

June 01, 2026

Raise Securities Private Limited: [ICRA]A1+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Commercial paper	50.00	[ICRA]A1+; assigned
Total	50.00	

*Instrument details are provided in Annexure II

Rationale

The assigned rating factors in Raise Securities Private Limited's (Raise Securities) healthy market position in the securities broking segment (9th largest in terms of National Stock Exchange (NSE) active clients as on March 31, 2026), comfortable capitalisation, and strong profitability and liquidity. Under the brand 'Dhan', the company has emerged as one of the leading discount brokers with substantial client additions since it commenced operations in 2021.

Raise Securities is a wholly-owned subsidiary of Raise Fintech Ventures Private Limited (Raise Fintech). It is the Raise Group's flagship operating entity and a key contributor to the income stream of the parent for the services offered. Supported by strong client additions, Raise Securities' profitability has remained healthy with average profit after tax (PAT)/net operating income¹ (NOI) of 46% and return on equity (RoE) of 101% during the past three years. Driven by strong accruals of Rs. 893 crore during April 2023 to March 2026, its capitalisation profile remains comfortable with a net worth of Rs. 916 crore and a modest gearing of 0.33 times on a provisional basis. Raise Securities remains the primary driver of the Group's earnings. Driven by the company's robust performance, the Group is estimated to have exhibited strong profitability at the consolidated level with a net profit of ~Rs. 330 crore and RoE of ~28% in FY2026. On a consolidated basis, the Group's net worth is estimated at Rs. 1,650 crore as on March 31, 2026, with nil borrowings at Raise Fintech, and a consolidated gearing of 0.2 times. The Group's borrowings are limited to only Raise Securities.

Raise Securities' borrowings comprise funding lines from non-banking financial companies (NBFCs) for the margin trade funding (MTF) book, overdraft (OD) against fixed deposits (FDs) for intermittent, short-term funding requirements, and bank guarantee limits for margin placement at exchanges. Going forward, while the company's indebtedness is likely to increase as its MTF exposures scale up, the gearing is expected to remain prudently below 2 times. Raise Fintech's liquidity reserves remain meaningfully higher than Raise Securities, supported by the capital raise of over Rs. 750 crore till date including Rs. 580 crore in November 2025. While the Group has initiated diversification into other lines of business such as, insurance broking, distribution of financial products, algorithmic trading, wealth management and other allied businesses. While these initiatives may entail capital outflow, ICRA expects financial support from Raise Securities to its parent to remain limited given the recent capital raise at Raise Fintech.

The above positives are, however, offset by Raise Securities' high dependence on capital markets, which are inherently volatile and cyclical in nature. Moreover, the Group is yet to diversify its income stream as a sizeable share of the broking revenue is from futures & options (F&O) broking (~70% of net operating income in FY2026). Further, the rating remains susceptible to regulatory changes as well as technological risks, given the company's predominantly online presence. Going forward, Raise Securities' ability to continue demonstrating healthy client additions while diversifying its revenue profile and maintaining profitability and comfortable capitalisation remains imperative.

¹ NOI comprises gross broking income adjusted for commission payouts, net interest income, depository income and fee income from other allied operating businesses

Key rating drivers and their description

Credit strengths

Healthy market position in securities broking segment – Raise Securities has emerged as a leading tech driven discount broking platform despite a relatively short operating history. It has a diversified client base of more than 1 crore across Tier 1, Tier 2, and Tier 3 cities, including ~17 lakh active clients as on March 31, 2026, serviced through a largely digital platform and authorised persons/franchisees network. Leveraging its technology infrastructure and marketing spend, the company has made strong client additions since commencing operations in 2021, translating into a meaningful scale-up of its broking operations. Consequently, it has steadily expanded its share of NSE active clients, achieving a market share of 2.3% and ranking 9th in terms of its NSE active clientele as on March 31, 2026. As per the management, the company is focused on gradually scaling its broking business through a mix of digital channels and continued expansion of its authorised persons/franchise network.

