Way2Wealth Brokers Private Limited (Revised)

February 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Short-term bank facilities	100.00	CARE A1+	Assigned
Commercial paper	100.00	CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the commercial paper (CP) and short-term bank facilities of Way2Wealth Brokers Private Limited (W2WBL) factor in its strong linkages with, and expected support from, its parent, Shriram Credit Company Limited (SCCL; CARE AA-Stable/A1+), and ultimate parent, Shriram Capital Private Limited (SCPL). SCPL's credit profile is supported by healthy consolidated debt coverage of 19.22x, measured as the ratio of the total market value (as on January 23, 2026) of its unencumbered investment in the listed entity, Shriram Finance Limited (SFL), to consolidated external debt. Ratings also reflect W2WBL's experienced management, part of the Shriram Group, and W2WBL's adequate capitalisation metrics. However, ratings remain constrained by W2WBL's modest scale of operations, moderate profitability metrics, and inherent risks associated with competitive capital markets business.

CARE Ratings Limited (CareEdge Ratings) expects continued support from SCCL and SCPL to drive growth in W2WBL's retail broking operations, and expansion of its margin trading facility (MTF) book.

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:

- Moderation in credit profile or expected support from SCCL/its ultimate parent, SCPL.
- Sustained deterioration in scale of operations, capitalisation, and profitability metrics.
- Steep increase in consolidated debt (including corporate guarantees) or fall in the market value of SCPL's investments, weakening consolidated debt cover below 5x of SCPL (measured as the ratio of the total market value of investments in listed companies to consolidated external debt).

Analytical approach: Consolidated

CareEdge Ratings has analysed consolidated business and financial risk profiles of W2WBL factoring in the linkages with its parent, SCCL and ultimate parent company, SCPL. While analysing SCPL, CareEdge Ratings has followed holding company approach in analysing credit risk of profile based on equity stakes in listed operating financial services companies. Consolidated entity is mentioned under Annexure-6.

Detailed description of key rating drivers:

Key strengths

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

Strong parentage, capital and managerial support from promoters and principal holding company of the Shriram group's financial services businesses

The Shriram group is a leader in pre-owned commercial vehicle financing and has been in the financial services industry for over five decades, expanding in two-wheeler financing, small enterprise lending, insurance, and capital markets among others. SCPL combined with its step-down subsidiary-Shriram Value Services Limited (SVS) holds 24.96% in Shriram Finance Limited (SFL), valuing its sake at ~₹47,197 crore (January 23, 2026). SCPL has a consolidated debt of ₹2,455 crore, maintaining a debt cover of 19.22x (on consolidated basis). SVS has healthy annual cash flow earned through royalty and dividend income. For FY25, the royalty and dividend income was ₹491 crore (FY24: ₹413 crore) and ₹132 crore (FY24: ₹65 crore), respectively. In H1FY26, SVS received a royalty income of ₹260 crore and dividend income of ₹40 crore.

SCPL is expected to support W2WBL through available resources including investments, royalty, and dividend income. SCPL largely depends on the group's flagship company, SFL for its dividend income. The dividend income contributed 89.29% of FY25's total income. Both insurance companies (Shriram Life Insurance Company Limited and Shriram General Insurance Company Limited) are profitable/dividend paying entities with largely self-sufficient capital. The steady dividend income from its investment in SFL, insurance entities and other operating income is expected to support capital growth within the group as and when required. Material changes in SFL's dividend pay-out policy and insurance entities may significantly impact SCPL's earning ability. Stress in operating companies will constrain the holding company's cash flows and may require to infuse capital for support or expansion, limiting its ability to service debt or support other group companies.

SCPL remains exposed to market risks, as its financial flexibility depends on market sentiment and valuation of its holdings. Significant decline in SFL's share price, leading to a weakened debt cover, would be a key rating sensitivity. However, SCPL retains financial flexibility through other unlisted Shriram Group companies, which can be leveraged if necessary. The Shriram group has a strong track record of raising equity capital from private equity investors and long-term strategic partners.

SCCL's board also comprises representatives from SCPL, including Subhasri Sriram and Jasmit Singh Gujral, who bring extensive financial and industry expertise. SCCL is led by the same experienced management team, supported by established governance practices. The SCCL group's diversified presence across capital market–linked lending and financial services supports business scalability and strengthens cross-synergies across group entities.

