
A STUDY ON GROWTH OF DIGITAL WEALTH PLATFORMS IN INDIA AT ZERODHA

^{#1}Mr. A. KIRAN, *Assistant Professor,*

^{#2}GULLANKI PAVAN KUMAR, *PG Student,*

Department of MBA,

J.B. INSTITUTE OF ENGINEERING & TECHNOLOGY (AUTONOMOUS), HYDERABAD.

ABSTRACT: India's digital wealth platforms have grown significantly; one such example is Zerodha. Because of its open APIs, simple mobile apps, and affordable trading alternatives, millions of more clients can now invest. To demonstrate how technological developments and price swings have affected retail investment, the paper examines market tendencies, regulatory frameworks, and investor and fintech expert viewpoints. The rise of algorithmic tools, fractional investing, and mobile trading has empowered individuals to take charge of their financial futures. At the same time, new investors gained confidence through clear pricing and community outreach. Additionally, the research highlights the risks, such as following the crowd, lacking digital literacy, and inadequate regulation. It highlights the importance of strict rules, better information for investors, and careful product design to ensure user safety. Market activity and financial inclusion are impacted by this change, which is examined in the article. It suggests more public disclosures, prudent regulation, and platform governance upgrades as the company expands.

Keywords: Digital wealth management, Demat account surge, Retail investor participation, Automated risk profiling, Hybrid advisory models

1. INTRODUCTION

The rapid rise of digital wealth platforms over the past decade has been a game-changer for India's wealth management business. These platforms are altering people's investment and money management practices in response to advances in financial technology, increased internet usage, and familiarity with digital financial services. Conventional brokers and financial middlemen used to dominate this market. It has transformed into an ever-changing environment where tech-driven solutions simplify, open up, and clarify everything for all investors.

A major factor contributing to this expansion is the widespread availability of smartphones and affordable data plans, which have facilitated internet access in urban and semi-urban areas. New investors can now access a wide variety of financial assets, including mutual funds, equities, ETFs, and government bonds, through user-friendly smartphone applications. Digital onboarding, electronic know-your-customer procedures, and investor protection frameworks that increase confidence in technology-based investment opportunities have been expedited with the help of regulatory bodies such as the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI).

A shift in the makeup of India's investor class is driving the proliferation of online wealth management services. Online investment sites are seeing a surge in popularity among millennials and Gen Z, generations renowned for their adeptness with money and fondness

for tech-based solutions. Popular digital platforms cater to younger users by prioritizing data-driven insights, low-cost business choices, and user-friendliness. The digital wealth business has been able to continue growing because to their openness to exploring new financial items. Competition amongst fintech firms, discount brokers, and conventional banks has sparked innovation in the financial sector. Platforms leverage AI, machine learning, and advanced analytics to provide real-time market data, automated portfolio management, and personalized advisory services. Both operational expenses and the quality of the client experience have been positively impacted by technological advancements. Because of this, platforms can undercut more conventional investing services provided by brokerages and financial advisors in terms of pricing.

Consequently, individuals from all walks of life are becoming increasingly interested in participating in the capital markets, thanks to improvements in education about long-term asset building and increased efforts to ensure that everyone has access to capital. Digital investment has been made feasible by government-funded financial literacy programs, widespread use of Unified Payment Interfaces (UPI), and the development of digital public infrastructure (DPI). This is why digital wealth platforms are playing a pivotal role in India's expanding financial sector. As a result, millions of people get access to financial services and are better able to manage their money.

2. LITERATURE SURVEY

Reddy & Thomas (2021) Digital investing has supplanted conventional financial advisory services in India, according to Reddy and Thomas. Specifically, they demonstrate the rise of mobile financial apps and the benefits of becoming paperless, which facilitated a faster and more efficient procedure. Young professionals just starting out in their careers found these platforms particularly intriguing due to their affordability and ease of usage. You now have more control than ever before over your financial future thanks to digital apps that provide real-time market data and portfolio tracking. This lowered barrier to entry marked the beginning of India's retail investment digital revolution, the research found.

Chauhan & Mukul (2021) Chauhan and Mukul pinpoint the causes of India's rapid adoption of digital wealth management solutions. Simple dashboards and product comparisons empowered customers, while transparent pricing structures substantially boosted trust, according to the research's authors. The use of these instruments made everything much easier and safer, particularly for newcomers. Increased engagement and a friendlier atmosphere resulted from easy access to investment opportunities. According to the authors, transparency and trust were the foundations of India's early success in attracting digital investment.

