

June 05, 2025 <sup>(Revised)</sup>

## Sharekhan Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper (CP) programme	2,500.0	2,500.0	[ICRA]A1+; reaffirmed
CP programme	1,000.0	0.0	[ICRA]A1+; reaffirmed and withdrawn
<b>Total</b>	<b>3,500.0</b>	<b>2,500.0</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has taken a consolidated view of Sharekhan Limited (Sharekhan)<sup>1</sup> and its parent, Mirae Asset Capital Market (India) Private Limited (MACM). To arrive at the rating, the consolidated financials of MACM and its subsidiaries (including Sharekhan), hereafter referred to as the MACM Group or the Group, have been considered. The companies together represent the broking franchise of Mirae Asset Securities Co. Ltd. (MAS; Korea's largest securities company in terms of asset size, rated Baa2 Stable by Moody's) in India. MACM and Sharekhan benefit from a shared brand name and management oversight from MAS.

The rating reflects MACM's strong parentage in the form of MAS and favourably factors in MAS' presence on the boards of MACM and Sharekhan, its supervision and control over their activities, and the co-branding<sup>2</sup>. The rating also takes into consideration the MACM Group's strong capitalisation, adequate liquidity and established position in the domestic retail broking market. While the Group has a track record of over two decades in the full-service retail broking segment through Sharekhan, its presence in discount broking has been growing through MACM's standalone operations. Additionally, supported by MAS' global presence in capital market and financial services, MACM has a presence in the institutional broking segment. Moreover, the Group has a meaningful presence in exchange traded funds' (ETFs) market making activities. However, its ability to improve the synergies between the two entities by expanding the remunerative client base and via cross-selling of products will be the key driver of the growth in the profitability of the Indian operations.

Despite the sizeable cash outflow in November 2024 to acquire Sharekhan<sup>3</sup>, MACM's consolidated capitalisation remains strong supported by the capital infusion of Rs. 3,001 crore in FY2025, of which ~Rs. 1,747 crore was infused in March 2025. As on March 31, 2025, MACM's consolidated net worth stood at Rs. 6,957 crore<sup>4</sup>. However, as the management intends to deploy a part of the Group's net worth towards market making-cum-investment activities, incremental growth in broking and allied activities will be partially debt funded. Nevertheless, ICRA expects MACM's consolidated gearing to remain below 1 times in the near to medium term.

While arriving at the rating, ICRA has also taken into account the competition in the industry and the inherent volatility associated with capital markets. The rating also considers the credit and market risks associated with margin trading related lending businesses, given the nature of the underlying assets. Further, while the Group's profitability in the full-service broking segment remains adequate, the discount broking operation, which is in the growth phase, reported a below-average

<sup>1</sup>Previously, Sharekhan was held by BNP Paribas SA (BNPP). In November 2024, MAS acquired a 100% stake in Sharekhan, providing exit to BNPP. As per the terms of the acquisition, Sharekhan BNP Paribas Financial Services Limited, an erstwhile subsidiary of Sharekhan, was carved out of Sharekhan before the acquisition and is now a sister concern of MACM

<sup>2</sup> Sharekhan was rebranded as Mirae Asset Sharekhan

<sup>3</sup> MACM's cash outflow for acquiring Sharekhan was Rs. 2,154 crore

<sup>4</sup> Net of goodwill of Rs. 603 crore upon acquisition of Sharekhan

performance, weighing on the Group's overall consolidated financial performance. It is noted that amid the highly regulated and continuously evolving industry landscape, strict adherence to regulatory norms remains crucial. Additionally, the high reliance on technology poses operational and reputational risk, particularly in the event of technical glitches.

ICRA has withdrawn the [ICRA]A1+ rating assigned to Sharekhan's Rs. 1,000-crore commercial paper as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of ratings.

## Key rating drivers and their description

### Credit strengths

**Strong parentage** – Sharekhan is a subsidiary of MACM, which is wholly owned by MAS. MAS is Korea's largest securities company, in terms of asset size, and has a global presence in a wide range of capital market and financial services. MACM and Sharekhan augment MAS' presence in Indian capital markets and are strategically important to the parent. The MACM Group's importance to the parent company is evident from the co-branding<sup>5</sup> and operational, managerial and financial support extended by MAS. MACM has a seven-member board with four representatives from MAS, who supervise and control the Group's activities to ensure that its operations are aligned with the parent's operations and policies. Further, MAS has provided regular financial support (through a capital infusion of Rs. 3,001 crore in FY2025), in view of the substantial cash outflow incurred by MACM for the acquisition of Sharekhan. Additionally, the MACM Group benefits from its global presence for sourcing institutional clients for its institutional broking division in India.