W2WBL's board comprises representatives from its parent entity, SCCL, reflecting strong group oversight. The company is led by G S Shridhar, who has over 26 years of experience in capital markets, corporate finance, and key business heads.

CareEdge Ratings expects continued support from SCPL and SCCL to drive W2WBL's retail broking growth, MTF book expansion. Any change in management control, strategic importance, or weakening linkages with SCCL or, affecting SCPL's ability or intent to support, will be a key rating monitorable.

Adequate capitalisation

On a consolidated basis, W2WBL reported a tangible net worth of ₹53 crore as on September 30, 2025, which was ₹49 crore as on March 31, 2025. This increase is due to internal accruals. W2WBL's total debt as on September 30, 2025, stood at ₹34 crore, which was ₹33 crore as on March 31, 2025. This resulted in an overall gearing of 0.64x as on September 30, 2025, and 0.68x as on March 31, 2025. When adjusted for lien marked fixed deposits (FDs), the gearing stood at 0.36x as on September 30, 2025, and 0.38x as on March 31, 2025.

SCCL's tangible net worth (TNW) on a consolidated basis stood at ₹363 crore as on March 31, 2025 (₹343 crore as on March 31, 2024). Consolidated borrowings were ₹118 crore as on the same date, with fund-based gearing of 0.33x and overall adjusted gearing (including non-fund-based limits) of 0.43x. Considering higher capital requirements due to evolving regulatory norms for the broking industry, growth in the margin trading facility (MTF) business, and scaling up of the NBFC business, borrowings are expected to increase. However, SCCL's capital position is expected to remain adequate, supported by need-based equity infusion or guarantee support from SCPL.

In H1FY26, SCCL's TNW increased to ₹621 crore as on September 30, 2025, primarily due to gains from the stake sale in SAMCL, resulting in moderation of fund-based gearing to 0.18x and overall adjusted gearing to 0.24x.

Leverage is expected to be driven on group level and CareEdge Ratings expects SCCL to maintain a consolidated gearing of under 3.0x in the medium term as the business grows.

Key weaknesses

Modest scale of operations

SCCL operates in the retail broking segment through its subsidiaries, Shriram Insight Share Brokers Limited (SISBL; CARE AA-Stable; CARE A1+) and W2WBL. The group had a moderate market share of 0.18% in the retail cash segment in FY25, which declined marginally to 0.16% in H1FY26. While industry growth is increasingly driven by rising derivatives volumes and an expanding customer base—largely supported by discount brokers offering low brokerage and user-friendly digital platforms—SISBL and W2WBL primarily cater to investment-oriented clients. This strategy supports steady cash delivery volumes and helps maintain stable turnover during periods of lower market activity. As on November 30, 2025, the group had an active client base of 49,583 across SISBL and W2WBL. Both entities are focused on increasing the MTF book by expanding client participation.

W2WBL has a modest scale of operations, with revenue of ₹33 crore in H1FY26 (FY25: ₹86 crore), an active client base of 23,011, and an MTF book of ₹1 crore. The company provides a wide range of personalised wealth management and investment services to high net-worth individuals (HNIs), retail, and institutional clients, and serves as the group's retail and institutional broking arm, while SISBL is a well-established financial services company specialising in retail stockbroking and distribution services and operates under the "Shriram" brand. SISBL has a strong presence in Central and Eastern India, with an extensive branch-led model comprising ~135 branches.

Acquired from the Coffee Day Group in 2020, W2WBL operates with a relatively smaller physical footprint of ~24 branches and follows a franchise-led model. Approximately 60% of W2WBL's revenue is generated through franchises, with the balance coming from branches. Further, W2WBL has diversified operations, including institutional broking, portfolio management services (PMS), and third-party product distribution, whereas SISBL remains focused exclusively on retail broking.

CareEdge Ratings understands that with intense competition in the Indian broking industry, scalability of retail operations of NBFC, financial product distribution, and diversification through MTF lending will remain a key monitorable.