Prasad & Bhowmik (2022) Prasad and Bhowmik investigate how the pandemic has affected online spending in India. When stores were closing, many individuals turned to online platforms to find deals and save money. Following the implementation of remote enrollment, more individuals registered for accounts, and the use of virtual counseling tools contributed to an increase in trust. Demand for instructional materials rose in tandem with awareness of the dangers posed by the market's volatility. The writers argue that the impact of COVID-19

on investment decision-making highlights the significance of digital platforms in fostering financial inclusion.

Bhattacharya & Jain (2022) The authors Bhattacharya and Jain discuss the growing popularity of "hybrid" forms of leadership that combine human expertise with digital tools. Because they fostered trust and faith, investors valued algorithmic recommendations that were reviewed by specialists. By providing lower-priced, tailored investments, these techniques mostly benefited middle-class families. Client satisfaction and loyalty were both increased by hybrid advisers' ability to combine efficiency with human connection. According to the authors, this comprehensive approach is the future of financial consulting services in India.

Deshmukh & Chatterjee (2023) The shift from traditional brokerage services to mobile-friendly wealth management platforms is examined by Deshmukh and Chatterjee. More people possessing cellphones in smaller towns accelerated uptake, while anxieties were relieved by easy-to-use interfaces, according to their findings. Better selections were made possible by individuals thanks to real-time monitoring and learning technologies that address issues with financial understanding. The addition of push notifications and support for many languages simplified the user experience and piqued the interest of investors. Research shows that mobile-first design is a key factor in India's growing digital investment landscape.

Nair & Aggarwal (2023) Nair and Aggarwal highlight the significance of digital customer service in driving wealth platform growth. Artificial intelligence chatbots and virtual assistants simplified the sign-up process and provided instantaneous answers to frequently asked queries, boosting confidence among new clients. Increased long-term engagement and decreased provider costs were achieved through the automation of in-app advising rooms. People felt more liberated with self-service tools, and they reported greater emotional health with conversational AI. Modern, scalable wealth management systems, in their view, rely heavily on digital assistance.

Fernandes & Kapoor (2024) Online investment sites can be made more engaging through the use of gamification, according to Fernandes and Kapoor. Users of a younger age group improved their reading and writing skills with the use of entertaining, interactive lessons, progress indicators, and badges. People were more likely to join the SIP after receiving a milestone gift, and they were more likely to continue joining after receiving behavioral nudges. Users are more likely to exercise fiscal restraint and remain loyal to platforms that incorporate gaming elements. According to the research, people are more likely to make investing a habit if they treat it like a game.

Mukherjee & Hussain (2024) Mukherjee and Hussain examine the growing significance of digital platforms for investment methods that have lain dormant. Because of their low maintenance requirements and ease of use, exchange-traded funds (ETFs) and index funds were popular among budget-conscious investors seeking long-term growth. Thanks to SIP technology and automated portfolio rebalancing, regular gifts are now feasible. More transactions increased the market's liquidity, while users who were more wary gravitated toward features that made tracking obvious. They claim that the new method of passive investing made possible by digital distribution is altering the way Indians get wealthy.

Goyal & Banerjee (2025) Goyal and Banerjee investigate the effects on investor behavior of advising tools driven by artificial intelligence. Through the elimination of cognitive biases and the generation of user-specific recommendations, machine learning aids individuals in maintaining disciplined stock management. Regular spending became easier with automated reminders, and risk tolerance was taken into account by prediction algorithms. Investors gained faith in the idea as a result of AI simulations that let them predict the long-term outcomes. The research demonstrates how AI-generated insights render digital advise more nuanced and trustworthy.

Kannan & Shah (2025) Embedded finance, as Kannan and Shah demonstrate, expedites the digital wealth generation process in India. Online payment systems, digital wallets, and neobanks helped platforms attract millions of new users. Microinvestment goods allowed young individuals with disposable income to participate, and the transition from paying to investing was smooth, which aided habit formation. You can get platform-specific recommendations when you share data between them. The authors state that embedded investment has transformed wealth management from a specialized area to a popular internet pastime.

3. THEORETICAL FRAMEWORK

In India, digital wealth platforms have experienced significant growth over the past decade. Reason being, more and more people are obtaining cellphones, which means more and more people are going online, and more and more people are interested in taking charge of their own financial situation.

