July 13, 2026

Angel One Limited: Rated amount enhanced for commercial paper; ratings reaffirmed for existing instruments

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Non-convertible debenture	50.00	50.00	[ICRA]AA- (Stable); reaffirmed	SEBI
Commercial paper	5,000.00	7,500.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Short-term/Long-term – Fund-based /Non-fund based bank lines	7,500.00	7,500.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed	RBI
Total	**12,550.00**	**15,050.00**		

**Instrument details are provided in Annexure I*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings factor in Angel One Limited's (Angel) strong market position in the securities broking segment, its comfortable capitalisation and healthy profitability with gradual recovery in profitability in the recent quarters. Buoyed by heightened retail trading activity, the company delivered healthy profitability in the past few years, with an average profitability margin {profit before tax (PBT)/net operating income[1] (NOI)} and return on net worth (RoNW) of 47% and 40%, respectively, during FY2021-FY2025. However, it witnessed pressure following regulatory tightening in the index derivatives with sharp decline in the futures & options (F&O) orders. Nevertheless, Angel has witnessed a gradual increase in the trading activity over the past five quarters, supported by traction in commodity broking, recalibration of trading strategies and reshuffling of expiry days. Its quarterly order volumes rose to 43.1 lakh in Q4 FY2026, a 32% recovery from the trough witnessed in Q4 FY2025, although that remained below the peak recorded in Q2 FY2025. Angel witnessed a recovery in performance in the recent quarters, with increase in trading activity in F&O amid heightened volatility, rising contribution from the lending business and rationalisation of incentive payouts with average PBT/NOI of 38% and RoNW of 20% in H2 FY2026 compared to 25% and 11% in H1 FY2026, the sustainability of the improvement continues to be monitorable in the backdrop of the evolving domestic and global developments, which drive investor sentiment and market participation.

Angel's borrowings increased in the recent past due to the scale-up of its debt-funded margin trade funding (MTF) book, higher working capital requirements and temporary liquidity adjustments. Nonetheless, the capitalisation profile remains comfortable, with a gearing of 1.3 times as on March 31, 2026, 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 result in 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. Additionally, the Group's recent foray into wealth management and asset management, along with its planned entry into the loan against shares (LAS) business in the coming months, could necessitate incremental capital deployment and increase its reliance on borrowings, particularly for the LAS portfolio. Nonetheless, Angel is expected to maintain healthy profitability and prudent capitalisation, with financial leverage below 2.0 times.

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[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

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 over 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.

The Stable outlook reflects ICRA's expectation that the company would continue to draw on its strong market position in the securities broking industry for sustaining healthy 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 domestic qualified stockbrokers with 374 lakh clients (active National Stock Exchange (NSE) clientele of 67.6 lakh) as on March 31, 2026. Notwithstanding heightened competitive intensity and moderation in client activity over the past two years, the company has largely sustained its market share of the active NSE client base at ~ 14.8%, maintaining its position as the third-largest broker in terms of active NSE clients. Supported by its marketing spend and digital initiatives, it witnessed sizeable client additions in recent years, however, the the net increase in active clients during the past two years has been muted, reflecting subdued market trends.

Driven by the heightened retail activity in the index 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. With the implementation of regulatory measures aimed at strengthening the index derivatives framework, the trading activity in the F&O segment declined sharply. Nevertheless, the trading activity has witnessed a gradual increase over the past five quarters, supported by traction in commodity broking, recalibration of trading strategies and reshuffling of expiry days. Angel's quarterly overall order volume rose to 43.1 lakh in Q4 FY2026, a 32% recovery from the trough witnessed in Q4 FY2025, although it remained 12% below the peak recorded in Q2 FY2025. Its average client funding book also expanded to Rs. 6,783 crore in June 2026, reflecting a 61% year-over-year (YoY) growth; driving an expansion in the company's market share in the overall industry MTF book to 6-7%. Notwithstanding the recent improvement, the trading activity and client funding book remains sensitive to broader domestic and global market conditions, as well as any further regulatory developments (if any).

