

Angel One Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Commercial Paper	3,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to the short-term debt instrument of Angel One Limited (AOL) factors in its healthy earnings profile and comfortable capitalisation levels considering its strengthening market position in terms of client base. The rating also favourably factors in AOL's experienced management team and a long track record in the broking industry.

However, rating strengths are partially offset by AOL's exposure to inherent market risks and evolving regulatory landscape and intensely competitive nature of the broking business. The company's ability to maintain its market share and diversify its income profile will remain key monitorable.

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:

- Deterioration in the market share of the company on a sustained basis.
- Moderation in earnings profile and liquidity.

Analytical approach:

CARE Ratings Limited (CARE Ratings) has analysed the consolidated business and financial risk profiles of Angel One Limited along with its wholly owned subsidiaries. (Refer Annexure-6)

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Long track record of the company and experienced management team

AOL was incorporated in the year 1996 and has over 28 years of presence in the broking industry. The company is led by Mr. Dinesh Thakkar, MD and Chairman of Angel One Limited. He is also the promoter of the group. He has been in the capital market with over three decades of experience. All key business operations of the company have been consolidated under him in the current financial year, post resignation of the CEO.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

In line with the change in the broking industry, AOL has successfully revamped its traditional broking business to a completely digitally driven broking business in the last three to four years with a robust risk management framework in place, which has helped the company to gain a significant market position in the broking industry.

Strengthening market position with 100% retail broking franchise

In FY24, the company's gross client acquisition was 8.8 million (Mn) against 4.6 Mn in FY23, which led to an increase in the overall clientele from 13.8 Mn in March 2023 to 22.2 Mn in March 2024. The company's total number of active clients NSE stood at 6.1 Mn as on March 31, 2024 (4.3 Mn as on March 31, 2023). As on March 31, 2024, AOL's market share in NSE active clients improved to 14.99% from 13.1% as on March 31, 2023. As on February 28, 2025, it further improved to 15.62%. The market share has been consistently increasing in the last four years. The company's entire client base is retail, and it has no exposure to institutional clientele. The company's market position on NSE in terms of active client base is 3rd as on February 28, 2025. In Q3FY25, AOL had a market share of 19.7% in the overall equity turnover, which has been growing on quarterly basis for the last two fiscals.

The company has been able to spread its presence widely and is currently available in over 98.6% of the pin codes in the country. The company's ability to maintain its market share in the industry remains a key monitorable.

Comfortable earnings profile

AOL reported a 26% y-o-y profit after taxation (PAT) growth in FY24, and its PAT stood at ₹ 1,126 crore against ₹ 890 crore in FY23. The increase in PAT was majorly contributed by an increase in the broking income as well as interest income (interest on fixed deposits with bank). Given the continued client acquisition during FY24, broking income witnessed a growth of 40% Y-o-Y to ₹ 2,917 crores, forming around 68% of the total consolidated income. However, PAT margin decreased to 26.30% in FY24 from 29.47% during FY23 as opex increased to ₹1,811 crores during FY24 from ₹ 1,096 crores during FY23 on the back of increased client acquisition, technology development, advertising and employee expenses. Cost to income ratio of the company also deteriorated to 63.47% during FY24 from 59.35% during FY23.

On a standalone level, the company reported PAT of ₹ 1,133 crores during FY24 as against ₹ 880 crores during FY23. During 9MFY25, PAT stood at ₹ 1,036 crores. AOL contributed almost 100% share in the consolidated net assets as well as the profits.

Further, in 9MFY25, the company reported a consolidated PAT of ₹ 998 crores which is a Y-o-Y growth of 27%. However, its cost-to-income ratio witnessed marginal increase to 65.82% and was on account of continued increase in the opex.

Given the scale up in the operations along with market volatility since Q3FY25, the sustainability of earnings growth of AOL will remain a key monitorable.

Comfortable capitalisation

On a consolidated level, the tangible net worth of the company increased to ₹ 2,989 crores as on March 31, 2024, from ₹ 2,128 crores as on March 31, 2023, on account of internal accruals. Further during Q1FY25, the company raised equity of ₹ 1,500 crores through Qualified Institutional Placement (QIP). This, coupled with internal accruals, resulted in a tangible net worth of ₹ 5,628 crores as on December 31, 2024.

Also, given the continued expansion in client base, the total fund-based debt rose to ₹ 2,535 crores as on March 31, 2024, from ₹ 787 crores as on March 31, 2023. These funds are used for fulfilling the cash margin requirements of the clients to the exchange as well as lending through the Margin Trade Funding (MTF) product. As on March 31, 2024, the net gearing (debt adjusted for fixed deposits (FDs) lien marked against debt) stood at 1.11 times. Post equity infusion, this reduced to 0.80 times as on December

31, 2024. The resource profile of AOL comprises non-fund based borrowings, i.e., Bank Guarantees (BGs) which formed 48% of the total debt as on December 31, 2024. These BGs are backed by FDs to the extent of 50%. The fund-based borrowings form the balance 52% of the total debt, consisting of overdraft (OD) against FDs, working capital demand loan (WCDL) and commercial papers (CPs). Given the short-term tenure of its lending book, short term borrowings will continue to dominate the overall debt profile of AOL.