The introduction of direct mutual fund schemes, e-KYC based on Aadhaar, and the Unified Payments Interface (UPI) have all simplified the process for small investors to enter the market.

The streamlined registration procedures, more affordable frameworks, and more intuitive user interfaces have made wealth creation a breeze. In addition to stocks, bonds, ETFs, mutual funds, and digital gold, more asset classes are available.

TYPES OF DIGITAL WEALTH PLATFORMS



Robo-Advisory Platforms

Robo-advisors are similar to high-tech automated financial consulting firms in how they operate. Algorithms are used to construct and manage your portfolio based on your objectives and risk tolerance. Making it easier for amateurs to enter professional-level investing, they set modest minimum investment levels and reasonable fees. You can earn more money with less effort because they handle things like tax optimization and adjustments automatically.

Online Investment & Trading Platforms

Stocks, bonds, commodities, mutual funds, and exchange-traded funds (ETFs) are just a few of the investment options available on these platforms. They provide real-time market data and user-friendly tools for buying and trading. With everything managed from a central dashboard, monitoring performance and diversifying the portfolio is a breeze. There has to be a significant improvement in the ease of investment for the typical investor.

Digital Brokerage Platforms

Traders with experience and a thirst for knowledge will find digital brokerages to be an ideal fit. Trading algorithms, swaps, margin trading, and market data are all part of their service. Using high-quality charting tools and rapid execution, they provide high-frequency trading that focuses on strategy. If you're interested in learning more about market prospects and do more serious investing, these sites are a great place to start.

Wealth Management & Financial Advisory Platforms

Financial planning and investment monitoring are made simpler with these techniques. Whether it's saving for college, accumulating wealth, or preparing for retirement, they can help you make a personalized plan to get there. Many businesses provide an optimal combination of state-of-the-art digital tools and expert human supervision. They put an emphasis on comprehensive wealth management, which entails guiding your assets to accomplish your objectives in life.

Neo-Banking / Financial Super Apps

The rise of neobanks and superapps has made it feasible to consolidate all of your banking on one site. Their digital platform unites banking, money transfer, savings, lending, and investment services. With their speedy account creation procedures, comprehensive planning tools, and automated saves, managing your money is a breeze. Customers in the present era who prioritize speed and convenience of use are particularly drawn to them because to how convenient they are in every way.

STEPS FOR THE GROWTH OF DIGITAL-WEALTH PLATFORMS IN INDIA

Regulatory enablement & licensing

The growth of digital wealth platforms was made feasible by the clear and supportive regulations set up by India's financial regulatory organizations, such as SEBI and RBI. Digital know-your-customer (DKYC), registered investment adviser (RIA), online mutual fund distribution, and data security laws have all contributed to fintech companies' ability to operate in a safe and efficient manner. As a result of the rules being more clearly defined and the increased safety for investors, more individuals throughout the state began to use digital investing services.

Mass smartphone & internet penetration

The proliferation of cellphones and the decline in the cost of mobile data have altered the potential applications of online banking in India. With the rise of mobile-friendly platforms, more individuals, particularly in Tier 2 and Tier 3 areas, have the opportunity to invest online. Affordability of 4G and the impending release of 5G internet connections have made this a reality. The potential customer base for digital wealth management solutions was substantially boosted by this sizable and unified user base.

Integration with payments & UPI

The real-time, fee-free infrastructure of UPI revolutionized the way Indians transfer funds and opened up opportunities for easy investments. Platforms simplified modest investments, rapid deposits, and recurring investments by integrating UPI, net banking, and auto-SIP payment systems. The low learning curve and widespread adoption of best practices in finance were both brought about by this system's intuitive design.

Product breadth and bundling

Insurance, the National Pension System (NPS), fixed-income instruments, national gold bonds, US stocks, and mutual funds and securities are now all available on digital wealth platforms. They were able to retain more customers and earn more revenue from them over time by offering a variety of financial commodities. With diversification, customers were able to manage all of their financial demands on one platform, which simplified things and fostered more trust.

Data, personalization & AI

Digital wealth management systems now have the ability to personalize based on AI, which is a major difference. Platforms adapt user behavior, risk tolerance, and transaction patterns to alter content, alerts, and ideas. Increased engagement, decreased attrition, and the identification of inactive users are all outcomes of predictive analytics. The data-driven approach allows for improved decision-making and client retention.

