

December 02, 2025

Angel One Limited: [ICRA]AA- (Stable) assigned to non-convertible debentures; ratings reaffirmed for existing facilities

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture	-	50.00	[ICRA]AA- (Stable); assigned
Commercial paper	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Short-term/Long-term fund-based /Non-fund based bank lines	7,500.00	7,500.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed
Total	12,500.00	12,550.00	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in Angel One Limited's (Angel) strong market position in the securities broking segment, its comfortable capitalisation and adequate profitability, notwithstanding the pressure on its performance 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 an 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. It faced pressure in recent quarters, in line with the industry trends, 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 declined by 31% between Q4 FY2025 and Q1 FY2026 from the peak in Q2 FY2025, with early signs of stabilisation in Q2 FY2026. As a result, the overall profitability moderated in H1 FY2026, with PBT/NOI and RoNW at 25% and 11%, respectively, though it remains adequate.

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 0.8 times as on September 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 the company's dependence on borrowings. It has entered into a joint venture (JV) with LivWell Holding Company Pte Ltd to launch a digital-first, pure protection life insurance business under Angel One LivWell Life Insurance Limited, with Angel holding a 26% stake in the Rs. 400-crore JV, subject to regulatory approvals. While this could lead to some capital outflow in the coming years, the company is expected to continue maintaining prudent capitalisation and adequate profitability.

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. 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 partially mitigated 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

The Stable outlook reflects ICRA's expectation that Angel would continue to draw on its strong market position in the securities broking industry for sustaining adequate profitability, while maintaining comfortable capitalisation and liquidity. Although Angel's revenues will remain exposed to the vagaries of capital markets and the evolving regulatory environment, the traction in the distribution, wealth and asset management businesses is likely to offer some linearity to the cyclical nature of the broking business as these businesses scale up.

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 September 30, 2025, it was third in terms of its active National Stock Exchange (NSE) clientele with a market share of 15.2%. Supported by its 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 a 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 volume dropped to 34.4 crore during Q4 FY2025-Q2 FY2026, though this was 18% above the quarterly average during FY2023-FY2024. While the order volume has begun to show signs of stabilisation, it remains sensitive to broader market movements both locally and globally.

Adequate profitability, notwithstanding pressure in recent quarters – Buoyed by heightened retail trading activity, Angel delivered strong profitability in the past few years with an average profitability margin (PBT/NOI) and RoNW of 47% and 40%, respectively, during FY2021-FY2025. However, it witnessed pressure following the implementation of regulatory measures aimed at strengthening the index derivatives framework, reflecting the trend observed among securities broking entities with high reliance on the F&O segment. Angel's net operating income declined by 21% YoY in H1 FY2026. Additionally, elevated employee expenses amid strategic hiring weighed on the profitability. Consequently, Angel's profitability moderated with average PBT/NOI of 25% and RoNW of 11% in H1 FY2026 compared to 42% and 28%, respectively, in H1 FY2025. Nonetheless, with pricing adjustments in the recent past, stabilising trading volumes and the rising contribution from the lending business, a partial recovery in the profitability could be expected.

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 September 30, 2025, Angel's consolidated capitalisation profile was characterised by a net worth of Rs. 5,834 crore and a gearing of 0.8 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 59% of the NOI in H1 FY2026, followed by interest income from lending, client float, ancillary transaction-related exchange charges, depository and distribution services. The company's broking income remains

highly dependent on the retail F&O segment, which accounted for about 75% of the gross broking income in H1 FY2026. 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; however, historical precedent suggests that calibrated pricing interventions can mitigate the impact to some extent. Earlier, with the implementation of uniform exchange charges starting October 2024, Angel's ancillary income ceased; nonetheless, the impact was largely offset by the 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.

Elevated competition and high 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 was 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.

