

June 17, 2026

## Zerodha Capital Private Limited: Ratings reaffirmed; enhancement in the rated amount for bank line facilities; rating withdrawn for the NCD programme

### Summary of rating action

| Instrument*                            | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action   |
|--|-----------------------------------|----------------------------------|---|
| Commercial paper                       | 100.00                            | 100.00                           | [ICRA]A1+; reaffirmed   |
| Non-convertible debentures             | 100.00                            | -                                | [ICRA]AA- (Stable); reaffirmed and withdrawn                              |
| Long-term/Short-term-Fund-based-Others | 600.00                            | 900.00                           | [ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed and assigned for enhanced amount |
| <b>Total</b>                           | <b>800.00</b>                     | <b>1,000.00</b>                  |   |

\*Instrument details are provided in Annexure II

### Rationale

The ratings continue to factor in Zerodha Capital Private Limited's (ZCPL) strong promoter group and its synergies with the Group's broking franchise [Zerodha Broking Limited (ZBL); flagship entity of Zerodha Group]. The shared brand name, common promoters and strategic importance to the Group strengthen ICRA's belief that ZCPL will receive adequate and timely support from its promoter group, as and when required. The ratings also consider the company's comfortable capitalisation, improving profitability trajectory and healthy asset quality. The ratings are, however, constrained by the modest scale of operations as well as the limited diversification in the liability mix.

Supported by the strong broking franchise and reach of the Zerodha brand, ZCPL witnessed a healthy scaleup in its loan against securities (LAS) book to Rs. 580 crore as on March 31, 2026, marking a significant increase from March 2025. With benefits of an improving scale of operations, it reported a net profit of Rs. 14.7 crore (return on assets (RoA) of 2.7%) in FY2026 compared to Rs. 12.2 crore in FY2025. The net worth stood at ~Rs. 188 crore with a gearing of 2.4x as on March 31, 2026. While the gearing is expected to increase as the company scales up the operations, it is likely to remain below 4 times.

ZCPL's loan book remains exposed to credit, market and technology risks, given the nature of the underlying assets. In this regard, any adverse event in the capital markets could erode the value of the underlying collateral stocks. Nevertheless, comfort is drawn from the Group's established presence in the securities broking business and its understanding of the associated risks and risk management with a track record of nil non-performing advances (NPAs) and negligible credit costs in recent years.

The Stable outlook on the long-term rating reflects ICRA's expectation that ZCPL will continue to benefit from the synergies arising from the Group's established franchise and track record in capital markets. Moreover, timely and adequate support from the Group is envisaged to be forthcoming. This, coupled with the calibrated growth strategy, is expected to continue supporting a comfortable capitalisation and profitability trajectory.

ICRA has withdrawn the ratings assigned to ZCPL's Rs. 100.0-crore non-convertible-debenture programme (NCD) on the request of the company as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

## Key rating drivers and their description

### Credit strengths

**Part of strong promoter group** – ZCPL, a non-deposit taking base layer retail non-banking financial company (NBFC), is a part of Zerodha Group. Flagship entity, ZBL, which is closely held by the promoters, pioneered the discounting broking business model in India. It is the largest domestic stockbroker, in terms of earnings and net worth, and the second largest, in terms of active National Stock Exchange (NSE) clients. As on April 30, 2026, the Group's NSE active client base stood at 68.8 lakh, accounting for a 15% share of the industry-wide NSE active clients. ZBL had reported a consolidated net profit of Rs. 4,237 crore in FY2025 with a return on net worth of 31%. While performance remained healthy until 9M FY2025 despite some moderation in revenues amid rising competitive intensity, it was significantly impacted by the onset of regulatory headwinds in subsequent months. As the company's revenue profile remains highly dependent on the retail futures & options (F&O) segment and interest income from client cash collateral, its performance is sensitive to investor sentiment and capital market activity, particularly in the derivatives segment. ICRA, however, takes note of ZBL's recent foray into margin trade funding (MTF) and the subsequent ramp-up in recent quarters. Since its entry in this segment in December 2024, it has garnered a market share of over 4% in the MTF loan book of Rs. 1.1 lakh crore of the industry at the end of March 2026. A scaleup in income from MTF would partially reduce its dependency on broking income from the F&O segment.

Going forward, while a moderation in the profitability trajectory is expected on account of regulatory headwinds and rising competitive intensity, it is likely to remain healthy. ZBL's capitalisation profile continues to be comfortable. Its sizeable net worth has supported the company in meeting the working capital requirements for its broking operations and scaling up MTF exposures without relying on any fund/non-fund based borrowings. While ZBL has adequate headroom to scale up its MTF book further based on its own funds, material expansion on a sustained basis may necessitate external borrowing. Nonetheless, capitalisation is expected to remain comfortable.

