



**CREDENCE**  
INVESTMENTS

## Credence Investments

<https://Credenceinvestments/incred>

**Company Note as of 31<sup>st</sup> December 2024**



## COMPANY OVERVIEW

Metric	Value
ISIN	INE732W01014
Face Value	₹10
Depository	NSDL & CDSL
PAN Number	AAECK1977B
Market Capitalization (in cr)	₹10397
Total Shares Outstanding	641,817,562
Price-to-Earnings (P/E) Ratio	33.68
Price-to-Book (P/B) Ratio	3.06
Earnings Per Share (EPS)	₹4.82
Sector	Investment & Holding
Category	Public Companies having a Share Capital
52-Week High	₹178
52-Week Low	₹158

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## Snapshot

**InCred Holdings Limited** is a diversified financial services firm headquartered in Mumbai, India. Established in 2011 as KKR Capital Markets India Limited, the company underwent a significant transformation through a merger with KKR India Financial Services in July 2022, resulting in its rebranding as InCred Holdings Limited.

The InCred Group comprises three distinct businesses:

- **InCred Finance:** A new-age lending-focused Non-Banking Financial Company (NBFC).
- **InCred Capital:** An integrated platform offering institutional, wealth, and asset management services.
- **InCred Money:** A digital investment distribution platform targeting mass-affluent and retail segments.

With a workforce of over 3,500 employees and more than 150 branches across India, InCred Holdings leverages cutting-edge technology and data science to provide innovative and customer-centric financial solutions.

In November 2023, InCred achieved a valuation exceeding \$1 billion after a successful funding round, raising \$60 million. This equity capital is strategically allocated across its primary business segments: consumer loans, student loans, and lending to micro, small, and medium enterprises (MSMEs).

Through its commitment to leveraging technology and data-driven insights, InCred Holdings continues to redefine accessibility, simplicity, and efficiency in financial services, catering to the diverse needs of its clientele.

## PRODUCTS & SERVICES

**InCred Holdings Limited** offers a comprehensive suite of financial products and services through its three primary business divisions:

### **1. InCred Finance:**

A technology-driven Non-Banking Financial Company (NBFC) that provides:

- **Personal Loans:** Tailored financial solutions for individual needs.
- **Education Loans:** Funding options for students pursuing higher education.
- **Business Loans:** Capital support for small and medium enterprises.

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## 2. InCred Capital:

An integrated platform delivering services in:

- **Institutional Equities:** Facilitating equity trading and investment for institutional clients.
- **Wealth Management:** Comprehensive financial planning and investment advisory services.
- **Asset Management:** Managing investment funds across various asset classes.
- **Investment Banking:** Advisory services for mergers, acquisitions, and capital raising.

## 3. InCred Money:

A digital investment distribution platform targeting mass-affluent and retail segments, offering:

- **Mutual Funds:** Access to a variety of mutual fund schemes.
- **Portfolio Management Services (PMS):** Customized investment portfolios managed by professionals.
- **Alternative Investment Funds (AIF):** Investment opportunities in alternative asset classes.

Through these divisions, InCred Holdings leverages advanced technology and data analytics to deliver innovative, customer-centric financial solutions across lending, investment, and advisory services.

## Company Overview

**InCred Holdings Limited** has achieved several significant milestones since its inception, marking its evolution into a prominent player in the Indian financial services sector:

- **2016-2017: Establishment and Early Growth**
  - Launched **InCred Finance**, introducing four retail and five MSME products.
  - Assembled a leadership team of industry experts.
  - Secured initial funding of **₹5.85 billion**.
  - Expanded workforce to over 100 employees.
- **2018-2019: Expansion and Recognition**
  - Achieved profitability within the first year of operations.
  - Launched **InCred Capital**, focusing on investment banking services.

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- Increased employee count to over 600.
- Raised an additional **₹4.27 billion** in funding.
- Introduced **InCred Wealth**, a comprehensive wealth management platform.
- Honored with the **ET Best Brand Award 2019**.

### **2020-2021: Strategic Acquisitions and Diversification**

- Acquired **MAPE Advisory's Investment Banking** business, enhancing advisory capabilities.
- Entered the equities research domain by acquiring **Earnest Innovation Partners**.
- Launched an **Asset Management** division.
- Expanded into long-only equity through the acquisition of **Vishuddha Capital**.
- Formed strategic partnerships with e-commerce giants **Amazon India** and **Flipkart** to provide working capital loans to merchants.
- Recognized again with the **ET Best Brand of the Year** award.

### **2022-2023: Merger and Unicorn Status**

- Completed a merger with **KKR India Financial Services** in July 2022, rebranding as **InCred Holdings Limited**.
- Achieved a loan book milestone of **₹6,000 crore**.
- Launched the **InCred Emerging Business Fund (Category III AIF)**.
- In 2023, attained **unicorn status** with a valuation surpassing **\$1 billion** after raising **₹500 crore** in funding.

