

February 05, 2026

## Mirae Asset Capital Markets (India) Private Limited: Rating reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper programme	1,500.0	2,000.0	[ICRA]A1+; reaffirmed and assigned for enhanced amount
<b>Total</b>	<b>1,500.0</b>	<b>2,000.0</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 cross-selling products will be the key driver of the growth in the profitability of the Group's 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 about 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> with a gearing of 0.3 time. However, as the management intends to deploy a part of the capital 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 1.0 time in the near to medium term. As on September 30, 2025, the standalone net worth of MACM and Sharekhan was Rs. 6,784 crore and Rs. 1,691 crore, respectively. The standalone gearing was 0.04 times for MACM and 1.9 times for Sharekhan.

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

<sup>1</sup> Previously, Sharekhan was held by BNP Paribas SA (BNPP). In November 2024, MAS acquired a 100% stake in Sharekhan, providing an 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

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 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 risks, particularly in the event of technical glitches.

## 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 the 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 five-member board with two 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 Group's consolidated net worth stood at Rs. 6,957 crore with a gearing of 0.3 time. However, as the management intends to deploy a part of the capital 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 1.0 time in the near to medium term. As on September 30, 2025, the standalone net worth of MACM and Sharekhan was Rs. 6,784 crore and Rs. 1,691 crore, respectively. The standalone gearing was 0.04 times for MACM and 1.9 times for Sharekhan.

**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, 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. 3,772 crore (market share of ~4%) as on September 30, 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 consolidated profitability is modest, with a return on equity (RoE) of sub-10%. While the Group's full-service broking segment has a track record of profitability, with 5-year average RoE of 16.6%, it moderated to 15.2%<sup>7</sup> in H1 FY2026 amid industry headwinds. In

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

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

<sup>7</sup> Supported by extraordinary gains of Rs. 55 crore on sale of old office property

contrast, the discount broking operations, which are in the growth phase, have reported below-average performance, weighing on the overall consolidated financial performance. Additionally, elevated provisioning on delayed annual service and maintenance charges in the discount broking segment has further impacted profitability in H2 FY2025 and H1 FY2026. The profitability indicator is likely to remain modest in the near term till the discount broking product achieves meaningful scale, operational synergies from the acquisition of Sharekhan are realised, and economies of scale take effect. The consolidated RoE in H1 FY2026 is estimated to be 4.9%.

**Exposed to risks inherent in capital market related businesses as well as credit and market risks 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 Group's MTF book stood at Rs. 3,772 crore as on September 30, 2025. Its ability to maintain adequate asset quality while ramping up the lending book would remain monitorable. Additionally, its 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. The regulatory changes in the preceding years have necessitated higher working capital requirements and have also impacted volumes and profitability. Most of the recent measures have primarily affected discount broking companies given its higher exposure to futures and options (F&O) volumes. Herein, ICRA notes the Group's presence in discount broking and the decline in pace of growth of broking volume in 8M FY2026 amid industry headwinds. The sector is also characterised by intense competition and the entry of new players, leading to pricing pressures. 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 11 technical glitches<sup>8</sup> (seven in MACM and four in Sharekhan) in 8M FY2026. 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 three months (September–November 2025), was in the range of 20-30% in the discount broking segment and 55-80% in the full-service broking segment. Sharekhan had an unencumbered cash balance of Rs. 596 crore and unutilised fund-based bank lines of Rs. 148 crore (excluding intercorporate deposits, or ICDs, from MACM) as on November 30, 2025, against a debt obligation of Rs. 1,490 crore due in the next three months. Further, the company had an MTF book of around Rs. 2,660 crore, which can be called at short notice in case of contingencies. MACM had unencumbered liquidity of Rs. 434 crore as on November 30, 2025, and was debt free as of that date. Its MTF book stood at about Rs. 1,300 crore as on November 30, 2025. The overall consolidated liquidity profile remains adequate, and ICDs from MACM to Sharekhan are expected to remain forthcoming and, hence, will continue to support adequate liquidity at Sharekhan.

### 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.

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<sup>8</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>
Parent/Group support	Mirae Asset Securities Co. Ltd.  MACM 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

Incorporated in October 2017, Mirae Asset Capital Market (India) Private Limited 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 SEBI and offers a discount broking platform to its retail broking segment. 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, although Sharekhan was rebranded as Mirae Asset Sharekhan Limited.