ICRA notes the consultation paper issued by the regulator in October 2025 proposing the rationalisation of expense ratio norms for asset management companies. If implemented in its current form, these measures could affect the profitability of certain segments in the capital market value chain; however, retail-focussed discount brokers are expected to be least impacted.

The sector also remains characterised by intense competition and is susceptible to the entry of 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 focussed 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 needs 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 September 30, 2025, it had an unencumbered cash and bank balance of ~Rs. 20 crore and drawable but unutilised working capital lines of ~Rs. 4,629 crore (Rs. 1,237 crore – overdraft against fixed deposits). These, along with collections of ~Rs. 5,780 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. 5,315 crore till April 2026.

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 September 30, 2025, it was a qualified stockbroker with a 15% market share in active clients. Moreover, the company recently forayed into allied capital market businesses such as wealth management, asset management, credit & fixed income distribution.

Key financial indicators

Angel One Limited (consolidated)	FY2024	FY2025	H1 FY2026*
Net operating income	3,326.5	4,104.6	1,815.4
Profit after tax	1,513.7	1,172.1	326.2
Net worth (including minority interest)	3,038.6	5,639.1	5,834.1
Total assets	13,253.7	16,888.6	18,344.6
Gearing (times)	0.8	0.6	0.8
Return on average net worth	43.0%	27.0%	11.4%

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

		Current (FY2026)		Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 02, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture	Long term	50.00	[ICRA]AA-(Stable)								
Commercial paper	Short term	5,000.00	[ICRA]A1+	Aug 22, 2025	[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+	Aug 22, 2025	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

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

*Subject to change upon finalisation of terms

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	Non-convertible debenture*	-	-	-	50.00	[ICRA]AA- (Stable)
NA	Commercial paper*	-	-	-	1,400.00	[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+
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+
INE732I14BE6	Commercial paper	May 26, 2025	NA	Dec 24, 2025	200.00	[ICRA]A1+
INE732I14AE8	Commercial paper	Jun 26, 2025	NA	Dec 26, 2025	200.00	[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+
INE732I14BR8	Commercial paper	Jul 30, 2025	NA	Jan 28, 2026	10.00	[ICRA]A1+
INE732I14BY4	Commercial paper	Aug 25, 2025	NA	Feb 23, 2026	110.00	[ICRA]A1+
INE732I14BY4	Commercial paper	Aug 26, 2025	NA	Feb 23, 2026	25.00	[ICRA]A1+
INE732I14CA2	Commercial paper	Aug 28, 2025	NA	Feb 25, 2026	125.00	[ICRA]A1+
INE732I14CB0	Commercial paper	Sep 09, 2025	NA	Dec 09, 2025	300.00	[ICRA]A1+
INE732I14AU4	Commercial paper	Sep 17, 2025	NA	Dec 17, 2025	200.00	[ICRA]A1+
INE732I14CD6	Commercial paper	Oct 07, 2025	NA	Jan 06, 2026	5.00	[ICRA]A1+
INE732I14CC8	Commercial paper	Oct 07, 2025	NA	Mar 13, 2026	175.00	[ICRA]A1+
INE732I14CC8	Commercial paper	Oct 13, 2025	NA	Mar 13, 2026	175.00	[ICRA]A1+
INE732I14BO5	Commercial paper	Oct 14, 2025	NA	Jan 13, 2026	210.00	[ICRA]A1+
INE732I14CF1	Commercial paper	Oct 15, 2025	NA	Apr 15, 2026	10.00	[ICRA]A1+
INE732I14CE4	Commercial paper	Oct 16, 2025	NA	Dec 31, 2025	300.00	[ICRA]A1+
INE732I14CG9	Commercial paper	Oct 28, 2025	NA	Apr 20, 2026	100.00	[ICRA]A1+
INE732I14CI5	Commercial paper	Oct 28, 2025	NA	Apr 29, 2026	100.00	[ICRA]A1+
INE732I14CH7	Commercial paper	Oct 28, 2025	NA	May 08, 2026	100.00	[ICRA]A1+
INE732I14CJ3	Commercial paper	Oct 28, 2025	NA	Jan 27, 2026	200.00	[ICRA]A1+
INE732I14CL9	Commercial paper	Nov 10, 2025	NA	Sep 07, 2026	100.00	[ICRA]A1+
INE732I14CK1	Commercial paper	Nov 10, 2025	NA	Sep 08, 2026	100.00	[ICRA]A1+
INE732I14CM7	Commercial paper	Nov 12, 2025	NA	Feb 11, 2026	450.00	[ICRA]A1+