The company's franchise strength is further reflected in its robust positioning in the derivatives segment, with volumes increasing multifold from Rs. 0.58 lakh crore in FY2023 to Rs. 11.87 lakh crore in FY2026. Besides derivatives, the company has established a presence in commodities broking, with its turnover increasing to Rs. 3.43 lakh crore in FY2026 (up ~67% YoY), supported by the uptick in bullion derivatives activity. The company offers margin trading facility (MTF) at competitive pricing within the discount broker segment. Supported by favourable industry trends, its MTF book expanded to Rs. 505 crore as on March 31, 2026, reflecting a 133% YoY growth; albeit, notwithstanding the notable growth, the company's market share in the overall industry MTF book remains modest at <1%. The portfolio, however, remains granular, with an average ticket size of ~Rs. 1.7 lakh.

Strong profitability – Aided by significant client additions, Raise Securities has demonstrated strong profitability in recent years despite regulatory measures to curb hyperactive trading in index derivatives and subdued market conditions in recent quarters. In FY2026, NOI increased by 14% YoY despite the loss of income related to volume-linked incentives from exchanges following the implementation of the true-to-label regime. However, the profitability moderated due to higher operating expenses. The increase in operating expenses was due to elevated marketing spend, team expansion, and one-off non-recurring expenses. Notwithstanding the moderation, the performance remained strong, with a net profit of Rs. 326 crore, PAT/NOI of 36% and RoE of 43% in FY2026 compared to the average of Rs. 284 crore, 50% and 130%, respectively, during FY2024-FY2025. Raise Securities remains the primary driver of the Group's earnings. Driven by the company's robust performance, the Group is estimated to have exhibited strong profitability at the consolidated level with a net profit of ~Rs. 330 crore and RoE of ~28% in FY2026.

Comfortable capitalisation – Supported by strong accruals of Rs. 893 crore during April 2023 to March 2026, Raise Securities' capitalisation profile remains comfortable. As on March 31, 2026, it had a net worth of Rs. 916 crore and a gearing of 0.33 times on a provisional basis. The net worth is primarily deployed in margins placed at the exchange, followed by the MTF book, and certain amounts parked in the form of unencumbered cash/bank balances and liquid investments. The company's borrowings comprise funding lines from NBFCs for the MTF book, OD against FDs for intermittent, short-term funding requirements, and bank guarantee limits for margin placement at exchanges. The parent entity supports Raise Securities' borrowing programme through corporate guarantees (Rs. 530 crore), covering the entire debt excluding ODs against FD facilities. Going forward, while the company's indebtedness is likely to increase as MTF exposures scale up, the gearing is expected to be prudently maintained below 2 times.

While the Group has initiated diversification into other lines of business such as, insurance broking, distribution of financial products, algorithmic trading, wealth management and other allied businesses. While these initiatives may entail capital outflow, ICRA expects financial support from Raise Securities to its parent to remain limited given the recent capital raise at Raise Fintech.

. On a consolidated basis, the Group's net worth is estimated at Rs. 1,650 crore as on March 31, 2026, supported by the capital raise of over Rs. 750 crore till date (of which Rs. 580 crore was raised in November 2025²). Of the total capital raised at the Group level, ~Rs. 70 crore has been infused in Raise Securities so far against its net worth of Rs. 916 crore as on March 31, 2026. The holding company, i.e. Raise Fintech, remains debt free, resulting in a low consolidated gearing of 0.2 times as on March 31, 2026.

Credit challenges

High dependence on broking income from F&O segment; exposed to evolving regulatory environment and inherently volatile capital markets – Raise Securities' revenue profile remains skewed towards securities broking (net broking income), which accounted for about 79% of the NOI in FY2026, followed by interest income from treasury & client funds (14%), net interest income (NII from lending (4%) and the balance from depository and allied services. Raise Securities' broking income remains highly dependent on the retail F&O segment, which accounted for about 70% of the net operating income in FY2026.

Trading activity in the F&O segment across the industry was significantly impacted in recent periods, following the implementation of regulatory measures. While the company's performance has been resilient so far, supported by strong client additions, the revenue stream remains sensitive to regulatory risks. Given the recent hike in securities transaction tax (STT), the industry could witness a moderation in derivatives trading volumes, which could exert pressure on the performance of securities brokers with high reliance on derivatives-driven broking income, including Raise Securities. Additionally, interest income from client funds remains vulnerable to the evolving regulatory landscape. Further, the company's MTF exposures remain exposed to credit and market risk, given the nature of underlying assets. The Group's ongoing initiatives – comprising a calibrated push towards cash segment trading through a differentiated platform, scale-up of the MTF and institutional broking businesses, and a strategic foray into wealth and allied segments (upon necessary approvals) – are expected to offer some linearity to the cyclical nature of the broking business as these businesses scale up meaningfully. However, the revenue profile and profitability remain vulnerable to market performance.

