

April 20, 2026

AY Securities & Commodities Limited: Rating reaffirmed

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|--|--|---|--------------------------------|
| Long Term Bank Lines (Fund based/ non-fund based) | 488.66 | 488.66 | [ICRA]AA- (Stable); reaffirmed |
| Total | 488.66 | 488.66 | |

**Instrument details are provided in Annexure-II*

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of the credit profiles of Globe Capital Market Limited (GCML), Globe Fincap Limited (GFL; wholly-owned subsidiary), AY Securities and Commodities Limited (AY; erstwhile Globe Commodities Limited) and Globe Derivatives and Securities Limited (GDSDL), hereafter referred to as the Group, owing to the common management and clientele, shared infrastructure, and synergistic benefits derived from the Group's integrated presence across securities broking, clearing, and wealth management activities, along with GFL's lending activities. The consolidated financials include a few more subsidiaries (Globe Capital (IFSC) Limited and Globe Comex (DMCC) Limited), though their share in the consolidated financials is miniscule.

The ratings factor in the Group's established track record of operations, adequate profitability and prudent capitalisation profile. With a track record of more than three decades, an established branch and franchisee network, and market position, the Group's performance remains healthy with an average consolidated return on equity (RoE) of 16.7% during FY2021-FY2025. The momentum continued in 9M FY2026 with the Group reporting a consolidated profit after tax (PAT; provisional) of Rs. 455 crore, translating into RoE of 17.2%, supported by the increase in gains on the proprietary trading/investment book.

While the broking and clearing segments entail bank guarantees, the Group's borrowing requirement largely arises from the lending business, which is mainly driven by funding to clients for broking activities. Accordingly, the Group needs to maintain some level of borrowings. The consolidated on-balance sheet leverage remained low at 0.5 times as on December 31, 2025. Although the Group may witness higher working capital requirements in its clearing and broking operations amid recent regulatory changes, ICRA expects it to maintain a prudent capitalisation profile with the gearing remaining below 1.0 times. Further, the liquidity profile is adequate, supported by sufficient client margins taken for placing at the exchanges and the comfortable level of margin utilisation with the exchanges. Additionally, the proprietary investment book can be liquidated, if needed.

The ratings also consider the Group's exposure to the inherent volatility in the capital markets, the evolving regulatory and operating environment, and the highly competitive and fragmented nature of the broking industry. Further, the ratings factor in the Group's revenue concentration towards brokerage and gains from the proprietary investment book, which accounted for 81% of the profit before tax (PBT) in 9M FY2026 (63% in FY2025). These could be inherently volatile because of the cyclicality in capital markets. Further, GFL's loan book is concentrated, with the top 20 exposures accounting for 110% of its total net worth as on December 31, 2025 (92% as on March 31, 2024). This exposes the company to the risk of lumpy slippages in the asset quality. However, the Group has been able to maintain adequate asset quality indicators so far with limited slippages. Gross and net non-performing assets (NPAs) remained under control at 1.3% and 0.7%, respectively, as on December 31, 2025, for GFL.

The Stable outlook reflects ICRA's opinion that the Group will be able to maintain a steady credit profile while expanding its scale of operations, with low gearing and adequate earnings.

Key rating drivers and their description

Credit strengths

Long track record and established market position of brokerage and clearing businesses – The Group enjoys an extensive track record of over three decades in capital market and allied services across the equity, currency and commodities segments with a focus on high-net-worth individual (HNI) clients. It operates through ~30 branches and had over 350 retail franchises across the country with a market share of 1.2% in 9M FY2026 in the industry turnover as a trading member. Further, it is one of the larger clearing members with a total market share of ~10% in the clearing segment in 9M FY2026 (~12% in FY2025). ICRA notes that the Group has ceded market share over the years in the clearing segment to relatively newer players amid increased competition. Nonetheless, it is in the process of onboarding a few clients, which should improve its market share in this segment, going forward.

Comfortable capitalisation profile – The consolidated capitalisation position is comfortable with a gearing of 0.5 times and a net worth of Rs. 3,765 crore as on December 31, 2025 (0.3 times and Rs. 3,318 crore, respectively, as on March 31, 2025). ICRA takes comfort from the management's stated intention of maintaining a consolidated leverage of less than 1.0 times. The Group's liquidity profile is also adequate, supported by the healthy level of margin utilisation with the exchanges and the sizeable proprietary investment book, which can be liquidated if needed. Its borrowing needs mainly arise for meeting the working capital requirement of broking activities and funding the capital market lending book through its non-banking financial company (NBFC) arm, which largely comprises funded borrowings. The broking and clearing businesses require non-funded limits like bank guarantees, mainly for keeping the margin above the client margins.