Healthy profitability– Buoyed by heightened retail trading activity, Angel delivered strong profitability in the past few years, however, it came under pressure following the implementation of regulatory measures aimed at strengthening the index derivatives framework. The company witnessed moderation in broking income along with discontinuation of markup transaction charges; nevertheless, the impact on net operating income was limited (3% YoY), aided by the scale-up in distribution and net interest income from client funding exposures. However, profitability was impacted by elevated employee expenses amid strategic hiring, alongside costs associated with new business initiatives and one-offs. Consequently, Angel's profitability margins moderated, with PBT/NOI of 32% and RoNW of 16% in FY2026 compared to 39% and 27%, respectively, in FY2025. While it witnessed a recovery in performance in the recent quarters with continued uptick in trading activity in F&O amid heightened volatility, rising contribution from the lending business and rationalisation of incentive payouts with average

PBT/NOI of 38% in H2 FY2026 compared to 25% in H1 FY2026, the sustainability of the recovery remains to be seen in the backdrop of the evolving domestic and global developments, which drive investor sentiment and market participation.

Comfortable capitalisation – With the scale-up of the MTF book, higher working capital requirements and temporary liquidity adjustments, 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 March 31, 2026, Angel's consolidated capitalisation profile was characterised by a net worth of Rs. 6,149 crore and a gearing of 1.3 times. ICRA is cognisant that further scale-up of the capital market lending book is likely to result in an increase in its dependence on borrowings. Further, while Angel's new business initiatives may entail capital outflow, nonetheless, it is expected to continue maintaining prudent capitalisation with financial leverage below 2.0 times. As far as the dividend policy is concerned, the company 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 FY2026, followed by interest income from client funds, lending activities, own funds, depository and distribution services. The company's broking income is still highly dependent on the retail F&O segment, which accounted for about 76% of the gross broking income in FY2026. The trading activity in the F&O segment was significantly impacted in the recent past, following the implementation of regulatory measures. While Angel has witnessed a recovery in the broking income in the recent quarters, 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 the evolving regulatory landscape; however, historical precedent suggests that calibrated pricing interventions can mitigate the impact to some extent. 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, they would be at a comparatively greater risk of facing technology-related issues owing to their end-to-end digital presence. ICRA notes that Angel experienced seven technical glitches on the NSE in FY2026. Going forward, its ability to ensure uninterrupted platform stability and service continuity remains imperative for maintaining customer experience. Moreover, given the highly regulated nature of the industry, brokerage houses continue to be exposed to regulatory risk. Their ability to ensure compliance with the evolving regulatory landscape remains crucial. The recent tightening in bank lending to capital market intermediaries could make more players tap money markets while exploring the debt market. Hence, an expansion in borrowing spreads for brokers cannot be ruled out completely, which may constrain the profitability trajectory of securities brokers.

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 wallet share 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 remain key areas of vulnerability for financial institutions, as any material lapse could adversely affect their reputation and invite regulatory scrutiny. In this regard, Angel experienced a cybersecurity incident involving a data breach in April 2023. While the company has since implemented several remedial measures to strengthen its information security framework, its ability to safeguard customer data and defend against evolving cyber threats going forward remains critical. Further, Angel reported seven technical glitches on NSE in FY2026. 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 margin utilisation (computed on a month-end basis) remains comfortable, supported by its unencumbered cash and bank balance and drawable but unutilised lines. As on May 31, 2026, it had drawable but unutilised working capital lines of ~Rs. 5,149 crore (Rs. 2,809 crore – overdraft against fixed deposits) and an unencumbered cash and bank balance of ~Rs. 21 crore. These, along with collections of ~Rs. 6,409 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. 3,140 crore till October 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 March 31, 2026, it was a qualified stockbroker with a ~15% market share of active clients. The company recently forayed into allied capital market businesses such as wealth management, asset management, credit & fixed income distribution. Further, it plans to foray into the loan against shares (LAS) business through its NBFC platform in the coming months