Elevated competition and high dependence on technology – Securities broking companies rely heavily on technology for trade execution and fund management. Thus, technical failures or disruptions pose operational and reputational risk. While the growth of discount brokers was phenomenal during the last few years, they would be at a comparatively greater risk of facing technology-related issues owing to their end-to-end digital presence. ICRA notes that while Raise Securities has not experienced any technical glitches in recent years, its ability to ensure uninterrupted platform stability and service continuity remains imperative for maintaining customer experience. Moreover, given the highly regulated nature of the industry, brokerage houses remain exposed to regulatory risk. Their ability to ensure compliance with the evolving regulatory landscape remains crucial. The recent tightening in bank lending to capital market intermediaries could make more players tap money markets while exploring the debt market. Hence, an expansion in borrowing spreads for brokers cannot be ruled out completely, which may constrain the profitability trajectory of securities brokers.

Raise Securities has demonstrated notable market share gains in terms of the active client base in recent years. However, the sector remains intensely competitive, rendering such gains susceptible to pressure from existing as well as new entrants. Further, while the increasing financialisation of savings and the low share of wallet of the equity segment in household savings offer untapped potential for expansion in the broking sector over the longer term, the possibility of pressure on profitability, especially during downturns, cannot be ruled out.

Liquidity position: Strong

Raise Securities' funding requirements are primarily for funding the MTF book and for placing margins at the exchange. Its average peak margin utilisation (computed on month-end basis) stood comfortable below 30% during September 2025 to

² The Group saw equity participation of Rs. 1,080 crore in November 2025, of which Rs. 580 crore was primary capital raised by Raise Fintech while the balance was a stake sale by the investors

March 2026. The MTF book is funded through a combination of equity and borrowed capital, while working capital requirements currently remain equity funded.

As on March 31, 2026, it had an unencumbered cash balance of Rs. 86 crore, unencumbered liquid investments of Rs. 35 crore, and drawable but unutilised lines of ~Rs. 97 crore against debt repayment obligations of Rs. 210 crore (including working capital demand loans). Additionally, it had a margin funding book of ~Rs. 505 crore (which may be liquidated at short notice to generate liquidity if required). In addition to borrowing arrangements from financial institutions, the company has a funding line of Rs. 500 crore from its parent, providing financial flexibility.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A decline in the scale of the broking business, resulting in a sustained deterioration in the company's profitability, or weakening of the capitalisation or liquidity profile due to aggressive growth resulting in an increase in the gearing beyond 2 times or any weakening in its strategic importance to the parent would be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking & Allied Services
Parent/Group support	Raise Securities Private Limited is a part of the Raise Group (parent entity: Raise Fintech). The shared brand name, common promoters and strategic importance to the Group strengthen ICRA's belief that Raise Securities will receive adequate and timely support (financial as well as operational) from its promoter group, as and when required.
Consolidation/Standalone	Standalone

About the company

Raise Securities Private Limited (Raise Securities) is a leading discount broker with a client base of 1.2 crore across Tier 1, Tier 2, and Tier 3 cities, primarily engaged in derivatives trading, including ~17 lakh active clients as on March 31, 2026. It is a wholly-owned subsidiary of Raise Fintech Ventures Private Limited. Leveraging its technology infrastructure and marketing spend, the company has made strong client additions, enabling it to garner a market share of 2.3% and rank 9th in terms of an NSE active clientele as on March 31, 2026. Originally incorporated as Moneylicious Securities Private Limited in 2012, it operated as a traditional offline stockbroking firm until 2020. Following the change in ownership in 2021, the company was repositioned as a technology-driven discount broking platform under the leadership of its promoters—Mr. Pravin Jadhav (Co-founder and Managing Director), Mr. Jayprakash Gupta (Co-founder and Chief Operating Officer), Mr. Alok Pandey (Co-founder and Chief technology officer) and Mr. Ranuak Rathi (Co-founder and Director) —along with Mr. Amit Gupta (Group Chief Financial Officer with more than two decade of experience in financial services). This transformation was marked by the launch of the 'Dhan' platform in November 2021, followed by its rechristening as Raise Securities Private Limited in July 2025. Backed by the experienced promoters and management, the company has demonstrated strong growth despite its relatively short operating track record.

