

DOLAT ALGOTECH LIMITED

Corporate Office: 301-308, Bhagwati House, Plot, A/19, Veera Desai, Andheri (West), Mumbai - 400 058
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Corporate Identity Number: L67100GJ1983PLC126089

06th March, 2026

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Scrip code : 505526

National Stock Exchange Of India Limited

Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

Symbol : DOLATALGO

Dear Sir / Madam,

Sub.: Intimation regarding Credit Rating under Regulation 30 of SEBI Listing Regulations

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please note that CRISIL Ratings ("CRISIL") has reaffirmed its rating as CRISIL A1+ (pronounced as CRISIL A one plus rating) for the Commercial Paper.

The above information is also available on the website of the Company at <https://dolatalgotech.in/investor-relations?id=219%20&level=2>

We request you to kindly take the above information on record and oblige.

Thanking you,

Yours Faithfully,

For **DOLAT ALGOTECH LIMITED**

Sandeepkumar G. Bhanushali
Company Secretary & Compliance Officer

Place : Mumbai
Encl: As Above

Rating Rationale

March 05, 2026 | Mumbai

Dolat Algotech Limited

Rating reaffirmed at 'Crisil A1+ '

Rating Action

Rs.350 Crore Commercial Paper	Crisil A1+ (Reaffirmed)
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Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil A1+' rating on the commercial paper of Dolat Algotech Ltd (DAL).

The rating takes into account the established track record in the capital markets business, supported by strong risk management systems and adequate capitalisation.

Adjusted networth on a consolidated basis for the Dolat group stood at Rs 3,009 crore as on September 30, 2025 (Rs 2,872 crore as on March 31, 2025, Rs 2,537 crore as on March 31, 2024). Networth is supported by internal cash accruals; gearing has remained low historically.

The group, with an established track record of performance, is supported by strong promoters with experience of more than three decades in the capital market business. This has also helped to build a sound risk management framework.

These strengths are partially offset by the group's high reliance on a single revenue stream and vulnerability to regulatory changes, with volatility inherent in the capital markets business.

Analytical Approach

Crisil Ratings has considered the combined business and financial risk profiles of the Dolat group entities to arrive at the rating. This approach has been taken on account of high degree of management, business and financial integration of the companies.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Established track record in capital market supported by strong risk management systems

The group has emerged as the leading company engaged in proprietary trading and broking activities in the stock market for more than four decades. Its in-house algorithm software developed by a team of experienced and professional software developers provides them an edge in terms of low system latency and minimal human intervention.

The promoters, Mr Pankaj Shah (Managing Director of DAL), Mr Shailesh Shah, Mr Harendra Shah and Mr Rajendra Shah have been associated with the capital market industry for more than three decades. They are now supported by the second generation, who have also built requisite understanding and knowledge of the industry.

The company has a strong risk management system and a risk-averse approach to trading, as there are no directional trades executed. The management is conservative in its approach and maintains sufficient liquidity required for placing margins. The trades are executed through automated algorithmic software which calculates the hedge ratio considering market volatility and volume; and the position is hedged automatically. Trades are executed as per the set parameters in the algorithmic software and the traders can trade only within these parameters. Also, the group has a real-time risk monitoring system which ensures there are no errors. Human intervention is mitigated as the final execution of trades is done after the risk management checks. The group has a dedicated risk management team of five individuals headed by the promoter, Mr Pankaj Shah.

Adequate capitalisation

Capitalisation is adequate for the current scale of operations, with consolidated networth of the group (net of inter-company investments) at Rs 3,009 crore as on September 30, 2025 (Rs 2,872 crore as on March 31, 2025). The group has been able to build up the networth (Rs 2,537 crore and Rs 2,206 crore as on March 31, 2024, and March 31, 2023, respectively) relying on internal accruals. On a standalone basis, DAL had a networth of Rs 1085 crore as on December 31, 2025. The group predominantly utilises non-fund based limits in the form of bank guarantees and overdraft facilities for margin purposes. With majority of the borrowings being non-fund based, gearing remains low at 0.1 times as on March 31, 2025. Further, majority of the borrowings are inter-group borrowings. Notably, RBI's latest guidelines may direct the group to raise debt through instruments other than bank guarantees. This will result in increase in gearing levels going forward.

