

August 22, 2025

Angel One Limited: [ICRA]AA- (Stable)/[ICRA]A1+ assigned to bank line facilities; rating reaffirmed for commercial paper and rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	3,000.00	5,000.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount
Short-term/Long-term fund-based /Non-fund based bank lines – Others	-	7,500.00	[ICRA]AA- (Stable)/[ICRA]A1+; assigned
Total	3,000.00	12,500.00	

*Instrument details are provided in Annexure I

Rationale

The assigned ratings factor in Angel One Limited's (Angel) strong market position in the securities broking segment, its comfortable capitalisation and healthy profitability, notwithstanding the performance pressure in recent quarters. Driven by the heightened retail trading activity in index derivatives, Angel achieved a strong profitability trajectory in the past few years with average profitability margin {profit before tax (PBT)/net operating income¹ (NOI)} and return on net worth (RoNW) of 47% and 40%, respectively, during FY2021-FY2025. While it reported a record performance in H1 FY2025 as well, it faced pressure in subsequent quarters following the implementation of regulatory measures aimed at strengthening the index derivatives framework. These measures led to a material decline in industry-wide trading activity. Reflecting this trend, Angel's quarterly average order volume between Q4 FY2025 and Q1 FY2026 declined by 31% from the peak witnessed in Q2 FY2025. Additionally, elevated spending on marketing and promotions also weighed on the profitability. During Q4 FY2025-Q1 FY2026, Angel's profitability moderated with the average PBT/NOI and RoNW at 23% and 10%, respectively, compared to the average of 38% and 30%, respectively, recorded over the preceding eight quarters. While the company witnessed early signs of stabilisation in order volumes in recent months, it remains sensitive to broader domestic and global factors.

Angel's borrowings increased in the recent past due to the scale-up of its debt-funded margin trade funding (MTF) book and higher working capital requirements. Nonetheless, the capitalisation profile remains comfortable with a gearing of 0.6 times as on June 30, 2025, supported by healthy accruals as well as the sizeable equity capital raise of Rs. 1,500 crore in Q1 FY2025. ICRA is cognisant that a further scale-up of the capital market lending book is likely to lead to an increase in Angel's dependence on borrowings. However, the company is expected to continue maintaining prudent capitalisation.

These strengths are partially offset by Angel's high dependency on broking income from the derivatives segment and its relative vulnerability to regulatory risks in light of the evolving regulations and the operating environment. It is also significantly dependent on technology for its operations. Nevertheless, ICRA takes note of Angel's recent foray into the wealth management, asset management, and distribution businesses to monetise its established franchise and customer base, which is expected to offer some linearity to the cyclical nature of the broking business as these businesses scale up. However, the revenue profile and profitability remain vulnerable to market performance in the near to medium term. The ratings also consider the credit and market risks associated with capital market related lending businesses, given the nature of the underlying assets. This is mitigated to an extent by the granular MTF loan book. Nonetheless, maintaining adequate asset quality and capitalisation will remain imperative along with the ability to seamlessly align with the evolving regulatory landscape.

¹ NOI includes net broking income (net of commission expenses), depository income, distribution and asset management fees, other fees from operating businesses, and interest income on own funds, client funds, and lending operations, adjusted for interest costs

Key rating drivers and their description

Credit strengths

Strong market position in securities broking segment – Angel is one of the leading qualified stockbrokers with 325 lakh clients. As on June 30, 2025, it was third in terms of its active National Stock Exchange (NSE) clientele (73 lakh) with a market share of 16%. Supported by its active marketing spend and digital initiatives, it witnessed sizeable client additions in recent years, resulting in a steady expansion of the market share of NSE active clients and notable scale-up of the broking operations.