ZBL and ZCPL have the same ultimate promoters, who are directors on the boards of both companies. Additionally, some of ZBL's seasoned senior leaders hold board positions at ZCPL. The Group's promoters enjoy sizeable cash flows from the flagship business and have been investing in early-stage businesses in sectors such as fintech, edtech, and healthcare. Given the shared brand name, common promoters and the strategic importance to the Group, ICRA believes that ZCPL will receive adequate and timely support (financial as well as operational) from its promoter group, as and when required.

**Synergies arising from access to a strong brand and franchise** – ZCPL enjoys access to an established brand, i.e. Zerodha, which is associated with a wide customer base as reflected by the NSE active client base of the Group's broking franchise. The sizeable demat holdings of the large client base offer a large potential target segment for ZCPL. The company continues to scale up its loan book by lending within the Group's franchise. Operational synergies are expected to continue supporting it in keeping its cost structure under control while scaling up, which can otherwise be high in a retail lending business. Moreover, comfort is drawn from the Group's established presence in capital markets and its understanding of the associated risks and risk management.

ZCPL endeavours to offer retail LAS with loan-to-value (LTV) of up to 50% against the approved list of stocks and mutual funds at a flat lending rate to all customers. The company's operations remain largely digital with low reliance on human intervention. In this regard, it is noted that the Group develops technological platforms for its core operations in-house (through entities such as Zerodha Technology Private Limited). Following the demonstrated track record of developing technology platforms for the broking franchise, the Group has leveraged its experience to develop the core modules for the lending business.

**Comfortable capitalisation and track record of profitable operations since inception** – ZCPL's capitalisation is characterised by a net worth of ~Rs. 188 crore and a gearing of 2.4 times as on March 31, 2026 (provisional basis). Going forward, while the financial leverage is expected to rise with the scaleup in operations, it is likely to remain comfortable supported by further equity infusions (if required) from the promoter group. As per the management's stated intent, the company plans to operate

with a leverage of around 4 times over the longer term. Timely and adequate financial support from the Group is expected to aid the calibrated scaleup of the operations while maintaining comfortable capitalisation. Moreover, notwithstanding the modest scale, ZCPL has maintained a track record of profitable operations since inception, supported by its low cost structure. It reported a net profit of Rs. 14.7 crore (RoE of 8.1%) in FY2026 compared to Rs. 12.2 crore in FY2025 (RoE of 7.3%).

### Credit challenges

**Modest scale of operations** – Leveraging its established presence in capital markets, the Group commenced lending against shares through ZCPL in 2021. Hence, its track record in lending remains limited. Supported by the strong broking franchise and the reach of the Zerodha brand, ZCPL witnessed a strong scaleup in its LAS book to Rs. 580 crore as on March 31, 2026 – marking a significant increase from March 2025. Despite this, the loan book remains modest. Going forward, the company's ability to ensure the healthy scaleup of the loan book while exercising good control on the asset quality will remain a key monitorable. ICRA notes that the asset quality has remained healthy with negligible credit costs (Nil credit cost apart from standard asset provisions) since inception. As on March 31, 2026, the company had nil gross NPAs (GNPAs).

With calibrated growth since the commencement of operations in 2021, ZCPL has expanded its borrowing franchise with the lender base increasing to eight lenders from one lender in March 2024. Going forward, its ability to further expand its liability profile while borrowing at competitive rates would be imperative for scaling up the operations profitably. The funding requirement of the broking franchise remains limited with sizeable free net worth after adjusting for proprietary investments and margin placements at exchanges.

**High dependence on technology; exposure to market and credit risks** – ZCPL's loan book remains exposed to credit, market and technology risks. Given the volatility in the securities market, the value of collateral can fluctuate rapidly, necessitating robust technological systems for real-time tracking and risk management. In this regard, uninterrupted technological operations are essential for real-time monitoring of collateral values, ensuring that the entity can promptly square off positions to avoid potential losses. The ratings also remain susceptible to regulatory changes. Going forward, the company's ability to respond to the evolving regulatory landscape will remain imperative.

### Liquidity position: Adequate

ZCPL's liquidity position remains adequate with an unencumbered cash and bank balance of Rs. 60 crore and drawable but unutilised bank lines of Rs. 40 crore as on March 31, 2026. These, along with collections from the short-term LAS book, are adequate for covering the debt repayment obligations of Rs. 146 crore (principal only) till December 31, 2026. In addition to the borrowing arrangements from financial institutions and banks, ZCPL has a funding line of Rs. 250 crore from the directors. It also enjoys financial flexibility as it is a part of Zerodha Group.