Adequate profitability – The Group's profitability remains adequate, with a consolidated RoE of 17.2% in 9M FY2026 (13.9% in FY2025), supported by the increase in trading income. On a consolidated basis, the net operating income (NOI) stayed steady in 9M FY2026 (annualised) amid the moderation in trading activity growth in the industry. The NOI composition also remained largely stable, with net interest income contributing a significant part (47%) in 9M FY2026 (57% in FY2025), followed by brokerage activities (23% vs. 27%), with the balance coming from dividend, fee and other income, which occupy a small share of the NOI. Trading income contributed 23% to the NOI in 9M FY2026 compared to 16% in FY2025. The Group continues to benefit from the synergies arising from operational linkages in the form of shared infrastructure, client sourcing, common management, etc, across the four entities, resulting in a healthy cost-to-income ratio (46% in 9M FY2026). ICRA expects the Group to continue benefitting from operational synergies and maintain an adequate earnings profile while further scaling up its operations.

Credit challenges

Vulnerable income profile owing to concentration in capital markets – The Group is exposed to the inherent volatility associated with capital markets as its businesses are directly or indirectly linked to their performance. While income from the brokerage and trading book accounted for 45% of the total income in 9M FY2026 (43% in FY2025), a sizeable portion of the net interest income is also generated by the margin requirement, which is linked to capital markets. Moreover, broking income from the derivatives segment and the associated float income from cash margins placed by clients remain exposed to regulatory risk. The revenues associated with derivatives could face pressure following the recent hike in the securities transaction tax (STT), effective April 2026. Also, interest income is earned in the form of interest on loans given for investing in the capital markets through the NBFC arm, delayed payment charges or the margin trading facility (MTF), which are complementary to capital market activities.

Concentration risk in NBFC book – GFL's loan book is concentrated, with the top 20 exposures accounting for 110% of the total net worth as on December 31, 2025 (92% as on March 31, 2025), which is unlikely to change in the near-to-medium term. Hence, the portfolio is vulnerable to lumpy slippages in the asset quality. However, the Group has been able to maintain adequate asset quality indicators so far with limited slippages and write-offs in its capital market operations. GFL's gross and net NPA ratios were 1.3% and 0.7%, respectively, as on December 31, 2025 (1.3% and 0.6%, respectively, as on March 31, 2025). Capital market loans will continue to occupy a dominant share in the NBFC segment, with some share of non-capital

market loans, which are of longer tenure and have lower seasoning. Therefore, the Group’s ability to maintain the asset quality across segments and gradually reduce the concentration in the NBFC book would be a key monitorable.

Elevated competition, high dependence on technology and evolving regulatory environment – The sector remains characterised by intense competition and susceptibility to the entry of new players. In this regard, heightened competition in the equity broking segment and the growing popularity of discount brokerage houses have led to pricing pressure in recent years. The Group has ceded some market share to competition in the cash and futures & options (F&O) segments, in terms of clearing volumes in recent years. Though it has managed to generate healthy average revenue per client, pricing pressure cannot be ruled out given the growing popularity of discount brokerage houses.

Further, given the highly regulated nature of the industry, brokerage houses face significant regulatory risk. Ensuring compliance with evolving regulations is crucial. Recent regulatory changes, such as uniform exchange charges, increase in minimum holding value of basic service demat account, and measures to curb exuberance in the F&O segment, including rationalisation of weekly index derivatives and increased margins on expiry days, were introduced in FY2025. These, along with the recent hike in STT, and the rationalisation of expense ratio slabs in mutual funds could impact the profitability of entities operating in the securities broking industry. However, the increasing financialisation of savings offers potential for expansion. Despite this, pressure on profitability during a downturn cannot be ruled out. Additionally, reliance on technology poses operational and reputational risks. Maintaining uninterrupted services remains crucial for customer experience.