Driven by the heightened retail activity in the index futures & options (F&O) segment between Q4 FY2021 and Q2 FY2025, Angel recorded compounded quarterly growth of 11% in order volumes, reaching a peak of 48.9 crore in Q2 FY2025. However, following the implementation of regulatory measures aimed at strengthening the index derivatives framework, the trading activity in the F&O segment declined sharply in line with broader industry trends. Angel's average overall order volumes dropped to 33.5 crore during Q4 FY2025-Q1 FY2026, though this was 15% above the quarterly average during FY2023-FY2024. The decline in trading activity also led to an elongation in the client payback period. While order volumes have begun to show signs of stabilisation, it remains sensitive to broader market movements both locally and globally.

Healthy profitability, notwithstanding performance pressure in recent quarters – Buoyed by the heightened retail trading activity, Angel delivered strong profitability in the past few years with average profitability margin (PBT/NOI) and RoNW of 47% and 40%, respectively, during FY2021-FY2025. While the company reported a record performance in H1 FY2025 as well, it faced pressure in subsequent quarters following the implementation of regulatory measures aimed at strengthening the index derivatives framework – reflecting trends observed among securities broking entities with high reliance on the F&O segment. During Q4 FY2025-Q1 FY2026, the company's average quarterly net revenue declined by 22% from the average for 9M FY2025. Additionally, elevated spending on marketing and promotions (sponsorship of a major sport event, of which a large part is booked in Q4 and Q1) and employee expenses amid strategic hiring further weighed on the profitability. Over the past two quarters, Angel's profitability moderated with average PBT/NOI of 23% and average RoNW of 10% compared to the average of 38% and 30%, respectively, recorded over the preceding eight quarters. Nonetheless, ICRA notes that upfront marketing expenditure and certain non-cash charges weighed on the profitability in Q1 FY2026. However, with these costs expected to normalise in the coming quarters, a partial recovery in profitability is anticipated in the near term.

Comfortable capitalisation – With the scale-up of the MTF book and higher working capital requirements, Angel's borrowings have increased in recent periods. Nevertheless, the capitalisation profile remains comfortable, supported by healthy internal capital generation as well as the sizeable equity raise in the recent past (Rs. 1,500 crore in Q1 FY2025). As on June 30, 2025, Angel's consolidated capitalisation profile was characterised by a net worth of Rs. 5,571 crore and a gearing of 0.6 times on a provisional basis. ICRA is cognisant that further scale-up of the capital market lending book is likely to lead to an increase in Angel's dependence on borrowings. However, the company is expected to continue maintaining prudent capitalisation. As far as the dividend policy is concerned, Angel endeavours to maintain a quarterly interim dividend payout and, if prudent, a final dividend, aggregating at least 35% of the net profit in every financial year, limiting the pace of accretion to reserves.

Credit challenges

High dependence on broking income from F&O segment; exposed to evolving regulatory environment and inherently volatile capital markets – On a consolidated basis, Angel's revenue profile remains skewed towards securities broking (net broking income), which accounted for 60% of the NOI in FY2025, followed by interest income from lending, client float, ancillary transaction-related exchange charges, depository and distribution services. Angel's broking income remains highly dependent on the retail F&O segment, which accounts for about 81% of the gross broking income. The trading activity in the F&O segment was significantly impacted in recent quarters, following the implementation of regulatory measures. Given the inherent

sensitivity of this revenue stream to regulatory developments, the possibility for further moderation cannot be entirely ruled out. Additionally, interest income from client funds remains vulnerable to evolving regulatory landscape. Earlier, with the implementation of uniform exchange charges starting October 2024, Angel's ancillary income ceased; nonetheless, the impact was largely offset by introduction of pricing in cash deliveries and shortfall in cash margin extended to clients. The company's recent foray into the wealth and asset management and distribution businesses is expected to offer some linearity to the cyclical nature of the broking business as these businesses scale up. However, the revenue profile and profitability remain vulnerable to market performance in the near to medium term.

Intense competition and dependence on technology – Securities broking companies rely heavily on technology for trade execution and fund management. Thus, technical failures or disruptions pose operational and reputational risk. While the growth of discount brokers has been phenomenal during the last few years with their market share increasing to about 60% of NSE active clients, they would be at a comparatively greater risk of facing technology-related issues owing to their end-to-end digital presence. Additionally, given the multiple regulatory changes in recent periods, the ability of brokerage entities to ensure compliance with the evolving regulatory landscape remains crucial.