### Rating sensitivities

**Positive factors** – Significant scaleup of operations while demonstrating healthy asset quality and profitability on a sustained basis would have a positive impact. Further strengthening of the credit profile of the flagship entity, i.e. ZBL, and/or linkages with the Group would be credit positives as well.

**Negative factors** – A material change in the linkage with Zerodha Group and/or a deterioration in the Group's credit profile would have a negative impact. Besides, weakening of the capitalisation profile due to aggressive growth and/or profitability pressure will be credit negatives.

## Analytical approach

| Analytical approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies (NBFCs)</a><br><a href="#">Stockbroking &amp; Allied Services</a><br><a href="#">Policy on Withdrawal of Credit Ratings</a>  |
| Parent/Group support            | ZCPL is a part of Zerodha Group (flagship entity: ZBL). The shared brand name, common promoters and the strategic importance to the Group strengthen ICRA's belief that ZCPL 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

Zerodha Capital Private Limited (ZCPL), a Reserve Bank of India (RBI) registered non-deposit taking base layer retail NBFC, is a part of Zerodha Group (Zerodha Broking Limited or ZBL is the Group's flagship entity). ZCPL is primarily held by Straddle Capital Private Limited (98.9% stake), which is closely held by ZBL's promoters. The company actively commenced lending operations in 2021. It offers retail LAS with ticket sizes in the range of Rs. 25,000 to Rs. 10 crore and LTV of ~50% against the approved list of stocks and mutual funds at an interest rate of 10% to 11%. As on March 31, 2026, it had a loan book of about Rs. 580 crore.

On a provisional basis, ZCPL reported a net profit of Rs. 14.7 crore in FY2026 on a total asset base of Rs. 641 crore. As on March 31, 2026, its capitalisation profile was characterised by a net worth (including compulsorily convertible preference shares) of Rs. 188 crore and a gearing of 2.4 times.

Promoted by Nithin Kamath and Nikhil Kamath, ZBL is the flagship entity of Zerodha Group. It is one of the leading discount brokers, which pioneered discount broking in India. The Group commenced operations in 2010 and became the largest domestic stockbroker in terms of earnings by FY2022. Notwithstanding the decline after the implementation of the revised framework for index derivatives by the Securities and Exchange Board of India (SEBI; November 2024 onwards), it continues to be the largest broker in terms of earnings and net worth. As on April 30, 2026, it catered to 68.8 lakh NSE active clients, accounting for a 15% share of the industry-wide NSE active clients. It reported a consolidated net profit of Rs. 4,237 crore in FY2025 with a return on net worth of 31%.

## Key financial indicators (audited)

| Zerodha Capital Private Limited | FY2024 | FY2025 | FY2026* |
|---------------------------------|--------|--------|---------|
| Total income                    | 12.4   | 37.1   | 53.5    |
| PAT                             | 7.3    | 12.2   | 14.7    |
| Total assets                    | 226.6  | 432.8  | 641.0   |
| Return on assets                | 4.7%   | 3.7%   | 2.7%    |
| Reported gearing (times)        | 0.4    | 1.5    | 2.4     |
| Gross stage 3                   | -      | -      | -       |
| CRAR                            | 70.2%  | 35.8%  | 32.5%   |

Source: Company, ICRA Research; \*Unaudited numbers; 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 |                             |              |                             |              |                             |
|--|----------------------|--------------------------|------------------------------|---|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|  | FY2027               |                          |                              | FY2026  |                             | FY2025       |                             | FY2024       |                             |
|  | Type                 | Amount rated (Rs. crore) | June 17, 2026                | Date  | Rating                      | Date         | Rating                      | Date         | Rating                      |
| Long-term/Short term-Fund-based bank lines | Long term/Short term | 900.00                   | [ICRA]AA-(Stable)/[ICRA]A1+  | Apr 17, 2025                                      | [ICRA]AA-(Stable)/[ICRA]A1+ | Apr 30, 2024 | [ICRA]AA-(Stable)/[ICRA]A1+ | Feb 22, 2024 | [ICRA]AA-(Stable)/[ICRA]A1+ |
|  |                      |                          | [ICRA]AA-(Stable)/[ICRA]A1+  | May 28, 2025                                      | [ICRA]AA-(Stable)/[ICRA]A1+ | -            | -                           | -            | -                           |
|  |                      |                          |                              | Sep 29, 2025                                      | [ICRA]AA-(Stable)/[ICRA]A1+ | -            | -                           | -            | -                           |
| Commercial paper                           | Short term           | 100.00                   | [ICRA]A1+                    | May 28, 2025                                      | [ICRA]A1+                   | -            | -                           | -            | -                           |
|  |                      |                          |                              | Sep 29, 2025                                      | [ICRA]A1+                   | -            | -                           | -            | -                           |
| NCD  | Long term            | 100.00                   | [ICRA]AA-(Stable); withdrawn | Apr 17, 2025                                      | [ICRA]AA-(Stable)           | Apr 30, 2024 | [ICRA]AA-(Stable)           |              |                             |
|  |                      |                          |                              | May 28, 2025                                      | [ICRA]AA-(Stable)           | -            | -                           | -            | -                           |
|  |                      |                          |                              | Sep 29, 2025                                      | [ICRA]AA-(Stable)           | -            | -                           | -            | -                           |

