services Limited
CIN- U74899MH1991PLC340312
Unit No. 1203, 12th Floor, B Wing,
The Capital Plot No. C - 70, G Block,
BKC Mumbai - 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Incred Financial Services Limited** (hereinafter called the Company) having **CIN- U74899MH1991PLC340312**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Due to Covid-19 pandemic we were unable to physically visit the Company office and Branch office and therefore, we have examined the books, papers, minute books, forms and returns filed and other records received via Emails and other electronic means maintained by **Incred Financial Services Limited** for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - *Not applicable to the Company during the period under scrutiny.*
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - *Not applicable to the Company during the period under scrutiny being a debt listed entity.*
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - *Not applicable to the Company during the period under scrutiny being a debt listed entity.*
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the year under review, the Company has issued secured debentures through public issue and on private placement basis and the same have been listed.
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - *Not applicable to the Company during the period under scrutiny.*
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - *Not applicable to the Company during the period under scrutiny.*
 - h. The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company:

- a. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs, as informed /confirmed to us.
- b. Applicable Direct and Indirect Tax Laws.

- c. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements/ regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that due to the repetitive nature of the transactions like issuance of the debentures, we have verified the documents on sample basis during the audit process.

Further we report that in the Month of February, RBI conducted a scrutiny on the Company which was focused on Digital Lending and the processes and practices in place in the Company. The said scrutiny was conducted across the industry. The report, as stated by Management, is awaited.

We further report that during the audit period, following approvals has been sought from members having major impact:

The Members have accorded their consent to the Board of Directors

At the Extra-Ordinary General Meeting held on May 19, 2021, to carry on the following businesses:

1. Approved Borrowings by way of issuance of secured non-convertible debentures not exceeding INR 1500 crore (Rupees One Thousand Five Hundred Crore only) within the overall borrowing limits of the Company.

At the Annual General Meeting held on August 24th, 2021 to carry on the following businesses:

1. Appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company for the period of 3 years.
2. Appointment of Mr. Debashish Dutta Gupta (DIN: 08950317) as an Independent Director of the Company for the period of 5 years.
3. Alteration of the restated Articles Of Association of the Company.
4. Re-pricing of Stock options granted under InCred Financial Services ESOP Plan 2018.
5. Approved Borrowings by way of issuance of secured non-convertible debentures not exceeding the overall borrowing limit of INR 4000 Crore (Rupees Four Thousand Crore only) of the Company.

At the debenture holders meeting held on July 29, 2021, to carry on the following business:

1. Approval for amendment of debenture trust deed dated May 24, 2018, entered into between the Company and Axis Trustee Services Limited

On the direction of The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 10 November 2021, the company conducted class meetings of the Equity and Preference shareholders and secured creditors including debentureholders, respectively where the Composite Scheme of Amalgamation and Arrangement among Bee Finance Limited ("Transferor Company"), KKR Capital Markets India Private Limited ("Transferee Company"), InCred Financial Services Limited ("Demerged Company") and KKR India Financial Services Limited ("Resulting Company"), and their respective shareholders under Sections 230 to 232 read with Sections 66 and 234 of the Companies Act, 2013 was approved.

Note: This Report is to be read with our letter even date which is annexed as Annexure A and forms and integral part of this report.


Ashish Karodia
Company Secretary
FCS 6549
CP No. 6375

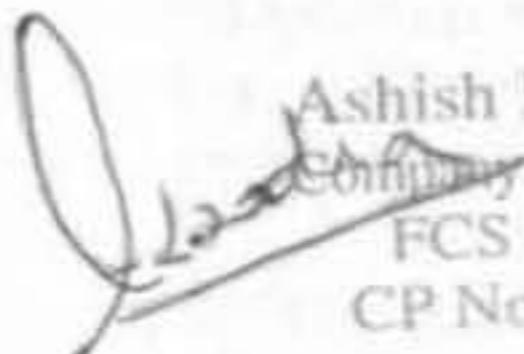
CS Ashish Karodia
M No. 6549 CP 6375
On 30.04.2022
At Indore
UDIN: F006549D000250078

Annexure –A to the Secretarial Audit Report

To,
The Members,
Incred Financial Services Limited
(CIN: U74899MH1991PLC340312)
Unit No. 1203, 12th floor, B Wing,
The Capital Plot No. C - 70, G Block,
BKC Mumbai - 400051

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.


Ashish Karodia
Company Secretary
FCS 6549
CP No. 6375

CS Ashish Karodia
M No. 6549 CP 6375
On 30.04.2022
At Indore
UDIN: F006549D000250078

**Secretarial Compliance Report of Incred Financial Services Limited
For The Year Ended 31st March, 2022**

I, CS Ashish Karodia, Practicing Company Secretary, Indore have examined:

- a) all the documents and records made available to us and explanation provided by **INCREDFINANCIAL SERVICES LIMITED** ("the listed entity") having CINU74899MH1991PLC340312,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) **website of the listed entity,**
- d) any other document/ filing, as may be relevant, which has been relied upon to make this clarification,
for the year ended **31st March, 2022** ("Review Period") in respect of compliance with the provisions of:
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulations) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined include: -

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015-
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company during the period under scrutiny being a debt listed entity.**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company during the period under scrutiny being a debt listed entity.**
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable as the Company has not bought back any of its securities during the year under review**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company during the period under scrutiny being a debt listed entity.**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015 - **During the year under review, the Company has issued secured debentures through public issue and on private placement basis and the same have been listed.**

- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015 - **Not applicable to the Company during the period under scrutiny being a debt listed entity.**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as amended from time to time. **Not applicable**
- k) The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

And circulars/ guidelines issued thereunder;

And based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance nt (Regulations/ guidelines specific clause)	Requireme nt Circulars/ including	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL				


- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder is so far as it appears from my examination of those records.
- c) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the Year ended....	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
No previous observation that needs any attention				

Note:-

1. On the direction of The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, vide order dated 10 November 2021, the company conducted class meetings of the Equity and Preference shareholders and secured creditors including debentureholders, respectively where the Composite Scheme of Amalgamation and Arrangement among Bee Finance Limited ("Transferor Company"), KKR Capital Markets India Private Limited ("Transferee Company"), InCred Financial Services Limited ("Demerged Company") and KKR India Financial Services Limited ("Resulting Company"), and their respective shareholders under Sections 230 to 232 read with Sections 66 and 234 of the Companies Act, 2013 was approved.

2. Due to COVID-19 Pandemic impact and situation of partial/complete lockdown, the documents for conducting the audit were obtained through electronic mode for verification.


Ashish Karodia
Company Secretary
FCS 6549
CP No. 6375

CS Ashish Karodia
Company Secretary
FCS No.:6549
C.P. No.:6375

Place:Indore

Date: 30.04.2022

UDIN: F006549D000250408