Angel One Limited

August 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Commercial paper	5,000.00 (Enhanced from 3,000.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating to enhanced short-term debt instruments of Angel One Limited (AOL) factors in its healthy earnings profile, comfortable capitalisation levels, and 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. While the performance in Q1FY26 was affected by elevated marketing spends, CARE Ratings Limited (CareEdge Ratings) expects improvement in the earnings profile of AOL in FY26.

However, rating strengths are partially offset by AOL's exposure to inherent market risks and evolving regulatory landscape. The rating also remains tempered by intensely competitive nature of the broking business and expected increase in debt levels with the rising share of margin trading facility (MTF) in the revenue mix. 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.
- Overall gearing exceeding 4x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has analysed the consolidated business and financial risk profiles of AOL and its wholly owned subsidiaries. (Details in 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 1996 and has over 29 years of presence in the broking industry. The company is led by Dinesh Thakkar, MD and Chairman of AOL. He is also the group's promoter. He has been in the capital market with over three decades of experience.

[1]Complete definition of ratings assigned are available at www.careratings.com 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 FY25, the company's gross client acquisition was 9.3 million (Mn) against 8.8 Mn in FY24, which led to an increase in the overall clientele from 22.2 Mn in March 2024 to 31.0 Mn in March 2025. The company's total number of active clients NSE stood at 7.6 Mn as on March 31, 2025 (6.1 Mn as on March 31, 2024). As on March 31, 2025, AOL's market share in NSE active clients improved to 15.4% from 15.0% as on March 31, 2024. As on June 30, 2025, it declined marginally by 14 bps to 15.3%. The market share has been consistently increasing in the last four years due to AOL's strategy to acquire retail clients digitally from the Tier-II and Tier-II cities. 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 June 30, 2025. In Q1FY26, AOL had a market share of 19.7% in the overall retail equity turnover.

The company has been able to spread its presence widely across the country and its ability to maintain its market share in the industry remains a key monitorable.

Comfortable earnings profile

On gross basis, AOL posted a healthy total income of ₹5,248 crore and a profit after tax (PAT) of ₹1,172 crore in FY25, translating into a PAT margin of 22.34%. However, the PAT margin declined in the year, primarily due to a moderation in topline growth and higher operating expenses arising from increased client acquisition, technology development, advertising, and employee costs.

Topline growth in FY25 stood at 23% compared to 42% in FY24, driven by a slower increase in brokerage income in H2FY25. This slowdown was attributed to subdued market activity among retail clients following the phased implementation of new F&O regulations. The moderation in brokerage income was partly offset by a significant rise in interest income, which increased by 71% from ₹786 crore in FY24 to ₹1,341 crore in FY25. This growth was supported by an expansion in the MTF book and higher fixed deposits interest income. As with most stockbrokers, MTF has emerged as an important diversification tool, helping sustain topline growth in periods of weaker brokerage income. Consequently, the share of MTF interest income rose to 12% in FY25 from 7% in FY24.

In Q1FY26, the company reported a consolidated PAT of ₹114 crore on a total income of ₹1,143 crore, resulting in a PAT margin of 10%. The decline in margin was largely due to elevated marketing expenses related to the IPL sponsorships.

On a standalone basis, AOL recorded a PAT of ₹1,216 crore on a total income of ₹5,183 crore in FY25. For Q1FY26, PAT stood at ₹134 crore on a total income of ₹1,120 crore. AOL accounted for nearly 95% of the consolidated net assets and profits.

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

Comfortable capitalisation

On a consolidated level, the company's tangible net worth increased to ₹5,590 crore as on March 31, 2025, from ₹2,989 crore as on March 31, 2024, considering internal accruals and equity infusion of ₹1,500 crore in Q1FY25 through qualified institutional placement (QIP). The tangible net worth stood at ₹5,520 crore on June 30, 2025, considering internal accruals adjusted by the dividend payout made in the quarter.

Given the continued expansion in client base, the total fund-based debt rose to ₹3,383 crore as on March 31, 2025, from ₹2,535 crore as on March 31, 2024. These funds are used for fulfilling the cash margin requirements of clients to the exchange and lending through the MTF product. As on March 31, 2025, the net gearing (debt adjusted for fixed deposits [FDs] lien marked against debt) stood at 0.36x which was 1.11x as on March 31, 2024. The decline pertains to increased net worth post equity infusion and healthy accruals. As on June 30, 2025, it increased marginally to 0.40x in line with an increase in the MTF book. AOL has been growing its MTF book, in line with the industry, and the same has reached at an all-time quarter-ending high of ₹4,674 crore as on June 30, 2025, which was at ₹1,484 crore as on March 31, 2024.