**Strong capitalisation** – Despite the sizeable cash outflow of Rs. 2,154 crore in November 2024 to acquire Sharekhan, the Group's capitalisation remains strong supported by the capital infusion of Rs. 3,001 crore in FY2025. As on March 31, 2025, the MACM Group's consolidated net worth stood at Rs. 6,957 crore. However, as the management intends to deploy a part of the Group's net worth towards market making activities (for ETFs of Mirae Asset Management Company)-cum-proprietary investment activities, incremental growth in broking and allied activities will be partially debt funded. Nevertheless, ICRA expects MACM's consolidated gearing to remain below 1 times in the near to medium term.

**Established market position** – MACM, through its subsidiary – Sharekhan, has over two decades of experience in the full-service retail broking segment in India. Moreover, it has demonstrated its ability to expand its presence in discount broking by offering a competitive pricing strategy despite being a late entrant in the broking segment<sup>6</sup>. On a consolidated basis, the Group's National Stock Exchange (NSE) active retail client base is estimated to be the eighth largest in the domestic capital market. Supported by MAS' global presence in capital market and financial services, the Group also has a presence in the institutional broking segment. On average, about 53% of the consolidated broking income in the full-service broking space is derived from the cash segment while the revenue mix in the discount broking segment is still evolving. The MACM Group also has a sizeable presence in margin trade funding (MTF). The consolidated loan book stood at Rs. 2,920 crore (market share of ~4%) as on March 31, 2025.

### Credit challenges

**Modest profitability** – The MACM Group's revenue profile is adequately diversified with a mix of broking fee, net interest income, revenue from proprietary trading/market making activities, and other fee income from depository participant, distribution, and research and advisory activities. Despite its established position in retail broking, the Group's profitability is modest, with a return on equity (RoE) of sub-10%. While the Group's profitability in the full-service broking segment remains adequate, the discount broking operations, which are in the growth phase, have reported below-average performance, weighing on the overall consolidated financial performance. The profitability indicator is likely to remain modest in the near

<sup>5</sup> Sharekhan has been rebranded as Mirae Asset Sharekhan

<sup>6</sup> Forayed into retail broking in FY2022

term till the discount broking product achieves meaningful scale, operational synergies from the acquisition of Sharekhan are realised, and economies of scale take effect.

**Exposed to risks inherent in capital market related businesses as well as credit and market risk associated with MTF** – The trading volumes and revenues of securities broking companies remain susceptible to the inherently volatile capital markets, which are cyclical in nature. Further, the presence in the MTF segment results in exposure to credit and market risks, given the nature of the underlying assets, as any adverse event in the capital markets could erode the value of the underlying collateral stocks. The MACM Group’s MTF book stood at Rs. 2,920 crore as on March 31, 2025. Its ability to maintain adequate asset quality while ramping up the lending book would remain monitorable. Additionally, the performance in the proprietary trading/market making/investment book is also linked to market volatility and the Group reported a loss in one of the last five years.

**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 changes, such as uniform exchange charges, have impacted profitability, especially for discount brokers. Measures to curb exuberance in the futures & options (F&O) segment, including rationalisation of weekly index derivatives and increased margins on expiry days were introduced during November 2024 to April 2025. These, along with the hike in securities transaction tax, impacted capital market volumes and profitability, particularly for discount brokers. 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, as seen with the MACM Group's 12 technical glitches<sup>7</sup> in FY2025. Maintaining uninterrupted services will be crucial for customer experience.

### Liquidity position: Adequate

The MACM Group requires funding to place margins at the exchanges and to support growth in the MTF book. The month-end margin utilisation, for the last 12 months (April 2024 to March 2025), was in the range of 17-22% in the discount broking segment and 36-52% in the full-service broking segment. Sharekhan had an unencumbered cash balance of Rs. 166 crore and unutilised fund-based bank lines of Rs. 1,184 crore (including intercorporate deposits (ICDs) from MACM) as on March 31, 2025, against a debt obligation of Rs. 725 crore due in the next three months. Further, the company had an MTF book of Rs. 1,856 crore, which can be called at short notice in case of contingencies.

