

Share India Securities Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non-convertible debentures	100.00	CARE A+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to non-convertible debentures (NCDs) of Share India Securities Limited (SISL) factors in the company's comfortable capitalisation profile, long operational track record, experienced promoters, and an adequate risk management framework. However, the rating remains constrained by SISL's proprietary trading dependent earnings profile, which is susceptible to volatility in capital markets and regulatory changes.

CARE Ratings Limited (CareEdge Ratings) has also noted the group's expansion initiatives aimed at diversifying its revenue base and reducing concentration risk. CareEdge Ratings expects these initiatives to support topline diversification over the medium term, though a significant share of revenue is likely to depend on trading income.

Rating sensitivities: Factors likely to lead to rating actions

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

- Sizeable scaleup of operations along with sustained profitability.
- Diversification of revenue base with reduced reliance on proprietary trading.

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

- Decline in size and scale of operations on a sustained basis.
- Weakening capital structure with gearing levels including non-fund based facilities remaining above 2x on a sustained basis.
- Regulatory changes materially affecting the business profile of the company.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has consolidated the business and financial risk profiles of SISL and its subsidiaries, known as the Share India group, given strong operational synergies and common promoters and senior management. Refer Annexure-6.

Outlook: Stable

The stable outlook factors in CareEdge Ratings' expectation that SISL will be able to increase its scale of operations and profits while maintaining a comfortable capital structure.

Detailed description of key rating drivers:

Key strengths

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

Comfortable capitalisation profile

SISL had a consolidated tangible net worth of ₹2,344 crore as on March 31, 2025, up from ₹1,757 crore a year earlier. The growth came from retained profits and fresh equity raised through the conversion of share warrants. The company's overall gearing (ratio of debt to net worth) was 1.14x in March 2025, almost the same as 1.13x in March 2024. Of the total borrowings of ₹2,667 crore, ~₹2,181 crore was in the form of non-fund-based bank guarantee limits. These were mainly used to keep margins with exchanges and credit facilities and are usually backed by 50–70% fixed deposits. Given its current scale, the company's capitalisation remains comfortable. Looking ahead, CareEdge Ratings expects SISL to maintain healthy capitalisation, with overall gearing likely to stay below 2x in the medium term.

Long track record of the company and experienced management driving the group's expansion

SISL was incorporated in 1994 and has a strong track record of over three decades in the capital markets. SISL is a listed public company and is engaged in proprietary trading, stockbroking, and allied activities. Arbitrage-based proprietary trading continues to be a key driver, contributing ~65% of the company's total income in FY25. The company is promoted by Parveen Gupta, Rajesh Gupta, and Sachin Gupta, who bring over 30 years of experience in capital markets and remain closely involved in strategy and operations. They are supported by Kamlesh Shah, Managing Director, who also has over three decades of industry expertise. The group's second generation has also joined the business, strengthening leadership continuity.

Over the years, SISL expanded in multiple allied areas. Its lending arm operates under Share India Fincap Private Limited, while algo-trading solutions for retail investors are offered through the uTrade Algo platform under uTrade Solutions Private Limited. The group also provides high-frequency trading strategies through Silverleaf Securities Research Pvt. Ltd. and merchant banking services under Share India Capital Services Private Limited. Most recently, SISL ventured in wealth management business. By diversifying in these segments, SISL has not only widened its customer reach but also leveraged synergies across the group to deliver comprehensive solutions to both retail and institutional clients.

Adequate risk management systems

SISL has built a strong risk management system, which is central to operations of its arbitrage-based proprietary desk. The company has an in-house research and development team that designs trading strategies after rigorous back-testing. These strategies include predefined stop-loss mechanisms to protect capital in case the trades move unfavorably. The senior management decides in advance which strategies traders will adopt and also sets fund allocation limits for each trader. ~4,000 traders are on the company's payroll and their trades are monitored in real time by the risk management team to ensure compliance with strategies and limits. The risk management framework is multi-layered, with the ultimate control lying with the head office. SISL sets trading limits upfront and monitors limits utilisation and unhedged positions taken by trades on a real-time basis. Trading is generally restricted to liquid scrips so that positions can be squared off quickly, and arbitrage positions are hedged immediately. SISL has also developed an in-house high-frequency trading (HFT) platform that executes trades seamlessly with minimal human intervention. The management follows a risk-averse approach—there are no directional bets, and all positions are fully hedged. Real-time stress testing is conducted on all positions, enabling early warnings for traders and clients about potential high volatility in the portfolio. As a result of adequate risk management system, the company has not reported losses on standalone and consolidated basis for last five years.

Key weaknesses**Moderate earnings profile with high dependency on proprietary trading income**

SISL has traditionally focused on arbitrage-based proprietary trading, which continues to be the primary contributor to the company's topline. However, proprietary trading remains sensitive to market activities and volatility, as reflected in the modest

growth in the company's revenue in FY25 where multiple regulatory changes were introduced during the year. Standalone total revenue for FY25 stood at ₹1,158 crore, compared to ₹1,125 crore in the previous fiscal, representing a marginal growth of 5%. The subdued growth was primarily due to lower market activity and volatility in H2FY25, which led to a 17% decline in trading income compared to FY24.