Key weaknesses

Broking revenue dominating income profile

On a consolidated level, the total revenue of the company increased by 42% Y-o-Y to ₹ 4,280 crores during FY24 majorly contributed by the increase in the brokerage income. Further, in 9MFY25, the total revenue stood at ₹ 4,190 crores which is a 43% Y-o-Y growth. Of this total revenue, brokerage formed 64% of the total income, followed by interest income which constituted 24% of the total income. During 9MFY25, interest income from MTF book's contribution to total revenue increased to 11% from 7% in FY24. Of the total brokerage income, F&O accounted for 81%-85% of the share, followed by cash with 11%-13% share which further concentrates the broking income in one segment.

The interest income is earned by way of interest on FDs as well as funding through the MTF product. The brokerage income and interest income from MTF lending is directly a function of the market performance which is very volatile in its nature and hence the earnings of AOL remain exposed to volatility, and it may get impacted in the event of any significant change in the market performance. However, in order to diversify its income profile, the company has set up an Asset Management Company (AMC) and the trustee company for running the mutual fund business. It has already received approval from SEBI and is in process of setting up the necessary infrastructure, processes, policies and creating partnerships with key vendors.

Given the concentrated nature of revenue sources, AOL's ability to diversify its income profile will remain a key monitorable.

Susceptibility towards regulatory changes

The capital market industry has witnessed continuous regulatory changes. In May 2023, SEBI prohibited stockbrokers from using client's funds for bank guarantees (BGs). Brokers now deploy their own funds; hence, increase in funding requirements is leading to higher finance cost. On-book gearing of the industry players is also increasing post this regulation. In June 2023, SEBI introduced a regulation under which stockbrokers are required to upstream clients' funds to clearing corporation. These funds must be up-streamed to clearing corporation in the form of cash, lien on FD receipts or pledged units of mutual fund overnight schemes. Similarly, funds received from clearing corporation should be further down-streamed to client accounts. This has increased operational and compliance cost for the brokers. In July 2024, the regulator directed Market Infrastructure Institutes (MIIs) to revise the charge structure and adopt a standardised fee structure to all members, replacing existing volume-based slab-wise model. This was made to make the MIIs charges 'True to Label' for the end clients. In October 2024, SEBI introduced multiple measures to curb retail participation. Some measures have become effective from November 2024 such as 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. Few measures will be implemented in the coming quarters, which includes upfront collection of option premiums, removal of Calendar Spread Treatment on Expiry Day and intraday monitoring of client's and broker's limits. AOL is expected to have a short-term impact of 16-18% on total net income due these regulatory changes.

The broking industry is experiencing a slowdown in active client growth and trading volumes due to global market volatility and recent regulatory guidelines/updates. This has resulted in some major brokerage firms ceding market share. The company's ability

to increase its market share amid this competition will be crucial. Intense competition from low-cost brokerage firms continues to pressurise traditional players' margins.

CARE Ratings will continue to monitor AOL's ability to adapt its technology, systems, and risk management processes to evolving regulatory landscape without adverse impact on its overall business profile.

Presence in inherently risky and competitive broking business

About 64% of AOL's revenue is in the form of brokerage, which highly depends on capital market activities exposing the company's earnings to volatility in stock markets and trading volumes. The company operates in a highly competitive brokerage space, where brokerage rates are consistently competitive across the industry. Even though AOL has been still able to acquire incremental client base, given the competition risk, the company's ability to maintain its market share on a sustained basis will remain a key monitorable.

Liquidity: Strong

As on January 31, 2025, AOL had free cash and bank balance of ₹1,266.79 crore against a CP outstanding balance of ₹1,453 crore maturing over CY25. As on December 31, 2024, ~53% of the company's total fund-based borrowings was in the form of overdraft and working capital demand loan (WCDL). These facilities are matched against exposures extended to clients. In addition to this liquidity, the company has been maintaining sufficient margin with the exchange majorly in the form of fixed deposits and bank guarantees above the required limit, providing additional comfort. For commercial paper programme, the company has a stated policy where at every point in time, it maintains liquidity backup to the extent of all short-term debt maturing in subsequent 15 days.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

For AOL, exposure to environmental risks is minimal given that its lending activity is capital market related but its exposure to social risks remains high given that data, security or privacy breach can affect its reputation and attract regulatory scrutiny. AOL maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding its grievance redressal, related party transactions, fair practice code, whistle blower policy and prevention of sexual harassment policy. The board comprises seven directors, of which, is one female director. The entity has the necessary Audit Committee, Nomination and Remuneration committee and Corporate Social Responsibility (CSR) committee in place. AOL has constituted an ESG Committee, and it reports to the board. AOL continues to work on several community development initiatives through its CSR projects.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Broking Firms](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Capital Markets	Stockbroking & Allied