Moderate profitability metrics

On a consolidated basis, W2WBL reported total income of ₹86 crore in FY25 (FY24: ₹86 crore) and ₹33 crore in H1FY26. The company's income profile remains inherently vulnerable to market cycles. Brokerage and distribution income constituted 75.49% of total income in FY25 and 75.44% in H1FY26. W2WBL reported a profit after tax (PAT) of ₹5 crore in FY25 and ₹0.44 crore in H1FY26. The company's return on total assets (ROTA) improved to 1.81% in FY25 (FY24: 0.21%), while return on net worth (RONW) increased to 9.63% in FY25 (FY24: 1.02%). In H1FY26, W2WBL reported annualised ROTA and RONW of 0.36% and 1.74%, respectively.

On a consolidated basis, SCCL's revenue profile remains dominated by capital markets and allied businesses, which accounted for ~86% of total revenue in FY25. Interest income, including income from the margin trading facility (MTF) book and loans against shares (~10% of total income in FY25), is also linked to capital market activity. SCCL reported a consolidated net profit of ₹16 crore in FY25, compared to ₹23 crore in FY24. The decline was primarily due to higher fee and commission expenses pertaining to Shriram Fortune Solutions Limited (SFSL), losses of ₹17 crore in the asset management company (AMC) business, and an increase in deferred tax expenses related to employee benefits, partially offset by improved fee and interest income from broking and distribution businesses. Accordingly, ROTA moderated to 2.00% in FY25 (FY24: 3.68%) and RONW to 4.46% (FY24: 7.18%). In H1FY26, SCCL reported a PAT of ₹213 crore, largely driven by gains from the sale of its stake in SAMCL, with profitability also supported by broking operations of SISBL and distribution activities undertaken through SFSL.

The group's ability to profitably improve diversification would be a key monitorable. In addition to this, intense competitive pressures in the industry with zero brokerage players, continue to impact margins. Given the competition risk, the company's ability to maintain its market share and improving its earning profile will remain a key monitorable.

Susceptibility towards regulatory changes and inherent risk in competitive capital market business

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.

Brokers' ability to adapt their technology, systems, and risk management to these evolving regulations without harming their business profiles is critical. W2WBL's ability to grow its market share amid increasing competition in a highly regulated environment and pressure from low-cost brokers remains a key challenge.

Liquidity: Adequate

As on September 30, 2025, W2WBL had a total cash balance of ₹169 crore including lien marked FD of ₹166 crore. Against this, the company had a fund-based debt obligation of ₹4 crore (includes borrowing from group entities). Apart from this, W2WBL has availed bank guarantee limits of ₹30 crore, backed by FDs to the extent of 50%.

W2WBL has been maintaining excess margin with exchanges over and above the requirement, which gives additional comfort. W2WBL is also expected to receive support from SCCL/SCPL as needed, offering additional security.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Broking Firms
Consolidation
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

W2WBL is a subsidiary of SCCL and is part of the 'Shriram' Group, having significant presence in financial services such as commercial vehicle, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products. W2WBL provides a wide range of personalized wealth management and investment services to its HNI, Retail and Institutional clients. These include equities, commodities and currency trading, portfolio management services, investment advisory services, distribution of mutual funds, AIF, IPOs, and Fixed Income offerings.

Consolidated financials of W2WBL:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total income	86.03	86.02	33.37
PAT	0.45	4.52	0.44
Tangible net-worth (TNW)**	44.97	48.92	52.64
Loan book (Margin trading facility)	2.35	2.35	1.38
Overall gearing (x)*	1.04	0.68	0.64
Cost-to-income (%)	99.41%	91.13%	98.33%
Return on net-worth (RONW) (%)	1.02%	9.63%	1.74%#

A: Audited UA: Unaudited; Note: these are latest available financial results
*including non-fund-based limits utilised
**Adjusted for intangible asset and deferred tax asset
#Annualised

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)	-	-	-	-	100.00	CARE A1+
Fund-based/Non-fund-based-Short Term	-	-	-	-	47.00	CARE A1+
Fund-based/Non-fund-based-Short Term (Proposed)	-	-	-	-	53.00	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	Fund-based/Non-fund-based-Short Term	ST	100.00	CARE A1+				
2	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	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
2	Fund-based/Non-fund-based-Short Term	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	Way2Wealth Commodities Private Limited	Full	Wholly owned 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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