### **2023-2024: Continued Growth and Expansion**

- Introduced **InCred Premier**, a digital investment distribution platform.
- Expanded workforce to over 2,000 employees.
- Announced plans for an **Initial Public Offering (IPO)** aiming to raise between **₹4,000–5,000 crore** by Diwali 2025, targeting a valuation of **₹15,000–22,500 crore**.

These milestones underscore InCred Holdings' commitment to innovation, strategic growth, and delivering comprehensive financial solutions across lending, investment, and advisory services.

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## INDUSTRY OVERVIEW

As of February 2025, India's financial services industry is navigating a dynamic landscape shaped by regulatory reforms, technological advancements, and evolving economic conditions.

### **Regulatory Reforms:**

- *Urban Co-operative Banks (UCBs):* The Reserve Bank of India (RBI) has revised regulations to grant UCBs greater operational flexibility. Notable changes include increased loan limits and adjusted exposure caps, aiming to enhance credit accessibility for small borrowers and micro-businesses.
- *Liquidity Measures:* Facing a liquidity deficit of approximately ₹1.7 trillion as of February 20, 2025, the RBI is expected to inject at least ₹1 trillion into the banking system by the end of March 2025. This initiative is crucial for maintaining financial stability and ensuring effective policy transmission.

### **Technological Advancements:**

- *Open Banking:* The adoption of open banking is fostering collaboration between banks and fintech firms, enabling the secure sharing of customer financial data. This approach is anticipated to unlock new services, revenue streams, and operational efficiencies within the banking sector.
- *Wealth Management Innovations:* The wealth management sector is expanding, with banks targeting a diverse clientele, including affluent individuals and High Net Worth (HNW) clients. Projections indicate that India will host approximately 1.6 million HNW individuals by 2027, presenting significant opportunities for tailored financial services.

### **Economic Conditions:**

- *Growth Projections:* India's real GDP is projected to grow between 6.5% and 6.8% for the fiscal year 2024-2025, driven by robust domestic demand and strategic government spending.
- *Banking Sector Challenges:* Despite positive growth forecasts, the banking sector faces challenges, including rising non-performing assets, particularly in unsecured loans, and subdued credit growth. Major banks are preparing for potential increases in defaults, reflecting broader economic uncertainties.

### **Trade Finance and Supply Chain:**

- *Market Expansion:* The trade finance market in India is experiencing significant growth, propelled by the expansion of international trade and the increasing adoption of digital

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financial services. The demand for efficient cross-border payment solutions and supply chain financing is contributing to this upward trajectory.

- **Supply Chain Finance:** Businesses are increasingly leveraging supply chain finance to enhance procurement efficiency and strengthen supplier relationships. This trend is particularly prominent among e-commerce companies, FMCG businesses, and manufacturing firms.

In summary, India's financial services industry in 2025 is characterized by a blend of regulatory enhancements, technological integration, and economic challenges. Stakeholders are focusing on innovation, strategic planning, and robust risk management to navigate this complex environment.

## **FINANCIAL HIGHLIGHTS FY 24:**

### **Financial Highlights of InCred Holdings Limited (FY 2022-2024)**

#### **Revenue Growth:**

- **Interest Earned** increased from ₹488 crore in 2022 to ₹1,194 crore in 2024.
- **Other Income** rebounded from a negative ₹45 crore in 2023 to ₹103 crore in 2024.

#### **Profitability & Expenses:**

- **Interest Expended** rose from ₹219 crore in 2022 to ₹453 crore in 2024.
- **Operating Expenses** increased from ₹263 crore in 2022 to ₹442 crore in 2024.
- **Provisions & Contingencies** turned positive with ₹19 crore reversals in 2024.

#### **Net Profit & Earnings Per Share (EPS):**

- **PAT (Profit After Tax)** surged from ₹31 crore in 2022 to ₹309 crore in 2024.
- **EPS (Earnings Per Share)** grew significantly from ₹1.61 in 2022 to ₹4.81 in 2024.

#### **Asset Quality & Advances:**

- **Gross & Net NPA (Non-Performing Assets)** remained stable at 2.1% in 2023 & 2024, down from 2.8% in 2022.
- **Advances** expanded from ₹3,733 crore in 2022 to ₹7,259 crore in 2024.

#### **Key Ratios:**

- **Book Value Per Share** rose to ₹52.77 in 2024.
- **Price-to-Book (P/B) Ratio** fluctuated, peaking at 4.09 in 2023 before settling at 3.13 in 2024.
- **Return on Equity (ROE)** improved from 2.78% in 2022 to 9.12% in 2024.

