

May 26, 2026

Standard Chartered Securities (India) Limited: Ratings reaffirmed; rating withdrawn for NCDs

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	700.0	700.0	[ICRA]A1+; reaffirmed
Long-term fund-based/Non-fund based bank lines	510.0	510.0	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	100.0	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Total	1,310.0	1,210.0	

*Instrument details are provided in Annexure II

Rationale

The ratings factor in Standard Chartered Securities (India) Limited's (SCSIL) strong parentage through Standard Chartered Bank (UK) (SCB UK; rated A1 (Stable)/P-1 by Moody's Investors Service). Apart from the shared brand, which supports financial flexibility, SCSIL benefits from oversight by the parent through the board, adherence to the Standard Chartered (SCB) Group's global risk management framework, and operational linkages with the Group. These include customer sourcing, cross-selling opportunities, and access to Standard Chartered India's retail franchise and branch network. The ratings also take into account SCSIL's adequate capitalisation and liquidity profile, commensurate with its current scale of operations.

With the ramp-up in the company's debt-funded margin trading facility (MTF) loan book, borrowings have increased, resulting in a rise in the gearing to 1.0 times as on December 31, 2025 from 0.6 times as on March 31, 2023. While the size of the MTF portfolio and the associated reliance on commercial paper (CP) funding remain linked to market conditions and can thus exhibit volatility, the MTF book and leverage levels are expected to remain above the historical averages. Additionally, the MTF exposure entails inherent credit and market risks, considering the nature of the underlying collateral.

SCSIL's scale of operations and profitability metrics remain modest while its business profile exhibits limited diversification, with both broking and MTF activities being linked to capital market performance. This exposes the company to risks arising from market volatility. Additionally, intense competition in the retail broking segment is likely to exert pressure on yields. Going forward, SCSIL's ability to expand its client base and increase its broking volumes, while maintaining the asset quality in the MTF portfolio, will remain imperative for an improvement in its profitability.

The Stable outlook indicates ICRA's expectation of continued benefit from the company's parentage.

ICRA has withdrawn the rating for the Rs. 100.00-crore non-convertible debentures (NCDs) as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong parentage – SCSIL benefits from its parentage within the SCB Group through ongoing operational and managerial support. As a bank-backed brokerage, it has access to Standard Chartered India's high-net-worth client base, while also supporting the bank's service offerings by providing broking services, thereby strengthening its overall wealth management proposition. SCSIL also leverages the Group's brand and distribution network, aiding business expansion while helping contain customer acquisition costs. Additionally, the company benefits from board-level oversight, with senior management from Standard Chartered Bank (India) (SCB India), including its Chief Executive Officer, represented on its board. The shared brand

further supports its financial flexibility. ICRA expects that timely support from the Group will continue to be available, if required.

Adequate capitalisation and liquidity for current scale of operations – With SCSIL’s retail broking operations largely limited to SCB India’s customer base, its capitalisation has remained adequate for its current scale of operations. The company’s capital is primarily deployed towards meeting margin requirements at stock exchanges and supporting the MTF business. Historically, SCSIL has maintained low leverage. However, the scale-up of the MTF portfolio has led to an increase in the gearing, which rose to 1.0 times as on December 31, 2025 from 0.6 times as on March 31, 2023. The net worth and MTF book increased to Rs. 379 crore and Rs. 428 crore, respectively, as of December 2025, from Rs. 296 crore and Rs. 237 crore, respectively, as of March 2023. Gearing levels are expected to increase further with the anticipated expansion of the MTF portfolio over the near-to-medium term. Given SCSIL’s strategic importance to SCB India’s operations, ICRA expects timely capital assistance from the Group to support its growth plans while maintaining prudent capitalisation levels.

The company has an adequate liquidity profile with moderate utilisation of the margins placed with the stock exchanges. Its average cash margin utilisation (funded through own and client funds) was around 33% in FY2026.

Credit challenges

Modest scale of operations; high client concentration – The company’s scale of operations remains relatively small, with a marginal share in the equity broking market, as client acquisition is largely restricted to SCB India’s customer base. Further, the number of active clients stood at 11,064 out of the total client base of 55,731 as of December 2025, which is lower compared to larger peers. This has resulted in modest revenue and profitability metrics, with the return on equity (RoE) remaining in the range of 4-9% over the past five years. Net interest income (NII) and brokerage income continue to be the primary contributors to the overall revenue profile (total net operating income of Rs. 64.9 crore in 9M FY2026), accounting for 52% and 35%, respectively, in 9M FY2026 (40% and 49%, respectively, in FY2025). Additionally, customer concentration remains high, with the top 10 broking clients accounting for around 14% of trade volumes in the cash segment and approximately 41% in the futures and options (F&O) segment in 9M FY2026, though moderating from 54% and 91%, respectively, in 9M FY2025.

In the near-to-medium term, growth in income and a consequent improvement in the customer base, revenue, and profitability will remain contingent on the pace of digital onboarding of SCB India’s customers. It will also depend on SCSIL’s ability to diversify its client base beyond the parent’s ecosystem and expand the MTF portfolio while maintaining the current level of asset quality.