Source: Company; NA: Not available; * Yet to be issued

[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	Full consolidation
Mimansa Software Systems Private Limited	100.00	
Angel One Asset Management Company Limited	100.00	
Angel One Trustee Limited	100.00	
Angel Crest Limited	100.00	

Company name	Ownership (%)	Consolidation approach
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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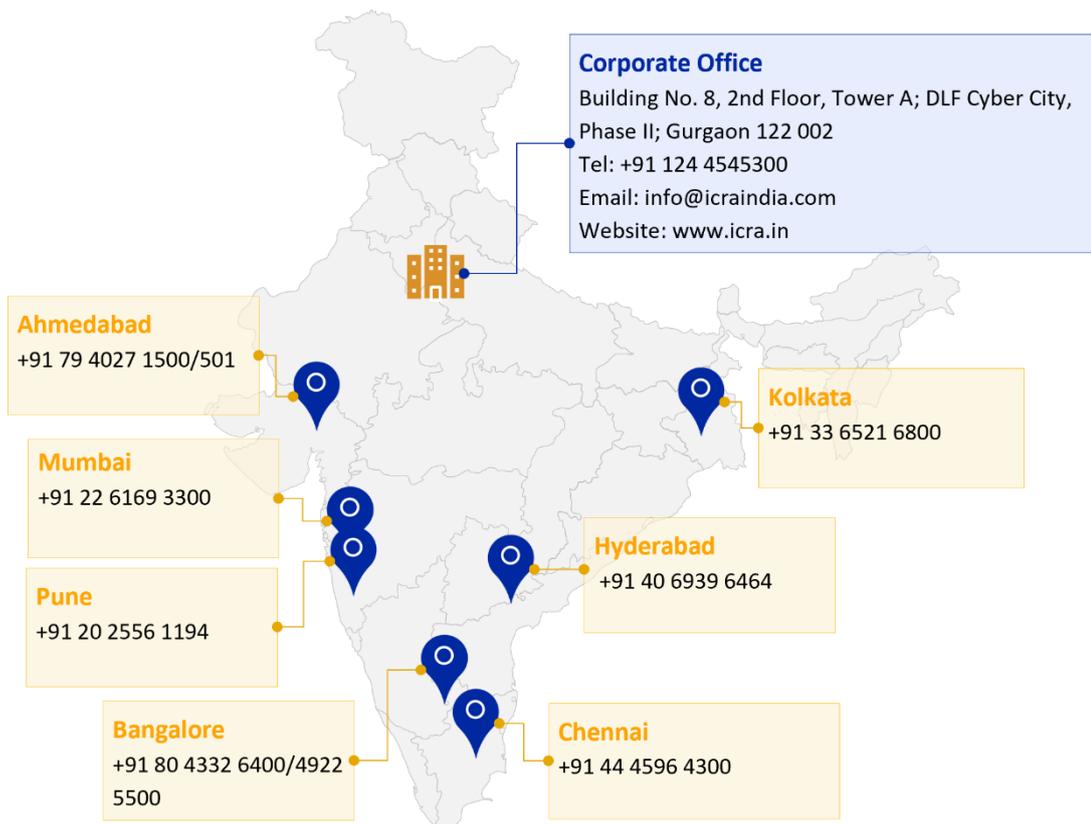
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