Formerly Angel Broking Limited, AOL was incorporated in 1996. The company is engaged in retail broking in equity, commodity, and currency segments. It is a member of BSE, NSE, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivatives Exchange Limited. the company is a depository participant with Central Depository Services (India) Limited (CDSL). The company is a fin-tech entity that provides a one-stop shop for broking & advisory services, margin trading facility, loans against shares (through one of the Subsidiaries, Angel Fincap Private Limited [AFPL]) and financial products distribution to retail clients under the brand "Angel One". The company was listed on BSE and NSE on October 05, 2020, and the market cap as on March 26, 2025, stood at ₹20,954 crore. As on December 31, 2024, the promoter and promoter group held 35.57% stake in the company.

Consolidated financials of Angel One Limited (AOL).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total income	3,021	4,280	4,190
PAT	890	1,126	998
Tangible Net worth	2,128	2,989	5,578
Loan Book (MTF)	1,005	1,484	3,942
Net Borrowings (net of lien marked FDs)	1,479	3,307	4,439
Cost-to-Income (%)	59.35	63.47	65.82
Overall Gearing (x)*	0.69	1.11	0.80
PAT Margin (%)	29.47	26.30	23.81
ROTA (%)	12.16	10.90	8.98
RONW (%)	48.20	43.99	31.05

A: Audited UA: Unaudited; Note: these are latest available financial results

*Net of lien marked Fixed Deposits.

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	Coupon Rate (%)	MaturityDate	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial paper	INE732I14982	25-10-2024	NA	20-06-2025	75.00	CARE A1+
Commercial paper	INE732I14990	14-11-2024	NA	25-03-2025	10.00	CARE A1+
Commercial paper	INE732I14990	20-12-2024	NA	25-03-2025	100.00	CARE A1+
Commercial paper	INE732I14AE8	27-12-2024	NA	26-12-2025	50.00	CARE A1+
Commercial paper	INE732I14AF5	31-12-2024	NA	02-04-2025	20.00	CARE A1+
Commercial paper	INE732I14AG3	10-01-2025	NA	11-04-2025	20.00	CARE A1+
Commercial paper	INE732I14AG3	10-01-2025	NA	11-04-2025	6.50	CARE A1+
Commercial paper	INE732I14AH1	22-01-2025	NA	23-04-2025	20.00	CARE A1+
Commercial paper	INE732I14AH1	22-01-2025	NA	23-04-2025	10.00	CARE A1+
Commercial paper	INE732I14AI9	30-01-2025	NA	05-05-2025	20.00	CARE A1+
Commercial paper	INE732I14AJ7	03-02-2025	NA	30-04-2025	10.00	CARE A1+
Commercial paper	INE732I14AK5	06-02-2025	NA	06-08-2025	25.00	CARE A1+
Commercial paper	INE732I14AK5	07-02-2025	NA	06-08-2025	101.00	CARE A1+
Commercial paper	INE732I14AM1	13-03-2025	NA	12-06-2025	375.00	CARE A1+
Commercial paper	INE732I14AM1	13-03-2025	NA	12-06-2025	25.00	CARE A1+
Commercial paper	INE732I14982	19-03-2025	NA	20-06-2025	100.00	CARE A1+
Commercial paper	INE732I14AN9	21-03-2025	NA	01-07-2025	25.00	CARE A1+
Commercial paper (Proposed)	-	-	-	-	2,007.50	CARE A1+

NA: Not available.

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Commercial Paper-Commercial Paper (Standalone)	ST	3000.00	CARE A1+	1)CARE A1+ (12-Sep-24)	1)CARE A1+ (29-Mar-24) 2)CARE A1+ (05-Apr-23)	1)CARE A1+ (22-Sep-22)	1)CARE A1+ (02-Mar-22)

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

Annexure-5: Lender details

To view the 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	Angel Financial Advisors Private Limited	Full	Wholly owned subsidiary
2	Angel Fincap Private Limited	Full	Wholly owned subsidiary
3	Angel Securities Limited	Full	Wholly owned subsidiary
4	Angel Digitech Private Limited	Full	Wholly owned subsidiary
5	Mimansa Software Systems Private Limited	Full	Wholly owned subsidiary
6	Angel Crest Limited	Full	Wholly owned subsidiary
7	Angel One Asset Management Company Limited	Full	Wholly owned subsidiary
8	Angel One Trustee Limited	Full	Wholly owned subsidiary
9	Angel One Wealth Limited	Full	Wholly owned subsidiary
10	Angel One Foundation	Full	Wholly owned subsidiary
11	Angel One Investment Services Private Limited	Full	Wholly owned subsidiary of Angel One Wealth Limited
12	Angel One Investment Managers & Advisors Private Limited	Full	Wholly owned subsidiary of Angel One Wealth Limited

Note on complexity levels of rated instruments: CARE 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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About us:

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