The sector also remains characterised by intense competition and susceptibility to entry by new players, though ICRA notes that Angel has maintained its market position in respect of the active client base in recent years. Further, while the increasing financialisation of savings and the low share of wallet of the equity segment in household savings offer untapped potential for expansion in the broking sector over the longer term, the possibility of pressure on profitability, especially during downturns, cannot be ruled out.

Environmental and social risks

While financial institutions do not face any material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. Nonetheless, such risk is not material for Angel as its lending operations are primarily focused on capital market related lending. Further, its business activities are typically short-to-medium term in nature, which will allow it to adapt if required.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for financial institutions as material lapses could be detrimental to their reputation and invite regulatory censure. In this regard, while the company encountered three technical glitches in FY2025, it was not a material outlier compared to peers. Going forward, its ability to offer uninterrupted services will be imperative for maintaining customer experience. Moreover, it is noted that customer preferences are increasingly shifting towards the digital mode of transacting, necessitating the adoption of technological advancements, besides providing an opportunity to reduce the operating costs. Angel has been at the forefront of this transition, making investments to enhance its digital interface with its customers.

Liquidity position: Strong

Angel's funding requirement is primarily for managing its working capital requirements and for scaling up its client funding book. Its average peak margin utilisation (computed on month-end basis) during March-June 2025 remains comfortable supported by its unencumbered cash and bank balance and drawable but unutilised lines. As on June 30, 2025, it had an unencumbered cash and bank balance of ~Rs. 423 crore (12% of consolidated borrowings) and drawable but unutilised working capital lines of ~Rs. 4,430 crore (Rs. 1,340 crore – overdraft against fixed deposits). These, along with collections of ~Rs. 4,674 crore from the margin funding book (which can be liquidated at short notice to generate liquidity), are adequate for covering the phased debt repayment obligations of ~Rs. 3,739 crore.

Rating sensitivities

Positive factors – A meaningful and profitable diversification of the revenue profile, while maintaining a strong capitalisation and profitability trajectory, would be a positive factor.

Negative factors – A sustained decline in the scale of the broking business or a deterioration in the asset quality of the lending business, impacting the company's capitalisation, liquidity or profitability with PBT/NOI falling below 25% on a sustained basis, would have a negative impact.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking & Allied Services
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation

About the company

Incorporated in 1996, Angel is one of the leading retail brokers in the equity, derivatives and commodity segments. Promoted by Mr. Dinesh Thakkar, the company has transformed into a prominent digital broker in the past few years. As on June 2025, it was a qualified stockbroker catering to ~73 lakh NSE active clients (market share of 16%) across India. Moreover, the company recently forayed into allied capital market businesses such as wealth management, asset management (awaiting regulatory approval), credit & fixed income distribution.

Angel reported a consolidated net profit of ~Rs. 115 crore on NOI of Rs. 885 crore in Q1 FY2026 compared to Rs. 1,172 crore and Rs. 4,105, respectively, crore in FY2025. At the consolidated level, the company's capitalisation profile was characterised by a net worth of ~Rs. 5,571 crore and a gearing of 0.6 times as on June 30, 2025.

