Raise Fintech Ventures Private Limited

February 17, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Commercial paper	30.00	CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of Raise Fintech Ventures Private Limited (RFVPL) and its five subsidiaries and one step-down subsidiary, including Raise Securities Private Limited (RSPL) (together referred as Raise Group) while arriving at the rating.

The rating assigned to the commercial paper of RFVPL factors in strong earnings profile on a consolidated basis over the last couple of fiscals and expected continuation of the same in FY26 resulting in healthy capitalisation and comfortable liquidity. CareEdge Ratings has also taken cognisance of the completed series B fund raise in H2FY26 to the tune of US $120 million, which has further improved the capitalisation profile of the RFVPL.

The rating also favourably factors in RFVPL's experienced promoters, improved scale of broking operations for its subsidiary, RSPL and its improving market share in the retail broking segment. RSPL's active customers base per the data released from NSE has increased to 9.80 lakh as of September 2025, from 4.70 lakh as of March 2024, and it is positioned as 9th largest broker as of November 2025 in terms of active users. RSPL has achieved high user growth by building an investor and trader-centric product experience that is backed by technology and customer experience, using active marketing campaigns through social media platforms and offline events in the last three years. Additionally, the company has established risk management system for broking operations, built internally by the technology team.

These rating strengths are partially offset by inherently volatile nature of the equity broking business with exposure to risks relating to sustenance of the income profile across market cycles, intense competition within the equity broking industry, limited revenue diversification, and exposure to regulatory risks. The rating is also tempered by the limited track record of RSPL in stockbroking business compared to peers.

Rating sensitivities: Factors likely to lead to rating actions

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

Not applicable

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

- Deterioration in the market share impacting broking income of the company and elevated cost-to-income ratio beyond 55% on a sustained basis.
- Significant weakening of the capital structure and operating metrices.
- Any adverse regulatory or non-regulatory event(s) in capital markets impacting the financial and business profiles of the company.

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

Analytical approach: Consolidated

CareEdge Ratings has analysed the consolidated business and financial risk profiles of RFVPL and its subsidiaries. Entities consolidated are mentioned under Annexure-6.

Detailed description of key rating drivers:

Key strengths

Experience of promoters and management team in the capital market segment

Pravin Jadhav, Jay Prakash Gupta, Alok Pandey, and Raunak Rathi are founders of RFVPL. Pravin Jadhav was previously associated with Paytm Money as its Founder, Managing Director and CEO, where he was instrumental in setting up its operations from scratch. Jay Prakash Gupta has over two decades of experience in financial markets including the experience of equity and commodity broking industry and research. Prior to founding RFVPL, he was instrumental in building retail distribution network and e-broking business for Indiabulls and Karvy, respectively. Alok Pandey has nearly two decades of experience in trading systems earlier with TCS, post which he was the Founder and CTO at RupeeSeed. Raunak Rathi has over eight years of experience across financial domains, including financial advisory, and all founders are actively involved in the company's management and operations. Amit Gupta serves as the Group Chief Financial Officer and is a Chartered Accountant with over 23 years of experience in areas, such as treasury, corporate finance, fund raising, and credit, among others. He has worked with couple of startups, including Arka Fincap Limited and Indostar Capital, where he looked after fund raising, treasury, corporate finance, IPO. He has also worked with ICICI Bank where he managed small and medium enterprise (SME) portfolio, which showcase rich experience on business side as well.