Exposed to risks inherent in capital market business as well as credit and market risks associated with MTF – SCSIL entered the MTF segment in FY2020 and has since scaled up the portfolio to Rs. 428 crore as on December 31, 2025 from Rs. 12 crore as on March 31, 2020. The business entails inherent exposure to credit and market risks, given the nature of the underlying collateral, as adverse movements in capital markets could impact the value of pledged securities. Additionally, borrower concentration remains elevated, with the top 10 customers accounting for around 33% of the MTF portfolio, reflecting the modest client base. Nevertheless, the company benefits from risk management frameworks aligned with the SCB Group’s global practices, which have supported the management of the portfolio through periods of market volatility.

SCSIL’s revenues remain largely linked to capital market activity, which is inherently volatile. NII from the MTF segment, along with income from upfront client margin deposits and net brokerage, accounted for 52% and 35%, respectively, of the net operating income in 9M FY2026, indicating limited contribution from non-capital market-related businesses. Consequently, the company’s revenue profile and profitability remain susceptible to fluctuations in market conditions.

Elevated competition, high dependence on technology, and evolving regulatory environment – 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 futures & options (F&O) segment, including increase in contract size, rationalisation of weekly index derivatives and higher margins on expiry days, were introduced in H2 FY2025. These, along with

the recent hike in securities transaction tax (STT), and rationalisation of expense ratio slabs in mutual funds could impact the profitability of entities operating in the securities broking industry.

The sector is also characterised by intense competition and the entry of new players, leading to pricing pressure. However, the increasing financialisation of savings offers potential for expansion. Despite this, pressure on profitability during downturns remains a concern. Additionally, reliance on technology poses operational and reputational risks. Maintaining uninterrupted services will be crucial for customer experience.

Liquidity position: Adequate

SCSIL's funding requirement is primarily for placing margins at the exchanges and growing the MTF book. Margin utilisation, basis month-end data, ranged between 10% and 56%, with the average cash margin placed on exchanges (including client funds) amounting to Rs. 181 crore during April 2025 to March 2026. As on March 31, 2026, SCSIL had total borrowings of Rs. 354 crore, of which Rs. 260 crore is due for repayment within six months. Against this, it had an unencumbered cash and bank balance of Rs. 48 crore and drawable but unutilised lines of Rs. 133 crore. Additionally, the MTF book stood at ~Rs. 427 crore as on December 31, 2025, which can be liquidated at short notice to generate liquidity if required. SCSIL also enjoys financial flexibility, as a part of the SCB Group, and the same is evident from the regular CP issuances and competitive borrowing cost.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A revision in the credit profile of the parent (SCB UK) or a significant change in the company's shareholding or linkage with the parent could lead to pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking & Allied Services Policy on Withdrawal of Credit Ratings
Parent/Group support	SCB UK The ratings factor in the high likelihood of support from SCB UK, driven by reputational and strategic considerations
Consolidation/Standalone	Standalone

About the company

SCSIL is a wholly-owned subsidiary of Standard Chartered Bank (Mauritius) Limited (SCBM) and a step-down subsidiary of SCB UK. SCBM acquired the company from Securities Trading Corporation of India (STCI) during 2008-2010. Prior to the acquisition, it was known as UTI Securities Limited (UTISEL). SCSIL is a broking company with an operational track record of 29 years. It is registered as a trading and clearing member with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Currently, SCSIL offers broking facilities, margin trade facilities and distribution of third-party products like corporate fixed deposits and bonds.

Key financial indicators

SCSIL	FY2024	FY2025	9M FY2026
	Audited	Audited	Unaudited
Net operating income	86.4	97.7	64.9
Profit after tax	21.7	28.9	10.5
Net worth	337.8	368.6	379.1
Total assets	749.3	884.3	867.4
Gearing (times)	1.0	1.1	1.0
Return on average net worth	6.9%	8.2%	3.8%*

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	May 26, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long-term fund-based/Non-fund based bank lines	LT	510.0	[ICRA]AAA (Stable)	May 28, 2025	[ICRA]AAA (Stable)	Jul 12, 2024	[ICRA]AAA (Stable)	Mar 28, 2024	[ICRA]AAA (Stable)
								Nov 24, 2023	[ICRA]AAA (Stable)
Commercial paper	ST	700.0	[ICRA]A1+	May 28, 2025	[ICRA]A1+	Jul 12, 2024	[ICRA]A1+	Mar 28, 2024	[ICRA]A1+
								Nov 24, 2023	[ICRA]A1+
Non-convertible debenture	LT	100.0	[ICRA]AAA (Stable); withdrawn	May 28, 2025	[ICRA]AAA (Stable)	Jul 12, 2024	[ICRA]AAA (Stable)	-	-