As a result, revenue diversification remains limited, and the company's earnings profile continues to be highly sensitive to market movements. To address this, SISL has been taking steps to diversify its topline at the group level, including the expansion of its merchant banking, lending, and insurance broking businesses. The latest among these include introduction of wealth management products to mid net worth individuals (MNI) and high net worth individuals (HNI) clients, generating stable fee-based trail income. Despite these diversification efforts, proprietary trading income is expected to remain a significant contributor to the company's revenue. CareEdge Ratings has acknowledged the initiatives undertaken by the company, while noting that the successful implementation of these strategies and stabilisation of revenue will remain a key monitorable going forward.

Susceptibility to regulatory changes

Capital market industry witnessed continuous regulatory revisions. To further enhance transparency levels and limit misuse of funds, SEBI introduced a few regulations in the last few years. In October 2024, SEBI introduced multiple measures to curb retail participation, which became effective in a phase-wise manner between November 2024 to April 2025. These measures include reduction in derivatives with weekly expiry, which was highest F&O contributor, increase in lot size and increased in extreme loss margin on short options contracts on their expiry day. Few measures, which became effective in the ongoing calendar year (CY25) are upfront collection of option premiums, removal of Calendar Spread Treatment on Expiry Day and intraday monitoring of client's and broker's limits.

The broking industry has experienced a slowdown in trading volumes, particularly in derivatives, in the second half of FY25. This was due to these regulatory guidelines and global market volatility. This has caused some major brokerage firms to lose market share. The company's ability to increase its market share amid this competition will be crucial. Intense competition from low-cost brokerage firms continue to pressure traditional players' margins.

CareEdge Ratings will continue to monitor SISL's ability to adapt its technology, systems, and risk management processes in response to the constantly evolving regulatory landscape without adverse impact on its overall business profile.

Liquidity: Adequate

SISL's funding requirements are largely towards maintaining margin with stock exchanges. Margin requirements are largely met through bank guarantees (BGs), which are backed by fixed deposits. On consolidated basis, as on June 30, 2025, SISL had an overall borrowing of ₹2,667 crore, which included fund-based debt of ₹486 crore. Against this, it had an unencumbered cash balance of ₹556 crore. On the same date it had an unutilised bank line of ₹437 crore and unutilised margin available at stock exchanges of ₹2,467 crore, which can be used in case of exigencies.

Environment, social, and governance (ESG) risks

Although SISL's service-oriented business model limits its direct exposure to environmental risks, credit risk may arise if operations of the are adversely impacted by environmental factors.

Social risks in the form of cybersecurity threat or customer data breach or mis-selling practices can affect SISL's regulatory compliance and reputation and hence remain a key monitorable. There were no reported instances of data breaches or regulatory penalties in FY25.

SISL's Board comprises 14 Directors, including seven Independent Directors and two female Directors. The company has a well-defined grievance redressal mechanism, including whistleblower and POSH policies, and maintains high standards of disclosure and transparency across its governance practices.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Broking Firms](#)

About the company and industry

Industry classification

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

SISL is a public limited company, which is engaged in securities trading, stock broking, and other related activities. The company was incorporated in 1994. It is primarily engaged in strategy-based trading business and offers kinds of financial products and services, including equity, futures and options (F&O), commodity and currency broking services, research, lending services, mutual fund (MF) advisory and distribution, portfolio management services, merchant banking services and insurance broking services.

Consolidated Financials of SISL:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total income	1,489	1,470	345
PAT	426	328	84
Tangible Net worth	1,757	2,344	2,438
Loan Book (MTF)	71	237	318
Total Assets	2,864	3,776	4,119
Cost-to-Income (%)	58.93%	65.15%	61.58%
Interest coverage (times)	7.35	6.01	5.30
Overall Gearing (x)	1.13	1.14	0.82
PAT Margin (%)	29.03%	24.01%	25.70%
RONW (%)	30.70%	16.00%	14.11%*
ROTA (%)	18.11%	9.88%	8.55%*
Net NPA (%)	NA	NA	NA

A: Audited UA: Unaudited NA: Not applicable; Note: these are latest available financial results

*Annualised

Status of non-cooperation with previous CRA: SISL has not cooperated with Infomerics Valuation and Rating Ltd (INFOMERICS), which have classified the company as non-cooperative through release dated September 22, 2025. The reason provided by INFOMERICS is lack of availability of adequate information/annual surveillance fee and the resultant uncertainty around its credit risk.

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

Annexure-1: Details of instruments/facilities

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
Debentures-Non-convertible debentures (Proposed)	-	-	-	-	100.00	CARE A+; Stable

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	Debentures-Non-convertible debentures	LT	100.00	CARE A+; Stable	-	1)CARE A+; Stable (09-Oct-24)	-	-

LT: Long 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	Debentures-Non-convertible debentures	Simple

Annexure-5: Lender details

To 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	Share India Securities (IFSC) Private Limited	Full	Wholly owned Subsidiary
2	Share India Capital Services Private Limited	Full	Wholly owned Subsidiary
3	Share India Algoplus Private Limited	Full	Wholly owned Subsidiary
4	Share India Fincap Private Limited	Full	Wholly owned Subsidiary
5	Total Securities (IFSC) Private Limited	Full	Wholly owned Subsidiary
6	Share India Global Pte. Ltd	Full	Wholly owned Subsidiary
7	Share India Smile Foundation	Full	Wholly owned Subsidiary
8	Algowire Trading Technologies Private Limited	Full	Subsidiary
9	Utrade Solutions Private Limited	Full	Subsidiary
10	Silverleaf Securities Research Private Limited (incorporated on July 03, 2024)	Full	Subsidiary
11	Share India Insurance Brokers Private Limited	Full	Subsidiary

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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