#### **Conclusion:**

InCred Holdings Limited demonstrated **robust growth** in revenue, profitability, and asset quality over the last three years. The company's **rising EPS, controlled NPAs, and expanding loan book** position it well for sustained future growth.

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**InCred Holdings Limited Financial Performance (INR Crores)**

Metric	2022	2023	2024
Interest Earned	488	866	1194
Other Income	36	-45	103
Interest Expended	219	356	453
Operating Expenses	263	273	442
Provisions and contingencies	0	0	-19
PAT	31	109	309
EPS	1.61	1.83	4.81
Gross NPA	2.8	2.1	2.1
Net NPA	2.8	2.1	2.1

**InCred Holdings Limited Financial Ratios**

Key Ratios`	2022	2023	2024
Advances	3733	5405	7259
Book Value	57.83	42.81	52.77
P/B	3.03	4.09	3.13
ROE (%)	2.78	4.28	9.12

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## CONSOLIDATED FINANCIAL STATEMENTS

Financials: Annual Report

### FINANCIAL RESULTS

The Company's financial results for the FY ended March 31, 2024, as compared to previous FY ended March 31, 2023, are summarized in the table below:

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Revenue from Operations	127,270.07	86,565.14	420.69	109.78
Other Income	2,357.22	1,505.48	41.01	83.92
<b>Total Income</b>	<b>129,627.29</b>	<b>88,070.62</b>	<b>461.70</b>	<b>193.70</b>
<b>Total Expenses</b>	<b>89,436.72</b>	<b>62,952.26</b>	<b>2,207.19</b>	<b>(525.53)</b>
<b>Profit / (Loss) before tax and exceptional items</b>	<b>40,190.57</b>	<b>25,118.36</b>	<b>(1,745.49)</b>	<b>719.23</b>
Exceptional Items	210.53	6,021.94	-	-
<b>Profit / (Loss) before Tax</b>	<b>39,980.04</b>	<b>19,096.42</b>	<b>(1,745.49)</b>	<b>719.23</b>
Total Tax Expense	9,848.60	8,189.99	(434.36)	1,760.55
<b>Profit / (Loss) after Tax</b>	<b>30,131.44</b>	<b>10,906.43</b>	<b>(1,311.13)</b>	<b>(1,041.32)</b>
Other Comprehensive Income	(252.29)	(3.89)	(2.53)	-
<b>Total comprehensive income</b>	<b>29,879.15</b>	<b>10,902.53</b>	<b>(1,313.66)</b>	<b>(1,041.32)</b>

Earnings per equity share (EPS)				
Basic (INR)	4.95	1.85	(0.22)	(0.18)
Diluted (INR)	4.75	1.81	(0.21)	(0.17)
<b>Appropriations:</b>				
Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	NA	NA	NA	NA

## SHAREHOLDING PATTERN

Category	Percentage
KKR India Financial Investments Pte. Ltd	<b>29.49%</b>
B Singh Holdings	<b>17.06%</b>
MNI Ventures	<b>9.10%</b>
Others	<b>44.35%</b>

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## MANAGEMENT

The Board comprises of the following directors as on March 31, 2024:

Sr. No.	Name of the Director	Designation
1	Mr. Bhupinder Singh	Whole Time Director & Chief Executive Officer
2	Mr. Vivek Bansal	Whole Time Director & Chief Financial Officer
3	Mrs. Rupa Vora	Independent director
4	Mr. Karnam Sekar	Independent director
5	Mr. Vivek Anand PS	Non-Executive Director
6	Mr. Anil Nagu	Non-Executive Director
7	Mr. Rohan Suri	Non-Executive Director

## IPO DETAILS

As of February 2025, **InCred Financial Services Ltd.**, a subsidiary of **InCred Holdings Limited**, is planning an Initial Public Offering (IPO) aimed at raising between ₹4,000 crore and ₹5,000 crore (approximately \$471-588 million). The IPO is tentatively scheduled for late 2025, around the Diwali festival period. The company is expected to finalize merchant bankers for this offering in the coming months.

Currently, **InCred Holdings Limited** has not announced any IPO plans. However, industry speculation suggests that an IPO could potentially occur within the next 2 to 3 years.

For investors interested in participating in the upcoming IPO or seeking more detailed information, it is advisable to monitor official announcements from InCred Financial Services Ltd. and consult with financial advisors to stay informed about the latest developments.

## NEWS

- <https://inc42.com/buzz/inc42-finance-to-acquire-trucaps-gold-loan-business-for-inr-330-cr/>
- <https://www.moneycontrol.com/news/business/startup/ipo-bound-inc42-finance-appoints-gaurav-maheshwari-as-cfo-12894710.html>
- <https://economictimes.indiatimes.com/markets/stocks/news/where-is-nifty-50-headed-by-march-2026-inc42-equities-flags-further-downside/articleshow/118554011.cms>

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