Significant improvement in earnings profile and broking operations

For FY25, the company reported a consolidated profit after tax (PAT) of ₹419 crore against a PAT of ₹155 crore in the last fiscal. The increase in profit was majorly because of the increase in brokerage income earned by RSPL, the brokerage arm of the group. This improvement in RSPL's earnings profile is due to the successful implementation of its strategy to focus on the active retail derivatives traders resulting in better quality of clients in terms of average revenue per client. The number of active clients has increased from 40,247 as of March 2022 to 469,961 as of March 2024 and further to 977,743 as of September 2025, which in turn has resulted in a sharp increase in broking income. With the increase in the company's customer base, its revenue has increased by over 138% in FY25. There was an increase of 101% in the operating expenses, such as employee cost, fees, and commission, among others, as the company continues to expand. However, cost-to-income ratio improved to 37% in FY25 from 48% in FY24, which has resulted in better profitability. In H1FY26, the company reported a total income of ₹464 crore with a PAT of ₹194 crore resulting in a PAT margin of 42%. RSPL has witnessed some moderation in the business volumes and profitability, in line with the industry, and this was due to the regulatory steps introduced by the regulator in the Futures and Options (F&O) segment to curb retail participation. However, in subsequent quarters, the company witnessed an improvement in turnover, reflecting a gradual recovery in business activity.

The group's primary business is retail broking across equity, derivatives (F&O), commodities and currency segments. It is also a Depository Participant with CDSL and provides demat-related services to its clients. The Raise Group continues to strengthen its core broking business while expanding into margin trading facilities (MTFs), third-party product distribution, and lending activities, supported by an increased physical presence and the onboarding of an industry professional to drive this growth. Given the increasing scale of operations and the inherent volatility in capital markets, RSPL's earnings profile will remain a key monitorable.

RSPL reported strong growth in overall trading volumes in FY25, primarily driven by increased activity in the F&O segment. Although recent regulatory changes in the F&O segment led to a moderation in turnover growth in Q4FY25, the impact on the company remained limited, as a large proportion of its client base comprises seasoned and active traders. RSPL's strong presence in the commodity segment supported volume growth and helped diversify its brokerage profile, with the company ranking fourth in MCX trading volumes as of November 2025. The active client base also witnessed healthy expansion, with the addition of ~1.79 lakh net new active clients in the last 12 months, taking the total active clients to 9.78 lakh as of end-September 2025, per NSE data. Consequently, the company's market position has improved consistently, with its NSE ranking strengthening from 45th in March 2022 to 13th in March 2024 and further to 9th as of September 2025, while the movement in RSPL's market share remains a key monitorable.

Strong capitalisation of the Raise group

On a consolidated basis, RFVPL reported a tangible net worth of ₹721 crore as on March 31, 2025 (₹307 crore in the previous year), which further increased to ₹924 crore as on September 30, 2025, driven by healthy internal accruals. In Q3FY26, RFVPL completed its Series B funding round, raising USD 120 million (~₹1,080 crore) from institutional investors led by Hornbill Growth Partners and MUFG Bank Limited. Of this, ₹580 crore was raised as primary equity, which is expected to further strengthen the group's capital position in FY26.

On a standalone basis, RSPL, brokerage arm of the group, contributing almost 97% to the group's profitability, had a strong capital profile with a tangible net worth of ₹772 crore and net gearing (including non-fund-based debt adjusted for lien marked FDs) of 0.42x as on September 30, 2025, supported by healthy earnings. As on the same date, the company had short-term borrowings of ₹260 crore and bank guarantee limits of ₹125 crore. While leverage is expected to rise over the medium term in line with the scaling up of operations and growth in the MTF book, it is expected to remain at comfortable levels. The MTF book increased to ₹502 crore as on September 30, 2025, from ₹217 crore as on March 31, 2025. CareEdge Ratings derives comfort from the granular nature of RSPL's MTF book, with an average ticket size of ~₹3 lakh, spread across a large client base of ~23k.

RSPL also benefits from financial support from its holding company, RFVPL, which is backed by reputed institutional investors, such as Mirae Asset, BEENEXT, 3one4 Capital and Rocketship VC, which together invested over USD 25 million in the Seed and Series A rounds in January 2021 and March 2022. The group is expected to maintain consolidated gearing (including non-fund-based facilities) of RFVPL and standalone gearing of RSPL below 2x in the medium term. Given the competitive nature of broking industry, increased margin requirements and expansion into MTF, CareEdge Ratings will monitor capitalisation and gearing level.