Apart from the fund-based borrowings, AOL's resource profile comprises non-fund-based borrowings, i.e., bank guarantees (BGs), which formed 35% of the total debt as on June 30, 2025. Of the total non-fund-based borrowings, the Exchange BGs are backed by FDs to the extent of 50%. The fund-based borrowings form the balance 65% of the total debt, consisting of overdraft (OD) against FDs, working capital demand loan (WCDL) against Receivables and commercial papers (CPs). Given the short-term tenure of its lending book, short term borrowings form 100% of 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 23% y-o-y to ₹5,248 crore in FY25, majorly contributed by the increase in the MTF interest income. The MTF interest income increased by 115% in FY25, which partly compensated the moderation in growth rate of brokerage income (Brokerage growth rate in FY25: 13% and FY24: 40%). However, of the total revenue, brokerage continued to constitute majority topline in FY25 with a share of 63%, followed by interest income which constituted 26% (includes MTF interest proportion of 12% of the topline). The brokerage growth rate moderated majorly in H2FY25 due to subdued levels of market activities post initiation of phase wise implementation of F&O regulations. Of the total brokerage income, F&O accounted for 81%-85% of the share, followed by cash with 14% share, which further concentrates the broking income in one segment. In Q1FY26, the total revenue stood at ₹1,143 crore, which included brokerage income of ₹691 crore indicating a 60% share of the total income.

The interest income is earned by way of interest on FDs and 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 AOL's earnings remain exposed to volatility, and it may get impacted from significant changes in the market performance. However, 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 and has also launched its wealth management business targeting high net-worth individuals (HNIs) and ultra-high net worth individuals (UHNIs). The mutual fund AUM crossed ₹340 crore and Wealth AUM crossed ₹5,070 crore by June 30, 2025.

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

Susceptibility towards regulatory changes

Capital market industry witnessed continuous regulatory revisions. To further enhance transparency levels and limit misuse of funds, SEBI introduced a few regulations in the last few years. In October 2024, SEBI introduced multiple measures to curb retail participation, which became effective in a phase-wise manner between November 2024 to April 2025. These measures include reduction in derivatives with weekly expiry, which was highest F&O contributor, increase in lot size and increased in extreme loss margin by 2% on short options contracts on their expiry day. A few measures which became effective in the ongoing calendar year (CY25) are upfront collection of option premiums and removal of Calendar Spread Treatment on Expiry Day.

The broking industry has experienced a slowdown in trading volumes, particularly in derivatives, in the second half of FY25. This was due to these regulatory guidelines and global market volatility. The company's ability to retain its market share amid this competition will be crucial.

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

Presence in inherently risky and competitive broking business

About 63% 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 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 June 30, 2025, AOL had free cash and bank balance of ₹446 crore and MTF book of ₹4,674 crore against a borrowing of ₹3,569 crore maturing in the next 12 months. This predominantly includes ₹2,776 crore of CPs and remaining ₹793 crore of overdraft and WCDL. CPs are matched against MTF Book exposures, which is a short-tenure product and can be easily liquidated within no time, if required. In addition to this liquidity, the company has been maintaining sufficient margin with the exchange majorly in the form of FDs and BGs above the required limit. For CP 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.

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. AOL's Board comprises seven Directors, with five Independent Directors, of which, one is a female Director. The entity has the necessary Audit Committee, Nomination and Remuneration committee and Corporate Social Responsibility (CSR) committee in place. AOL has also constituted an ESG Committee, and it reports to the board.

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Broking Firms
Short Term Instruments
Consolidation & Combined Approach

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 August 08, 2025, stood at ₹23,138 crore.

Consolidated financials of Angel One Limited (AOL)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total income	4,280	5,248	1,143
PAT	1,126	1,172	114
Tangible Net worth	2,989	5,590	5,571
Loan Book (MTF)	1,484	3,699	4,674
Net Borrowings (net of lien marked FDs)	3,307	1,991	2,254
Total Assets (Adj. for DTA and intangibles)	13,204	16,839	18,292
Cost-to-Income (%)	63.47	67.86	84.49
Overall Gearing (x)*	1.11	0.36	0.40
Interest coverage (times)	12.50	6.75	3.34
PAT Margin (%)	26.30	22.34	10.01
ROTA (%)	10.90	7.80	2.61
RONW (%)	43.99	27.33	8.21
Net NPA (%)	NA	NA	NA

A: Audited UA: Unaudited NA: Not applicable; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	INE732I14AU4	21-04-2025	NA	17-12-2025	75.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14AW0	02-05-2025	NA	03-11-2025	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14AZ3	09-05-2025	NA	11-08-2025	75.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BA4	16-05-2025	NA	14-08-2025	250.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BC0	16-05-2025	NA	18-08-2025	20.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BB2	16-05-2025	NA	22-09-2025	35.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BD8	02-05-2025	NA	21-08-2025	150.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BF3	26-05-2025	NA	21-11-2025	300.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BE6	26-05-2025	NA	24-12-2025	200.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BG1	12-06-2025	NA	11-09-2025	175.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BH9	13-06-2025	NA	12-09-2025	200.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BI7	16-06-2025	NA	15-09-2025	100.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14AP4	20-06-2025	NA	19-09-2025	200.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BJ5	26-06-2025	NA	25-09-2025	15.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14AE8	26-06-2025	NA	26-12-2025	200.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE732I14BL1	01-07-2025	NA	30-09-2025	5.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone) (Proposed)	-	-	-	-	2,900.00	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 2025-2026	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
1	Commercial Paper-Commercial Paper (Standalone)	ST	5000.00	CARE A1+	-	1)CARE A1+ (26-Mar-25) 2)CARE A1+ (12-Sep-24)	1)CARE A1+ (29-Mar-24) 2)CARE A1+ (05-Apr-23)	1)CARE A1+ (22-Sep-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 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

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About us:
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