### 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               |
| Non-convertible debentures | Simple*              |
| Bank lines                 | Simple               |

\* Subject to change when the terms are finalised

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              | NA       | 100.00                   | [ICRA]A1+                      |
| NA   | NCD*                           | NA               | NA              | NA       | 100.00                   | [ICRA]AA- (Stable); withdrawn  |
| NA   | Fund-based bank lines – Others | NA               | NA              | NA       | 900.00                   | [ICRA]AA- (Stable) / [ICRA]A1+ |

Source: Company; \* Yet to be placed

[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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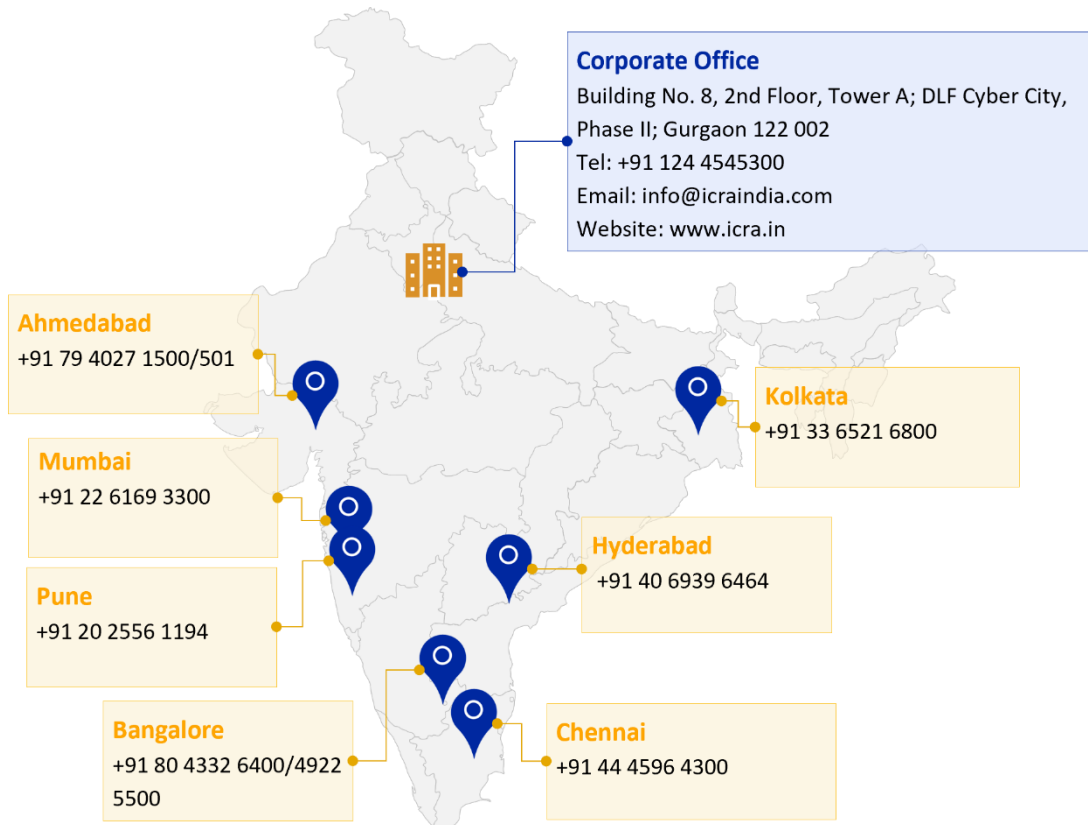


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### Branches



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