

Geojit Financial Services Limited

September 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE A+; Stable	Assigned
Commercial Paper	-	-	Withdrawn
Long Term / Short Term Bank Facilities	-	-	Withdrawn

Details of instruments in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated financials of Geojit Financial Services Limited (GFSL) comprising its six subsidiaries (including Geojit Investments Ltd [GIL] and Geojit Credit Private Ltd [GCPL]), one associate, and one joint venture (JV; together referred to as the Geojit Group) while arriving at ratings.

The issuer rating assigned to GFSL factors in its consistent profitability and healthy capitalisation levels with tangible net worth (TNW) of ₹1,128 crore as of March 31, 2025. The rating also considers long and established track record of nearly three decades in the retail broking business, with a strong focus on the cash delivery segment and its experienced senior management team. CareEdge Ratings also notes that the recent regulatory changes related to derivatives trading are expected to have a limited impact on GFSL's credit profile, given its dominant positioning in the retail cash segment.

However, these strengths are partially offset by GFSL's modest scale and geographically concentrated operations and its inherent exposure to the capital market volatility, which can impact revenue sustainability across market cycles. The company also remains exposed to regulatory risk, given the evolving market framework, and to intense competition from both established players and new-age digital platforms.

CareEdge Ratings takes note of the completion of the group restructuring, where GFSL transferred its broking business and related activities — including clearing and settlement, margin financing, depository participant services, and research analyst business — to its wholly owned subsidiary, GIL. The transfer was completed on March 21, 2025, on a 'going concern' basis as a slump sale to ensure compliance with applicable regulations. The restructuring is expected to have no material impact on GFSL's credit profile, as the same considers consolidated financials of all its subsidiaries.

CareEdge Ratings has withdrawn the rating assigned to bank facilities and CPs of GFSL with immediate effect consequent to the completion of restructuring per the withdrawal policy.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating actions/upgrade:

- Significant improvement in market share, geographical diversification and profitability while maintaining a comfortable capital structure on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating actions/downgrade:

- Significant deterioration in retail cash segment volumes and profitability.
- Weakening of the capital structure leading to consolidated gearing remaining higher than 2x on a sustained basis.

Analytical approach:

CareEdge Ratings has taken a consolidated view of GFSL and its subsidiaries as the management or line functions for these businesses is common with significant operational and financial integration among them. As on June 30, 2025, the group had six subsidiaries, one associate and one JV. List of companies consolidated is presented in Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that the group will maintain stable operational and financial performance and will maintain comfortable capitalisation levels.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Long track record in broking business with a focus on cash segment and experienced management

GFSL has a long track record of about three decades (1987) in the capital market segment. The company has its presence in retail broking segment, especially in cash market segment, as reflected in its market share of 0.59% in retail cash segment in FY25. GFSL caters to customers preferring investment over speculative trading activities leading to high cash delivery volumes compared to intraday cash volume. This is reflected from the client stickiness, where majority customers are associated with the company for over 10 years, enabling the company to maintain overall turnover in retail cash segment even in low volume periods in the market. The company also maintains an international footprint through its subsidiaries, associate, and JV across Oman, Kuwait, and the UAE. GFSL is led by C. J. George, Chairman and Managing Director, who has been instrumental in building the Geojit brand and has been actively involved in equity broking since the early 1980s. He is supported by a seasoned senior management team, including Executive Directors, Satish Menon and A. Balakrishnan, both having nearly three decades of experience in the financial services sector.

Comfortable capital structure

On a consolidated basis, GFSL maintains a comfortable capitalisation profile. As on March 31, 2025, the company reported a gearing of 0.27x including non-fund-based debt and 0.10x excluding the same, supported by a TNW of ₹1,128 crore. TNW improved to ₹1,128 crore as on March 31, 2025, following a ₹200 crore rights issue completed in October 2024. Despite the expansion of its lending business under its non-banking financial company (NBFC) arm, GCPL, the company has kept consolidated leverage within prudent levels. CareEdge Ratings expects GFSL to maintain its gearing below 1.0x going forward, in line with its conservative capital management practices. The company's resource profile primarily comprises overdraft (OD), working capital demand loan (WCDL), and bank guarantee (BG) facilities, all secured against fixed deposits. Given the short-tenor nature of its lending portfolio, the funding mix is expected to remain skewed toward short-term borrowings. CareEdge Ratings expects GFSL to maintain comfortable capital structure keeping the consolidated level gearing below 2x going forward.

Stable profitability with a focus on diversification

On a consolidated basis, GFSL reported a profit after tax (PAT) of ₹172 crore on a total income of ₹749 crore in FY25, compared to a PAT of ₹149 crore on a total income of ₹624 crore in FY24. The company has demonstrated sustained growth in profitability, supported by its ongoing efforts to diversify revenue streams and reduce dependence on the inherently volatile broking income. GFSL has increasingly focused on expanding its base of recurring revenues, including income from the distribution of insurance and mutual funds, portfolio management services (PMS), alternative investment funds (AIFs), assets under advisory, and Smartfolios. The share of recurring income in total revenues has increased to 32% in FY25 from 27% in FY24, contributing to greater earnings stability. For Q1FY26, GFSL reported a PAT of ₹28.67 crore on a total income of ₹153.30 crore, compared to ₹45.81 crore on ₹181.18 crore in Q1FY24 and ₹32.21 crore on ₹177.48 crore in Q4FY24. The moderation in profitability in Q1FY26 is attributed to muted market conditions. However, the company's diversified income profile is expected to provide a buffer against market volatility going forward.