Key financial indicators

Angel One Limited (consolidated)	FY2025	Q1 FY2026*
Net operating income	4,104.6	884.8
Profit after tax	1,172.1	114.5
Net worth (including minority interest)	5,639.1	5,570.9
Total assets	16,888.6	18,342.5
Gearing (times)	0.6	0.6
Return on average net worth	27.0%	8.2%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; * Unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Aug 22, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	5,000.00	[ICRA]A1+	Sep 24, 2024	[ICRA]A1+	-	-	-	-
Fund-based/Non-fund based bank lines – Others	Long term/ Short term	7,500.00	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Very Simple
Long-term/Short-term fund-based/ Non-fund based bank lines	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Commercial paper – Yet to be issued	-	-	-	2,672.00	[ICRA]A1+
NA	Long-term/Short-term fund-based/Non-fund based bank lines – Others	NA	NA	NA	7,500.00	[ICRA]AA- (Stable)/ [ICRA]A1+
INE732I14AE8	Commercial paper	Dec 27, 2024	NA	Dec 26, 2025	50.00	[ICRA]A1+
INE732I14AE8	Commercial paper	Jun 26, 2025	NA	Dec 26, 2025	200.00	[ICRA]A1+
INE732I14AP4	Commercial paper	Apr 07, 2025	NA	Sep 19, 2025	75.00	[ICRA]A1+
INE732I14AP4	Commercial paper	Apr 09, 2025	NA	Sep 19, 2025	50.00	[ICRA]A1+
INE732I14AP4	Commercial paper	Jun 20, 2025	NA	Sep 19, 2025	200.00	[ICRA]A1+
INE732I14AR0	Commercial paper	Apr 11, 2025	NA	Mar 27, 2026	10.00	[ICRA]A1+
INE732I14AS8	Commercial paper	Apr 17, 2025	NA	Dec 15, 2025	250.00	[ICRA]A1+
INE732I14AU4	Commercial paper	Apr 21, 2025	NA	Dec 17, 2025	75.00	[ICRA]A1+
INE732I14AW0	Commercial paper	May 02, 2025	NA	Nov 03, 2025	100.00	[ICRA]A1+
INE732I14BB2	Commercial paper	May 16, 2025	NA	Sep 22, 2025	35.00	[ICRA]A1+
INE732I14BC0	Commercial paper	May 16, 2025	NA	Aug 18, 2025	20.00	[ICRA]A1+
INE732I14BD8	Commercial paper	May 22, 2025	NA	Aug 21, 2025	150.00	[ICRA]A1+
INE732I14BE6	Commercial paper	May 26, 2025	NA	Dec 24, 2025	200.00	[ICRA]A1+
INE732I14BF3	Commercial paper	May 26, 2025	NA	Nov 21, 2025	300.00	[ICRA]A1+
INE732I14BG1	Commercial paper	Jun 12, 2025	NA	Sep 11, 2025	175.00	[ICRA]A1+
INE732I14BH9	Commercial paper	Jun 13, 2025	NA	Sep 12, 2025	200.00	[ICRA]A1+
INE732I14BI7	Commercial paper	Jun 16, 2025	NA	Sep 15, 2025	100.00	[ICRA]A1+
INE732I14BJ5	Commercial paper	Jun 26, 2025	NA	Sep 25, 2025	10.00	[ICRA]A1+
INE732I14BJ5	Commercial paper	Jun 26, 2025	NA	Sep 25, 2025	5.00	[ICRA]A1+
INE732I14BL1	Commercial paper	Jul 01, 2025	NA	Sep 30, 2025	5.00	[ICRA]A1+
INE732I14BL1	Commercial paper	Jul 07, 2025	NA	Sep 30, 2025	25.00	[ICRA]A1+
INE732I14BM9	Commercial paper	Jul 07, 2025	NA	Oct 06, 2025	20.00	[ICRA]A1+
INE732I14BM9	Commercial paper	Jul 07, 2025	NA	Oct 06, 2025	6.50	[ICRA]A1+
INE732I14BN7	Commercial paper	Jul 15, 2025	NA	Oct 14, 2025	10.00	[ICRA]A1+
INE732I14BO5	Commercial paper	Jul 15, 2025	NA	Jan 13, 2026	10.00	[ICRA]A1+
INE732I14BP2	Commercial paper	Jul 22, 2025	NA	Jan 20, 2026	10.00	[ICRA]A1+
INE732I14BQ0	Commercial paper	Jul 28, 2025	NA	Oct 27, 2025	20.00	[ICRA]A1+
INE732I14BQ0	Commercial paper	Jul 28, 2025	NA	Oct 27, 2025	6.50	[ICRA]A1+
INE732I14BR8	Commercial paper	Jul 30, 2025	NA	Jan 28, 2026	10.00	[ICRA]A1+