Partnerships & distribution scale

Successful digital wealth entrepreneurs swiftly expanded their sales outlets through strategic partnerships with banks, payment applications, wealth management organizations, payroll service providers, and e-commerce platforms. The ease of access to investment goods and the reduction in the cost of acquiring new customers through established ecosystems are both enhanced by these arrangements. Co-branded products increase credibility and draw in additional buyers.

Trust, security & compliance posture

Trust is essential in financial services. Platforms have spent much in data encryption, rule compliance, user complaint systems, and system security. Certifications, information exchange, and investment safety rules helped wary consumers become loyal investors. Platforms' strict compliance standards prove their capital management reliability.

Scale, unit-economics optimization & consolidation

Economies of scale allowed platforms to increase revenue and decrease expenses as their user bases grew. As a result of improved client segmentation and task automation, several financial institutions were able to streamline their operations. Mergers, acquisitions, and strategic alliances have united businesses operating in the same market. Better operational efficiency and increased trust have resulted from the firms' increased strength and stability.

Regulatory evolution & investor protection

Growth over the long run has been severely impacted by the regulatory landscape's constant flux. Regulations pertaining to cybersecurity, disclosures, risk categorization, and acceptable practices are still being enforced by SEBI. By reassuring investors and ensuring platforms operate fairly, these enhancements help the industry continue to expand.

4. ANALYSIS AND DISCUSSION

TABLE 1 — ZERODHA: DEEP FINANCIAL PERFORMANCE

FY	Operating Revenue (₹ Cr)	Net Profit (₹ Cr)	PAT Margin (%)	YoY Revenue Growth (%)	Revenue / Active Client (₹)
FY20	1,035–1,094	442	40–42%	—	8,000
FY21	2,729	1,122	41%	150%	10,000
FY22	4,964	2,094	42%	82%	13,000
FY23	6,875	2,907	42–43%	38%	14,000
FY24	8,320	4,700	56%	21%	17,000

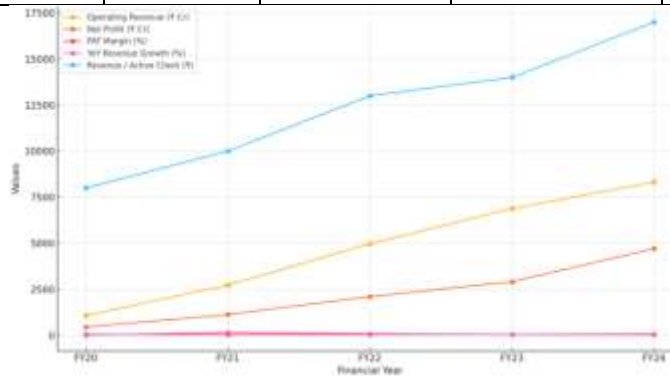


TABLE 2: ZERODHA FUND HOUSE: DETAILED AUM & PRODUCT GROWTH (2023 → 2025)

Year	Total AUM (₹ Cr)	Number of Schemes	Index Funds AUM	Debt/Liquid AUM	ETFs / Passive AUM	Investor Count (Lakh)
2023 (Launch)	0 → Initial flows	3	Minimal	Minimal	Minimal	<1
2024 (Early)	500	4–5	Strong traction	Moderate	Low	3–4
Jan-25	4,287	6+	2,000–2,500	~1,200–1,500	~500	10+
Late 2025	8,000	7–8	4,500	~2,500	~800–1,000	15+

Table 3: Fund House AUM Growth

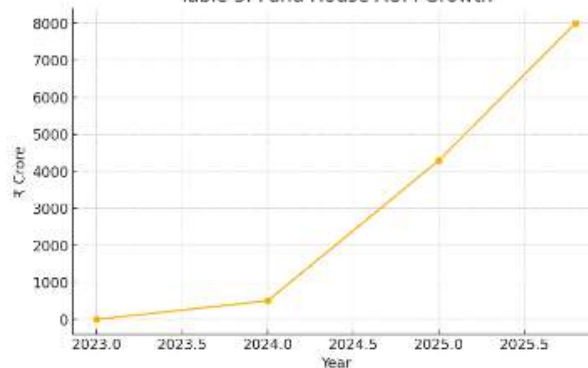


TABLE 3 — MARKET POSITION, SHARE & INDUSTRY BENCHMARKING

Year	Rank (Active Clients)	Market Share (%)
2020	1	18–20%
2021	1	20%
2022	2	15–18%
2023	2	15–17%
2024	2	15–17%
2025	2	14–15%