MACM had unencumbered liquidity of Rs. 1,231 crore as on March 31, 2025 and was debt free as of that date. Its MTF book stood at Rs. 1,064 crore as on March 31, 2025. The higher on-balance sheet liquidity, as of March 2025, was on account of the capital infusion of Rs. 1,747 crore on March 4, 2025. However, the same is expected to decline as these funds get deployed towards broking, MTF and proprietary/market making activities. Nevertheless, the consolidated liquidity profile is expected to remain adequate. MACM is expected to continue providing ICDs to Sharekhan, ensuring adequate liquidity.

### Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – Sustained weakening in the market position, capitalisation or liquidity, will be a credit negative. Additionally, a deterioration in the credit profile of the parent and/or weakening in the linkages with the parent may be credit negatives.

---

<sup>7</sup> Interruptions impacting trading for more than five minutes

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology – Stockbroking and Allied Services</a> <a href="#">Policy on withdrawal of credit rating</a>
Parent/Group support	Mirae Asset Securities Co. Ltd.  Sharekhan is a subsidiary of MACM, which is a wholly-owned subsidiary of MAS. The strong parentage and shared brand name strengthen ICRA's expectation that MACM will receive timely and adequate support (financial as well as operational) from MAS if required
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of MACM

## About the company

Sharekhan is registered with the Securities and Exchange Board of India (SEBI) and its main business activity is securities broking, primarily in the retail segment, and margin trade funding. It also has a modest presence in portfolio management services and distribution of mutual fund products.

Previously, BNP Paribas SA (BNPP) held a 100% stake (directly and through its subsidiary) in Sharekhan. In December 2023, Mirae Asset Securities Co. Ltd. (MAS) announced its intention to acquire the entire stake in Sharekhan, providing exit to BNPP. While the acquisition was completed in November 2024, the full integration of the systems, process and operations is currently underway. Following the acquisition, Sharekhan was rebranded as Mirae Asset Sharekhan Limited.

Sharekhan previously had a presence in loan against securities (LAS) and employee stock ownership plan (ESOP) finance through its non-banking financial company (NBFC) subsidiary – Sharekhan BNP Paribas Financial Services Limited. As per the acquisition arrangement with MAS, Sharekhan BNP Paribas Financial Services Limited was carved out of Sharekhan and became a step-down subsidiary of MAS through Human Value Developers Private Limited.

## Key financial indicators (audited)

Sharekhan – Standalone	FY2023	FY2024	FY2025
Net operating income (NOI)	795.8	976.5	1,075.3
Profit after tax (PAT)	171.3	241.8	284.6
Net worth	1,622.5	1,863.7	1,568.5*
Total assets	5,349.8	7,659.6	6,513.8
Gearing (times)	1.1	1.6	1.4
Return on average net worth	11.0%	13.9%	16.6%

Source: SSL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; \*Reduction in net worth was on account of the demerger of one of its subsidiaries, Mirae Asset Sharekhan Financial Services Limited (erstwhile Sharekhan BNP Paribas Financial Services Limited)

## MACM

Incorporated in October 2017, Mirae Asset Capital Market (India) Private Limited (MACM) is a wholly-owned subsidiary of Mirae Asset Securities Co. Ltd. (rated Moody's Baa2 Stable). MACM manages MAS' capital market-oriented business in India, which includes equity and fixed income instruments broking services, margin trading facilities, research and advisory services and investment banking. It also extends authorised participant and market maker services in the ETF market. It is registered with the Securities and Exchange Board of India (SEBI) and offers a discount broking platform to its retail broking segment. MACM was one of the pioneers to offer zero brokerage in the cash and derivative segment in India. It deploys its surplus net worth in proprietary trading-cum-investment activities.

In November 2024, MACM acquired a 73% stake in Sharekhan while the balance was acquired by its ultimate parent – MAS – through Human Value Developers Private Limited. Both companies continue to manage their respective broking businesses, though Sharekhan was rebranded as Mirae Asset Sharekhan Limited.