Liquidity position: Adequate

The liquidity position is adequate at the consolidated level with a free unencumbered cash and bank balance of ~Rs. 732 crore (0.4 times of external borrowings), sanctioned unutilised fund-based bank lines of ~Rs. 200 crore and an intraday limit of Rs. 2,525 crore as on December 31, 2025. These, along with the arbitrage book of ~Rs. 977 crore (which can be liquidated at short notice to generate liquidity) and collections from the NBFC loan book, are sufficient for covering the external borrowings of ~Rs. 2,066 crore till December 31, 2025. In the broking business, the Group had placed an average margin (including client margins) of Rs. 27,273 crore at the exchanges during April-December 2025, with the average margin utilisation standing at 40% (basis day-end figures; ~40% in FY2025). ICRA notes that the Group’s consolidated unencumbered investment book, comprising investments in preference and equity instruments (~Rs. 429 crore as on December 31, 2025), also boosts its financial flexibility.

The NBFC arm’s liquidity position also remains adequate, as indicated by the positive cumulative mismatches across the near-term buckets as per the asset-liability maturity (ALM) statement as on December 31, 2025. The company had debt repayments of Rs. 481 crore in FY2026 compared to expected inflows from advances of Rs. 987 crore. Additionally, it carried on-balance sheet liquidity (including investments) of Rs. 200 crore as on December 31, 2025. The liquidity profile is also supported by financial flexibility by virtue of GFL’s parentage. ICRA expects support from the parent to be forthcoming, if needed.

Rating sensitivities

Positive factors – A significant increase in the scale of operations, while maintaining/improving the profitability across segments on a sustained basis and maintaining a prudent capitalisation profile, could positively impact the rating.

Negative factors – Substantial weakening in the Group’s profitability or leverage indicators, adversely affecting its financial risk profile, or a significant deterioration in the asset quality of the NBFC could negatively impact the ratings.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | ICRA’s Credit Rating Methodology for Stockbroking & Allied Services ICRA’s Credit Rating Methodology for Non-banking Finance Companies |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Consolidated |

About the company

The Globe Group is engaged in broking and clearing activities in the equity, commodities and currency segments with a track record of about 30 years in the capital market segment. It is a member of the National Stock Exchange (NSE), the Bombay Stock Exchange (BSE), the Metropolitan Stock Exchange (MCX-SX), the Multi Commodity Exchange (MCX), and the National Commodity & Derivatives Exchange Limited (NCDEX). The Group holds depository registrations with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) besides being a Securities and Exchange Board of India (SEBI) registered portfolio manager.

The equity and currency broking, proprietary, and clearing activities are carried out under the flagship entity, Globe Capital Market Limited (GCML), which is also the holding company of the Group. The commodity broking business was previously conducted by AY Securities and Commodities Limited (wholly owned subsidiary of GCML) but was gradually shifted to GCML. AY currently operates as a professional clearing member (PCM). Additionally, the Group has a presence in the lending business through a wholly-owned subsidiary, Globe Fincap Limited, which is a non-banking financial company (NBFC) that provides loan against property (61% of the portfolio as on December 31, 2025), loan against shares (27%) and unsecured loans (12%).

On a consolidated basis, the Group reported PAT of Rs. 456 crore in 9M FY2026 on a net worth of Rs. 3,765 crore (December 31, 2025) compared to Rs. 432 crore and Rs. 3,318 crore, respectively, in FY2025.

Key financial indicators (audited)

| GCML – Consolidated | FY2024 | FY2025 | 9M FY2026* |
|-----------------------------|----------|----------|------------|
| Net operating income* | 625.0 | 787.8 | 602.2 |
| Profit after tax | 622.6 | 431.5 | 455.9 |
| Net worth | 2,887.1 | 3,317.8 | 3,764.7 |
| Total assets | 15,003.3 | 14,719.3 | 17,216.3 |
| Gearing (times) | 0.2 | 0.3 | 0.5 |
| Return on average net worth | 24.2% | 13.9% | 17.2% |

Source: Company, ICRA Research; *Provisional; All ratios as per ICRA's calculations; Amount in Rs. crore

| GCML – Standalone | FY2024 | FY2025 | 9M FY2026* |
|-----------------------------|----------|----------|------------|
| Net operating income* | 504.6 | 615.4 | 536.7 |
| Profit after tax | 449.1 | 326.6 | 335.1 |
| Net worth | 1,846.7 | 2,199.7 | 2,534.8 |
| Total assets | 12,333.0 | 12,063.6 | 13,865.2 |
| Gearing (times) | 0.2 | 0.3 | 0.4 |
| Return on average net worth | 27.7% | 16.1% | 18.9% |