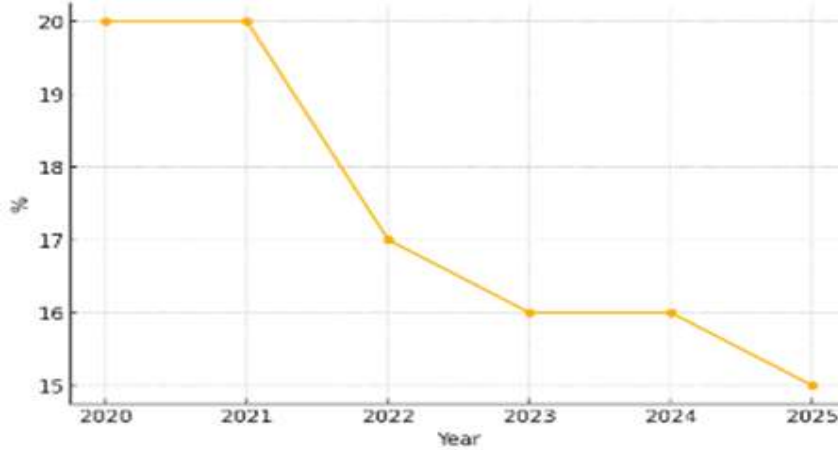


TABLE 4 — ZERODHA: DETAILED REVENUE MIX

Year	Brokerage Revenue	Exchange Transaction Charges	Interest Income (MTF + Collateral)	Other Income (Tech, Platforms)	Total Revenue
2020	850	150	80	20	~1,100
2021	2,200	350	130	49	2,729
2022	4,000	500	350	114	4,964
2023	5,300	650	650	275	6,875
2024	6,200	750	900	470	8,320
2025	6,300–6,500	780	1,000+	550	8,600–8,800*

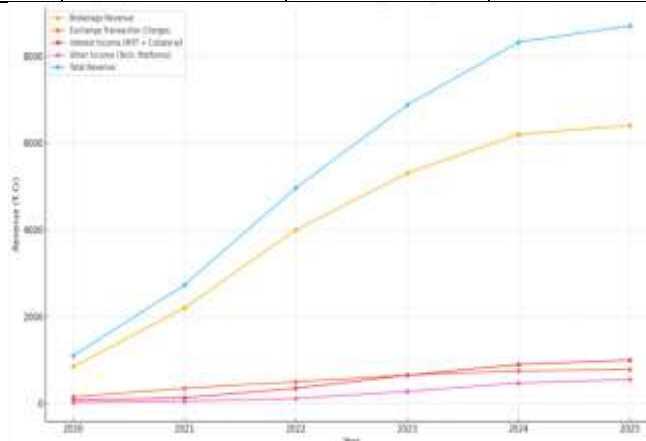
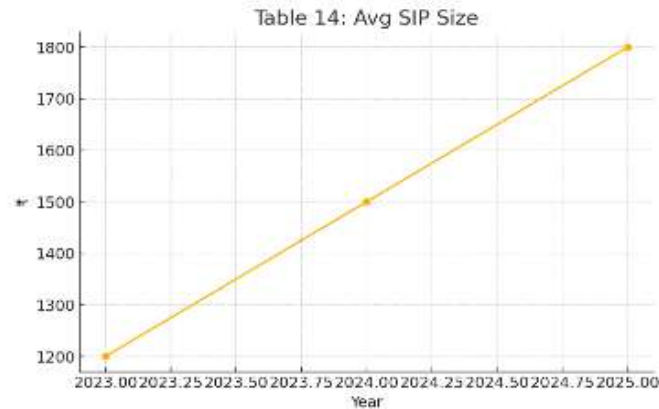


TABLE 5: ZERODHA FUND HOUSE: INVESTOR PROFILES (2023 → 2025)

Category	2023	2024	2025
Retail Investors (%)	85%	90%	92%
HNI Investors (%)	10%	7%	5%
Corporate / Institutional (%)	5%	3%	3%
Average SIP Size (₹)	1,200	1,500	1,800
Index Funds Share of AUM	70%	75%	80%



DISCUSSIONS:

The operating income of Zerodha increased significantly from ₹1,035-1,094 crore in FY20 to ₹8,320 crore in FY24. A lot more money came into the company. The company's net profit increased from 442 crore to 4,700 crore, while its profit after tax margins jumped from 40-42% to a staggering 56 percent. Sales per active client increased consistently from ₹8,000 to ₹17,000, despite a slowdown in sales growth from 150% year-over-year in FY21 to 21% in FY24. The low cost-to-income ratio made this feasible, proving the efficacy and efficiency of the company strategy. Zerodha AMC's assets under management (AUM) exceeded ₹8,000 crore by the year 2025.