Key weaknesses

Modest scale of operations and geographic concentration

GFSL's scale of operations remains modest, as reflected in its retail cash market share of 0.59% in FY25, a decline from 0.72% in FY24. While the overall market share in turnover has moderated, the company continues to focus on the cash delivery segment, where it has been able to sustain delivery-based turnover. As on August 31, 2025, GIL ranked 20th in terms of active client base on the National Stock Exchange (NSE), indicating a stable, despite limited, market presence. Although GFSL has digital presence, it follows a branch led service model with majority branches concentrated in South India. The company's strategy remains centered on leveraging its sticky retail client base to drive higher transaction volumes and enhance average revenue per client. Concurrently, GFSL is focused on scaling its mutual fund distribution and other third-party product businesses to diversify revenue streams and reduce reliance on broking income.

Exposure to volatile capital markets, regulatory risk, and intense competition

GFSL's consolidated revenue profile continues to be concentrated in capital markets-related activities, which accounted for ~56% of total revenues in FY25. This exposes the company to inherent cyclicity and market-driven volatility. Additionally, GFSL operates in a highly competitive environment, facing pressure from both traditional players and emerging low-cost, technology-driven brokerage platforms. While the company has been actively working to diversify its revenue base by increasing the contribution from non-broking segments—such as mutual fund distribution, insurance, and advisory services—the overall

dependence on capital market-linked income remains significant. Revenues are also exposed to regulatory risks, and any adverse or unexpected regulatory changes could materially impact the company's business model and earnings profile.

Liquidity: Strong

As on June 30, 2025, GFSL had no outstanding borrowings and had free cash and bank balance of ₹30 crore and undrawn/unutilised sanctions of ₹130 crore on a standalone basis. At consolidated level, the unencumbered cash and bank balance was at ₹117 crore as on June 30, 2025.

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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[Financial Ratios - Financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Capital Markets	Stockbroking and allied

GFSL is an investment services provider engaged in broking (equities, commodities, derivatives, and currency futures), distribution of financial products, private wealth and portfolio management services, margin funding, custody accounts, and related activities.

The company was established in 1987 as a partnership firm by C. J. George and associates, and was subsequently incorporated as a public limited company. In 2007, BNP Paribas acquired a significant stake in GFSL. As on June 30, 2025, BNP Paribas held 22.53% of the equity, followed by the promoter family with 21.25% and Kerala State Industrial Development Corporation (KSIDC) with 8.36%.

GFSL serves both resident and Non-Resident Indian (NRI) clients. It has operations in Oman, Kuwait and United Arab Emirates through subsidiaries, an associate, and a JV. Within India, it operates through a network of branches and franchisees, with a large share of its clientele and offices in Tier-II and Tier-III cities.

As on June 30, 2025, GFSL had 508 offices (502 in India across 20 states and three union territories, and six overseas), customer assets of ₹111,252 crore, and a client base of 15.51 lakh.

Collectively referred to as the Geojit Group, GFSL comprises six subsidiaries, one associate, and one JV. Its shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

GFSL Consolidated

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total income	623.97	749.32	153.29
PAT	149.38	172.49	28.67
Tangible net worth	803.05	1,127.85	NA
Loan book (MTF and T+5)	526	529	NA
Net borrowings (net of lien marked FDs)	-	-	NA
Total Assets	1,991.57	2,013.34	NA
Cost-to-income (%)	68.35	68.76	75.65

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Overall gearing (x)	0.79	0.27	NA
Interest coverage (times)	14.09	8.81	18.06
PAT margin (%)	23.94	23.02	18.70
RONW (%)	18.96	17.87	NA
ROTA (%)	9.09	8.61	NA
Net NPA (%)	NM	NM	NM

A: Audited UA: Unaudited; Note: these are latest available financial results

NA: Not available; NM: Not meaningful

All calculations per CareEdge Ratings.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

List of entities consolidated: Annexure-6

Annexure-1: Details of instruments

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Ratings	-	-	-	-	0.00	CARE A+: Stable
Fund-based-LT/ST	-	-	-	-	0.00	Withdrawn
Commercial Paper (Proposed)	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-LT/ST	LT/ST	-	-	-	1)CARE A+; Stable / CARE A1+ (13-Jan-25)	1)CARE A; Stable / CARE A1 (22-Mar-24) 2)CARE A; Stable / CARE A1 (01-Dec-23)	1)CARE A; Stable / CARE A1 (11-Jan-23)
2	Commercial Paper (Standalone)	ST	-	-	-	1)CARE A1+ (13-Jan-25)	1)CARE A1 (22-Mar-24)	-
3	Issuer Ratings	LT	0.00	CARE A+; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based-LT/ST	Simple
2.	Commercial Paper	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Geojit Investments Limited	Full	Wholly owned subsidiary
2	Geojit Credits Private Limited	Full	Subsidiary
3	Geojit Technologies Private Limited	Full	Subsidiary
4	Geojit Fintech Private Limited (Formerly known as Geojit Techloan Pvt Ltd)	Full	Wholly owned subsidiary
5	Geojit IFSC Limited	Full	Wholly owned subsidiary
6	Qurum Business Group Geojit Securities LLC	Full	Subsidiary
7	Barjeel Geojit Financial Services LLC	Moderate	Joint Venture
8	BBK Geojit Business Consultancy and Information KSC(C) (formerly known as BBK Geojit Securities KSC)	Moderate	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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