Key financial indicators (audited)

Raise Securities Private Limited	FY2024	FY2025	FY2026*
Net operating income	322.1	794.8	904.9
Profit after tax	159.2	408.1	325.8
Net worth	182.2	590.3	916.1
Total assets	1,016.3	1,962.1	3,374.8
Gearing (times)	0.10	0.14	0.33
Return on average net worth	155.2%	105.7%	43.3%

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 rating (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated (Rs crore)	Jun 01, 2026	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	50.00	[ICRA]A1+	-	-	-	-	-	-

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
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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate (%)	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Commercial paper*	NA	NA	7-365 days	50.00	[ICRA]A1+

Source: Company; * Yet to be issued

Annexure III: List of entities considered for consolidated analysis

Not applicable

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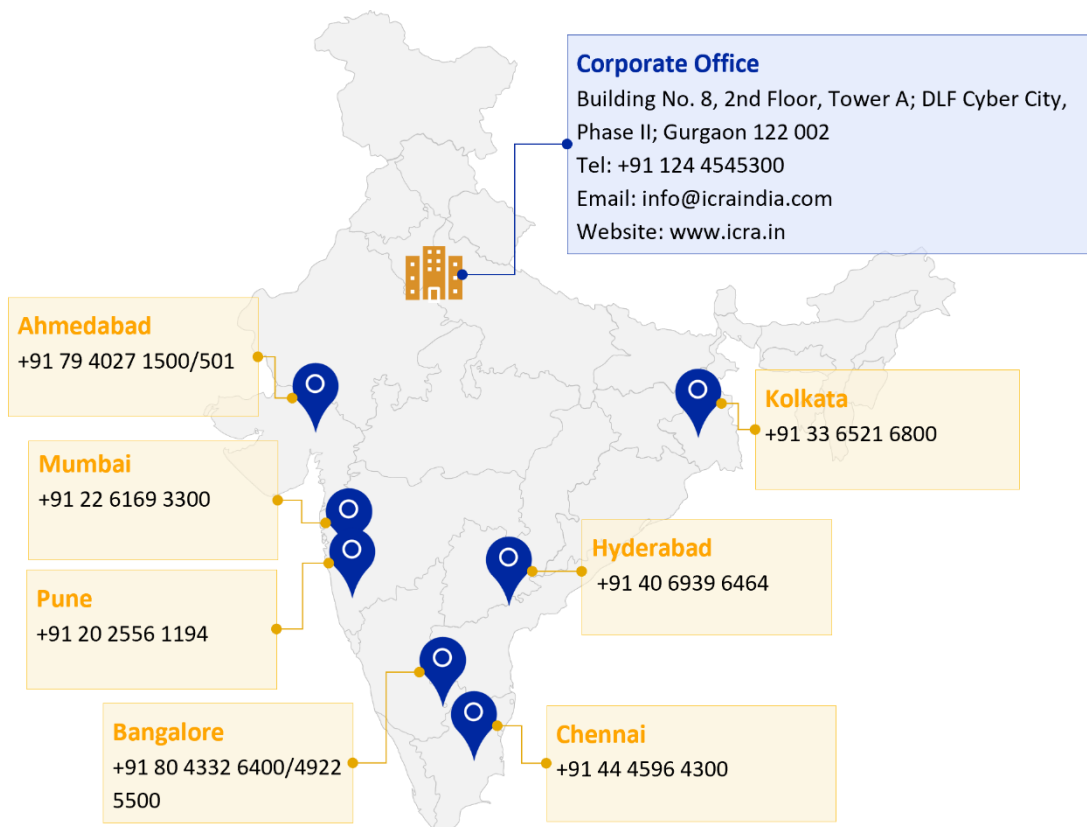
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