Key financial indicators

Angel One Limited (consolidated)	FY2025	FY2026
Net operating income	4,104.6	3,974.3
Profit after tax	1,172.1	915.1
Net worth (including minority interest)	5,639.1	6,148.9
Total assets	16,888.6	23,903.8
Gearing (times)	0.6	1.3
Return on average net worth	27.0%	15.5%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul 13, 2026	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture	Long term	50.00	[ICRA]AA-(Stable)	Dec 02, 2025	[ICRA]AA-(Stable)	-	-	-	-
Commercial paper	Short term	7,500.00	[ICRA]A1+	Aug 22, 2025	[ICRA]A1+	Sep 24, 2024	[ICRA]A1+	-	-
				Dec 02, 2025	[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+	-	-	-	-
				Dec 02, 2025	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debenture	Simple*
Commercial paper	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	Financial sector regulator#
INE732I07010	Non-convertible debenture	Feb 24, 2026	8.75%	Aug 25, 2027	50.00	[ICRA]AA- (Stable)	SEBI
NA	Long-term/Short-term fund-based/ Non-fund based bank lines – Others	NA	NA	NA	7,500.00	[ICRA]AA- (Stable)/ [ICRA]A1+	RBI
NA	Commercial paper*	-	-	0-365 days	3,435.00	[ICRA]A1+	RBI
INE732I14CK1	Commercial paper	Nov 10, 2025	NA	Sep 08, 2026	100.00	[ICRA]A1+	RBI
INE732I14CL9	Commercial paper	Nov 10, 2025	NA	Sep 07, 2026	100.00	[ICRA]A1+	RBI
INE732I14CS4	Commercial paper	Jan 06, 2026	NA	Jan 06, 2027	50.00	[ICRA]A1+	RBI
INE732I14CV8	Commercial paper	Jan 13, 2026	NA	Jan 13, 2027	50.00	[ICRA]A1+	RBI
INE732I14CW6	Commercial paper	Jan 14, 2026	NA	Jan 14, 2027	100.00	[ICRA]A1+	RBI
INE732I14CX4	Commercial paper	Jan 28, 2026	NA	Jan 28, 2027	300.00	[ICRA]A1+	RBI
INE732I14CY2	Commercial paper	Jan 29, 2026	NA	Jan 29, 2027	500.00	[ICRA]A1+	RBI
INE732I14CZ9	Commercial paper	Feb 20, 2026	NA	Feb 18, 2027	275.00	[ICRA]A1+	RBI
INE732I14DA0	Commercial paper	Feb 25, 2026	NA	Feb 25, 2027	125.00	[ICRA]A1+	RBI
INE732I14DB8	Commercial paper	Mar 06, 2026	NA	Jun 05, 2026	500.00	[ICRA]A1+	RBI
INE732I14DC6	Commercial paper	Mar 12, 2026	NA	Jun 11, 2026	310.00	[ICRA]A1+	RBI
INE732I14DD4	Commercial paper	Mar 18, 2026	NA	Jun 17, 2026	250.00	[ICRA]A1+	RBI
INE732I14DE2	Commercial paper	Apr 15, 2026	NA	Mar 17, 2027	325.00	[ICRA]A1+	RBI
INE732I14DF9	Commercial paper	Apr 20, 2026	NA	Mar 09, 2027	200.00	[ICRA]A1+	RBI
INE732I14DG7	Commercial paper	Apr 22, 2026	NA	Oct 22, 2026	80.00	[ICRA]A1+	RBI
INE732I14DH5	Commercial paper	May 26, 2026	NA	Aug 25, 2026	350.00	[ICRA]A1+	RBI
INE732I14DH5	Commercial paper	May 27, 2026	NA	Aug 25, 2026	150.00	[ICRA]A1+	RBI
INE732I14DI3	Commercial paper	May 26, 2026	NA	Aug 24, 2026	100.00	[ICRA]A1+	RBI
INE732I14DJ1	Commercial paper	May 29, 2026	NA	Aug 28, 2026	200.00	[ICRA]A1+	RBI

*Source: Company; NA: Not available; * Yet to be issued; # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.*

[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	Parent, Rated entity	Full consolidation
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 Crest Limited	100.00	
Angel One Asset Management Company Limited	100.00	
Angel One Trustee 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	
Angel One Livwell Life Insurance Limited	26.00	Equity method

Source: Company's annual report FY2026

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