### Key financial indicators (audited)

MACM – Consolidated	FY2023*	FY2024*	FY2025^
Net operating income (NOI)	48.3	195.2	703.1
Non-operating income (income from proprietary/ETF market making book)	11.0	264.3	100.2
Profit after tax (PAT)	-67.1	139.3	34.1
Net worth	2,375.6	3,754.4	6,956.9
Reported total assets	2,757.9	4,753.8	12,479.3
Gearing (times)	0.0	0.0	0.3
Return on average net worth	-2.8%	4.5%	0.6%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; \*Excluding Sharekhan; ^Proportionate share of profit of MACM for 4M FY2025 i.e. the period after acquiring Sharekhan in November 2024, is considered

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Jun 5, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	2,500.00	[ICRA]A1+	27-JUN-2024	[ICRA]A1+	01-AUG-2023	[ICRA]A1+	26-APR-2022	[ICRA]A1+
				-	-	18-DEC-2023	[ICRA]A1+	22-SEP-2022	[ICRA]A1+
				-	-	-	-	03-FEB-2023	[ICRA]A1+
Commercial paper	Short Term	1,000.00	[ICRA]A1+; withdrawn	27-JUN-2024	[ICRA]A1+	01-AUG-2023	[ICRA]A1+	26-APR-2022	[ICRA]A1+
				-	-	18-DEC-2023	[ICRA]A1+	22-SEP-2022	[ICRA]A1+
				-	-	-	-	03-FEB-2023	[ICRA]A1+

### Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Very 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: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate (%)	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE211H14831	Commercial paper	Sep 24, 2024	8.84	Sep 10, 2025	175.00	[ICRA]A1+
INE211H14856	Commercial paper	Sep 24, 2024	8.77	May 20, 2025	175.00	[ICRA]A1+
INE211H14872	Commercial paper	Sep 24, 2024	8.75	Jun 10, 2025	100.00	[ICRA]A1+
INE211H14864	Commercial paper	Sep 24, 2024	8.78	Sep 15, 2025	50.00	[ICRA]A1+
INE211H14849	Commercial paper	Sep 24, 2024	8.78	Sep 24, 2025	50.00	[ICRA]A1+
INE211H14880	Commercial paper	Oct 03, 2024	8.77	Jun 06, 2025	100.00	[ICRA]A1+
INE211H14898	Commercial paper	Oct 03, 2024	8.84	Aug 29, 2025	100.00	[ICRA]A1+
INE211H14906	Commercial paper	Oct 03, 2024	8.77	May 27, 2025	100.00	[ICRA]A1+
INE211H14914	Commercial paper	Oct 03, 2024	8.84	Sep 11, 2025	100.00	[ICRA]A1+
INE211H14948	Commercial paper	Oct 04, 2024	8.84	Oct 03, 2025	50.00	[ICRA]A1+
INE211H14955	Commercial paper	Oct 04, 2024	8.77	Jun 12, 2025	50.00	[ICRA]A1+
INE211H14963	Commercial paper	Oct 08, 2024	8.84	Oct 08, 2025	100.00	[ICRA]A1+
INE211H14971	Commercial paper	Oct 15, 2024	8.84	Aug 20, 2025	125.00	[ICRA]A1+
INE211H14989	Commercial paper	Oct 15, 2024	8.84	Sep 09, 2025	125.00	[ICRA]A1+
INE211H14997	Commercial paper	Oct 16, 2024	8.84	Aug 07, 2025	100.00	[ICRA]A1+
INE211H14AA3	Commercial paper	Oct 18, 2024	8.70	Oct 17, 2025	350.00	[ICRA]A1+
INE211H14AB1	Commercial paper	Oct 18, 2024	8.65	Jun 09, 2025	200.00	[ICRA]A1+
NA	Commercial paper*	-	-	7-365 days	450.00	[ICRA]A1+
NA	Commercial paper*	-	-	-	1,000.00	[ICRA]A1+; withdrawn

Source: Company; \* Yet to be placed; As on May 15, 2025

**Annexure II: List of entities considered for consolidated analysis**

Company name	MACM ownership	Consolidation approach
Mirae Asset Capital Market (India) Private Limited	Holding company	Full consolidation
MACM India Growth Fund	99.6%	Full consolidation
Sharekhan Limited	72.8%*	Full consolidation
Wealthtiger Investment Advisors Private Limited	100.0%	Full consolidation
Sharekhan Consultants Private Limited	100.0%	Full consolidation
Sharekhan.com India Private Limited	100.0%	Full consolidation
Espresso Financial Services Private Limited	100.0%	Full consolidation