LT – Long term; ST – Short term

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.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based/Non-fund based bank lines	Simple
Commercial paper	Simple
Non-convertible debenture	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE472H14672	Commercial paper	Jul-31-25	7.30%	Jul-31-26	15.00	[ICRA]A1+
INE472H14706	Commercial paper	Aug-14-25	7.35%	Jun-19-26	50.00	[ICRA]A1+
INE472H14722	Commercial paper	Sep-16-25	7.15%	Sep-16-26	15.00	[ICRA]A1+
INE472H14755	Commercial paper	Dec-12-25	7.10%	Dec-11-26	20.00	[ICRA]A1+
INE472H14771	Commercial paper	Feb-05-26	7.75%	Feb-05-27	10.00	[ICRA]A1+
INE472H14789	Commercial paper	Feb-09-26	7.70%	Aug-07-26	50.00	[ICRA]A1+
INE472H14805	Commercial paper	Feb-25-26	7.40%	May-25-26	10.00	[ICRA]A1+
INE472H14821	Commercial paper	Mar-09-26	7.85%	Mar-08-27	75.00	[ICRA]A1+
INE472H14813	Commercial paper	Mar-09-26	7.85%	Jun-08-26	75.00	[ICRA]A1+
INE472H14839	Commercial paper	Apr-02-26	7.30%	Apr-02-27	15.00	[ICRA]A1+
INE472H14847	Commercial paper	Apr-28-26	6.90%	Oct-28-26	25.00	[ICRA]A1+
INE472H14854	Commercial paper	Apr-29-26	6.60%	Jul-29-26	25.00	[ICRA]A1+
Yet to be placed	Commercial paper	NA	NA	7-365 days	315.00	[ICRA]A1+
NA	Long-term fund-based/Non-fund based bank lines	NA	NA	NA	510.0	[ICRA]AAA (Stable)
Not placed	Non-convertible debenture	NA	NA	NA	100.0	[ICRA]AAA (Stable); withdrawn

Source: Company, ICRA Research

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

Annexure III: List of entities considered for consolidated analysis

Not applicable

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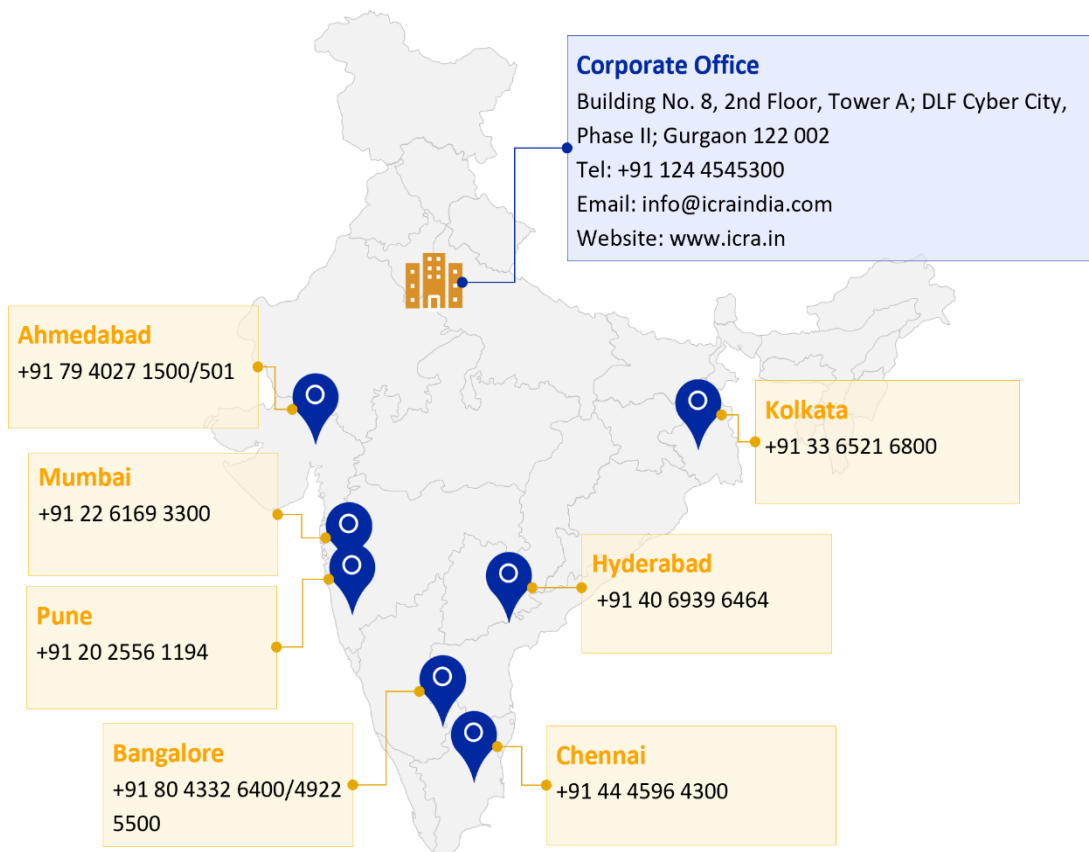
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