Source: Company; NA: Not available

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership (%)	Consolidation approach
Angel One Limited	Rated entity	
Angel Financial Advisors Private Limited	100.00	
Angel Fincap Private Limited	100.00	
Angel Securities Limited	100.00	
Angel Digitech Services Private Limited	100.00	
Mimansa Software Systems Private Limited	100.00	
Angel One Asset Management Company Limited	100.00	Full consolidation
Angel One Trustee Limited	100.00	
Angel Crest Limited	100.00	
Angel One Wealth Limited	100.00	
Angel One Foundation	100.00	
Angel One Investment Services Private Limited	100.00	
Angel One Investment Managers & Advisors Private Limited	100.00	

Source: Company's annual report FY2025

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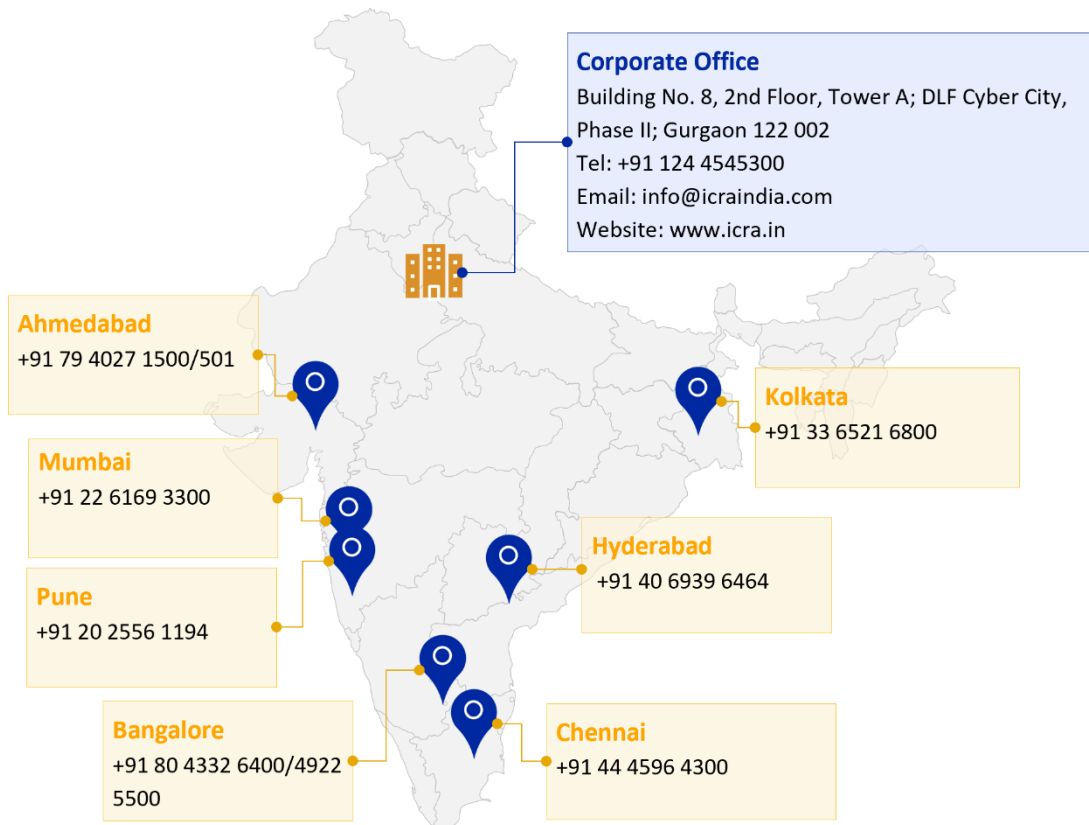
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