Source: Company; As on March 31, 2025

\* Balance 27.2% is held by MAS through Human Value Developers Private Limited

MACM also has two associate companies, Mirae Asset Credit Opportunities Fund – a Category II alternative investment fund (AIF) managed and sponsored by a sister concern, and Mirae Asset Venture Investments (India) Private Limited – the venture capital arm of Mirae Asset Global Investments Pvt Ltd. It invests in early, growth and late stage companies

## Corrigendum

The brand name of Sharekhan stands corrected on page 1 and page 2.

## ANALYST CONTACTS

**Karthik Srinivasan**  
+91 22 6114 3444  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Anil Gupta**  
+91 124 4545 314  
[anilg@icraindia.com](mailto:anilg@icraindia.com)

**Deep Inder Singh**  
+91 124 4545 830  
[deep.singh@icraindia.com](mailto:deep.singh@icraindia.com)

**Kruti Jagad**  
+91 22 6114 3447  
[kruti.jagad@icraindia.com](mailto:kruti.jagad@icraindia.com)

**Komal Mody**  
+91 22 6114 3424  
[komal.mody@icraindia.com](mailto:komal.mody@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



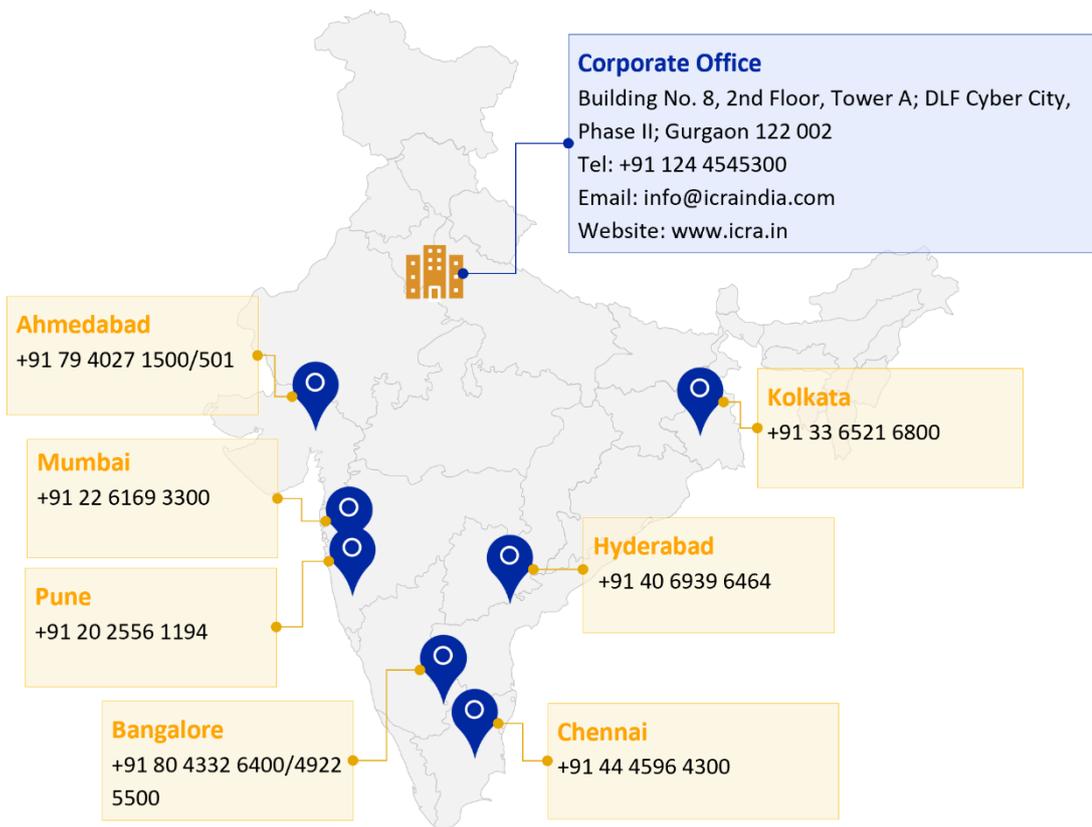
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.