### Key financial indicators (audited)

MACM – Standalone	FY2024	FY2025	H1 FY2026 <sup>^</sup>
Net operating income (NOI)	194.0	396.2	291.5**
Non-operating income (income from proprietary/ETF market making book)	266.4	82.0	63.5
Profit after tax (PAT)	132.9	28.5	49.9
Net worth	3,703.8	6,733.8	6,783.7
Reported total assets	4,701.2	7,555.0	7,962.1
Gearing (times)	0.0	0.0	0.0
Return on average net worth	4.4%	0.5%	1.5%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; <sup>^</sup>Limited review; \*\*Based on gross brokerage

### Key financial indicators (audited)

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

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; <sup>\*</sup>Excluding Sharekhan; <sup>^</sup>Proportionate share of profit of MACM for 4M FY2025 is considered; \*\* Adjusted for goodwill of Rs. 603 crore

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)	Feb 05, 2026	Jun 05, 2025	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	2,000.00	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-

**Complexity level of the rated instruments**

Instrument	Complexity indicator
Commercial paper	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
INE0T2V14087	Commercial paper	Dec 9, 2025	6.79	Mar 10, 2026	300.0	[ICRA]A1+
NA	Commercial paper*	-	-	7-365 days	1,700.0	[ICRA]A1+

Source: Company; \*Yet to be placed; As on Jan 9, 2026

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

Company name	MACM ownership	Consolidation approach
Mirae Asset Capital Markets (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

## 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)

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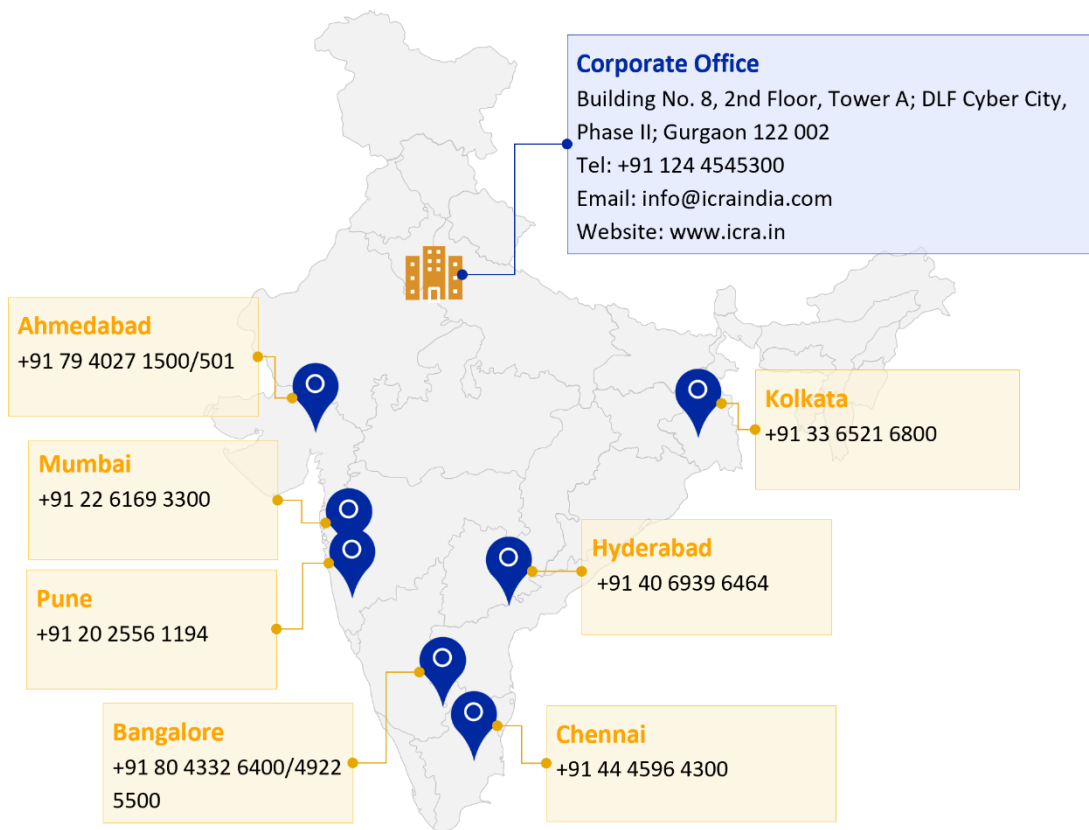
### Registered Office

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

Tel: +91 11 23357940-45



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