Source: Company, ICRA Research; *Provisional; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Current (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|--|------------------|-------------------------|-------------------|---|-------------------|-------------|-------------------|-------------|--------------------|
| | Type | Amount rated (Rs Crore) | APR-20-2026 | FY2026 | | FY2025 | | FY2024 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Long term-others-fund based/non fund based | Long term | 488.66 | [ICRA]AA-(Stable) | SEP-08-2025 | [ICRA]AA-(Stable) | SEP-12-2024 | [ICRA]AA-(Stable) | APR-04-2023 | [ICRA]A+(Positive) |
| | | | | | | | | OCT-30-2023 | [ICRA]AA-(Stable) |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|----------------------|
| Long term bank lines (fund based/ non-fund based) | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Instrument | FSR |
|---------|--|--|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%)These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Activity Name | FSR |
|---------|--|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Annexure II: Instrument details

| ISIN | Instrument name | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|--|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Long-term bank lines (fund based/non-fund based) | NA | NA | NA | 488.66 | [ICRA]AA- (Stable) |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

| Company name | Ownership | Consolidation Approach |
|--|-----------|------------------------|
| Globe Fincap Limited | 100.00% | Full Consolidation |
| AY Securities and Commodities Limited | 100.00% | Full Consolidation |
| Globe Derivatives and Securities Limited | 100.00% | Full Consolidation |
| Globe Capital (IFSC) Limited | 100.00% | Full Consolidation |
| Globe Comex (DMCC) Limited^ | 100.00%* | Full Consolidation |

Source: GCML's consolidated annual report FY2025; ^ Wholly-owned subsidiary of AY; * Until May 2022

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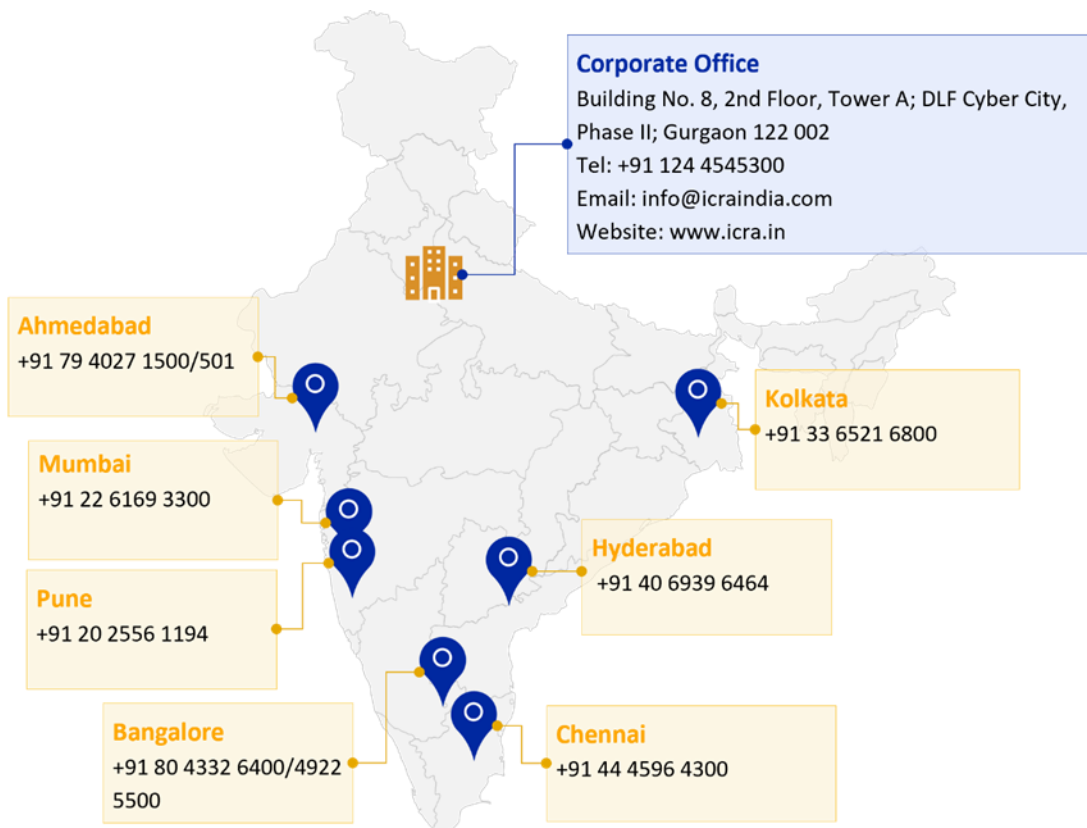
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