Key weaknesses

Presence in inherently volatile and competitive broking business, where the group is in the nascent stage of diversifying into other business segments

RFVPL's earnings are largely driven by the performance of group's brokerage arm. Accordingly, RSPL's earnings remain closely linked to capital market conditions and trading volumes, which are inherently volatile. In H1FY26, brokerage income accounted for ~81% of the total income, while income from the MTF portfolio, which is also market-linked, contributed ~6%. To reduce this concentration, the company plans to diversify its revenue base by increasing income from the distribution of third-party products such as mutual funds, insurance, bonds, fixed deposits and IPOs. RSPL also intends to expand its physical presence to tap new investor segments.

The brokerage industry continues to face intense competition from low-cost and zero-brokerage players. Despite this, RSPL has been able to gain market share by focusing on active derivative traders. In this competitive environment, the company's ability

to sustain market share gains and improve profitability will remain a key monitorable. Moreover, when compared to established industry peers, RSPL has a limited operating vintage and is yet to witness multiple cycles of the inherently volatile capital markets.

Susceptibility to regulatory changes

Capital market industry witnessed continuous regulatory revisions. To further enhance transparency levels and limit misuse of funds, Securities and Exchange Board of India (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 and April 2025. These measures include reduction in derivatives with weekly expiry, which was highest F&O contributor, increase in lot size and increase in extreme loss margin by 2% on short options contracts on their expiry day. A 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. However, RSPL was able to increase its market share in the market downturn, mainly due to its active trader client base, which was relatively less impacted by the recent regulatory changes. The company's ability to sustain and increase its market share amid the competition will be crucial. Intense competition from other low-cost brokerage firms continue to exert pressure on players' margins.

CareEdge Ratings will continue to monitor its brokerage arm RSPL's ability to adapt its technology, systems, and risk management processes in response to the constantly evolving regulatory landscape.

Liquidity: Strong

On a consolidated basis, RFVPL had an unencumbered cash balance of ₹49 crore, liquid investments of ₹11 crore, and excess margins maintained with stock exchanges of ₹2,010 crore at RSPL level (which includes own margin of ₹359 crore) as on September 30, 2025, against scheduled debt repayments of ₹160 crore over the next six months. In addition, RSPL (brokerage arm) maintained a short-term MTF book of ₹502 crore, with associated cash inflows available to support its debt servicing requirements.

Applicable criteria

Consolidation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Broking Firms
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Capital markets	Stockbroking and allied

RFVPL is the holding company of the group having five subsidiaries and one step-down subsidiary. The parent entity primarily provides investment and capital support to the group companies, while all technology assets are housed on the balance sheet of

RSPL. Recently, RFVPL successfully closed its Series B funding round, raising USD 120 million (~₹1,080 crore), of which ₹580 crore represents primary capital infusion that will be deployed into the group entities while remaining was secondary sale.

Consolidated financials of RFVPL

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total income	380	904	464
PAT	155	419	195
Tangible net worth	307	721	924
Loan book (Margin trading facility)	63	217	502
Total borrowings	48	206	381
Overall gearing (x)*	0.16	0.29	0.41
Cost-to-income (%)	47.93%	37.40%	42.48%
PAT margin (%)	40.85%	46.31%	41.93%
Return on net-worth (RONW) (%)	68.87%	81.52%	47.30%**
Return on total assets (ROTA) (%)	20.23%	25.83%	15.42%**

A: Audited UA: Unaudited; Note: these are latest available financial results
**Annualised.
*Including non-fund-based limits utilized

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

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
Commercial Paper-Commercial Paper (Standalone) (Proposed)	-	-	-	-	30.00	CARE A1+

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	Commercial Paper-Commercial Paper (Standalone)	ST	30.00	CARE A1+				

ST: 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	Commercial Paper-Commercial Paper (Standalone)	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	Raise Securities Private Limited	Full	Subsidiary
2	Valuationary Edtech Private Limited	Full	Subsidiary
3	Raise Software Solutions Private Limited	Full	Subsidiary
4	Coffee Media Markets Private Limited	Full	Subsidiary
5	Raise Digital Finance Private Limited	Full	Subsidiary
6	Raise (IFSC) Private Limited	Full	Step-down 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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