The increase in demand for debt and liquid commodities (₹2,500 crore) and the robust expansion of index funds (₹4,500 crore) were the main reasons behind this. An indication of the AMC's market suitability is its growing popularity in less active areas. Compared to three years ago, there are now seven or eight programs, and over 1.5 million investors, up from around 100,000. With Groww's rapid expansion, Zerodha's 18–20% market share fell from leading in 2020 and 2021 to second place in 2022–2025. By 2025, Zerodha's market share had fallen to 14-15%, despite the fact that it had many active clients. This was due to the fact that, when trading volumes decreased, industry trends favored platforms driven by mutual funds.

According to Zerodha's revenue model, brokerage fees will increase from ₹850 crore in 2020 to ₹6,300 crore to ₹6,500 crore by 2025. Lots of progress was made as interest income skyrocketed from ₹80 crore to over ₹1,000 crore. From ₹1,100 crore to ₹8,600 crore to ₹8,800 crore, the platform's income has increased, indicating a change from trading fees to MTF, collateral interest, and technology-driven sources of income.

Zerodha AMC saw an increase in its investor base from 85.1 percent in 2023 to 92.2 percent in 2025. While the number of high-net-worth people who took part dropped from 10% to 5%,

the number of institutional investors remained unchanged at 3%. A systematic investment plan's average size has increased from 1,200 to 1,800 rupees, and index funds are now responsible for 80% of assets, up from 70%. The site is gaining a reputation as a low-cost, passive-focused spot for regular investors to spend their money, as shown by this.

5. CONCLUSION

Digital wealth platforms are transforming the way Indians manage, invest, and save their money. An increasing number of Indians are discovering user-friendly apps that streamline the investment process, thanks to the widespread availability of internet connectivity. Millions of people who could not afford brokerage firms' services are now able to buy on the market. These platforms are leveling the playing field in terms of access to capital by removing previously established obstacles. People who invest now have access to real-time market data and tools that let them make data-driven judgments. Regular purchasers have a lot of influence thanks to the key ideals driving this transformation, which are efficiency and simplicity. With new regulations and improved technology, experts predict that the sector will continue to evolve. Making wealth creation more tailored and possible is India's tech-savvy young.

REFERENCES

1. Chauhan, P., & Mukul, R. (2021). Drivers of early adoption in India's digital wealth platforms: The role of transparency, accessibility, and digital decision tools.
2. Deshmukh, V., & Chatterjee, P. (2023). Mobile-first transformation: Understanding the shift from traditional brokerage to digital wealth platforms in India.
3. Fernandes, R., & Kapoor, T. (2024). Gamification and investor engagement: Evaluating behavioral design strategies in India's digital investment platforms.
4. Goyal, R., & Banerjee, A. (2025). AI-powered advisory and retail investor behavior: Transforming decision-making on India's digital wealth platforms.
5. Joshi, D., & Narayanan, S. (2024). Regulatory modernization and digital trust: Strengthening India's digital wealth platform ecosystem.
6. Kannan, M., & Shah, F. (2025). Embedded finance and the rise of integrated digital ecosystems in India's wealth management sector.
7. Khan, A., & Mehta, S. (2023). UPI and seamless payments innovation as catalysts for digital investment flows in India.
8. Mukherjee, S., & Hussain, L. (2024). Rise of passive investing: The impact of ETFs, index funds, and automated tools on India's digital wealth landscape.
9. Nair, J., & Aggarwal, R. (2023). Digital customer support innovation: Scaling trust and engagement in India's digital wealth platforms.
10. Prasad, L., & Bhowmik, A. (2022). Behavioral shifts during the pandemic and the acceleration of digital investing in India.
11. Raman, S., & Venkatesh, P. (2025). Digital wealth platforms in India: Mobile connectivity, regulatory modernization, and democratization of retail investing.