Key Rating Drivers - Weaknesses**High reliance on a single revenue stream**

With proprietary trading being the mainstay of the group, it remains exposed to income volatility as any adverse change may materially impact the earnings profile. The earnings profile is also subject to regulatory changes as well as fluctuations in volumes and volatility. The group reported a profit after tax (PAT) and return on equity (RoE) of Rs 405 crore and 15.0%, respectively, for fiscal 2025, as against Rs 386 crore and 16.3%, respectively, for fiscal 2024. For the six months ended September 30, 2025, PAT moderated to Rs 127 crore as against Rs 241 crore for corresponding period last fiscal. The decline in PAT was attributable to lower market opportunities, primarily due to two key factors the first being regulatory changes that came into effect during the third and fourth quarters of fiscal 2025, and the second aspect was sudden price movements in the index derivatives segment, impacting earnings of certain group companies deploying high frequency and delta neutral strategies. Going forward, a near term impact on volumes is expected as the bank guarantees gradually expire while the group explores options to access capital via alternative funding sources. Additionally, the commercial viability of each trade will be reassessed to account for higher STT and funding costs, potentially leading to a reevaluation of derivative strategies and a volatile earnings profile

In recent years, proprietary trading activities have seen significantly intense competition with sizeable investments in physical infrastructure and hardware. Therefore, the ability of the group to sustain its position, maintain best in class trading systems and capitalise on opportunities will remain a key monitorable.

Susceptibility to regulatory changes and volatility inherent in capital market businesses

Over the past couple of years, the broking industry has witnessed a dynamic regulatory environment. With the objective of enhancing transparency, limiting misuse of funds and safeguarding investor interests, SEBI has introduced a slew of measures on derivatives trading, such as hiking futures and options contract sizes, mandating upfront premium collections from option buyers, limiting weekly index derivatives offered by exchanges to one each, removing the margin benefit available on offsetting positions across different expiries on the expiry day and requiring additional margins on short options contracts on the expiry day. Additionally, SEBI has introduced flat transaction charges vis-à-vis the slab-wise charge structure followed earlier.

The capital markets industry has recently faced two significant regulatory changes, presenting a challenge to market participants. The introduction of a higher securities transaction tax on February 1, 2026, marks the second increase in two years, and is expected to impact futures volumes. Furthermore, RBI's guidelines, issued on February 13, 2026, stipulate that bank guarantees for proprietary trading will require 100% collateral, effective April 1, 2026, up from the previous 50% requirement. This change may prompt proprietary traders to explore alternative funding options, such as equity or market borrowings, to sustain current volumes. However, Dolat's group's strong market reputation, should provide access to both equity and debt capital through commercial papers and non-convertible debentures, helping to partly offset the impact of these regulatory changes on its overall earnings profile, even as commercials of each trade would need to be reevaluated.

Fundamentally, while these revised regulations will benefit the broking industry in the long term by increasing transparency and lowering risks for customers, the changes may reduce the trading opportunities for proprietary trades, along with increasing the compliance costs for brokers and require them to adapt their business models to keep pace. Thus, the group's ability to realign its trading strategies to absorb any long-term regulatory impact on transaction volumes and higher tax and compliance costs will remain monitorable over the medium term. Going ahead, the company's ability to adapt to the dynamic regulatory environment while continuing to grow their business will be monitored on an ongoing basis.

Liquidity Adequate

The liquidity of the group remains adequate for the current scale of operations. Majority of the bank facilities are non-fund based. At a group level, the management has a policy to maintain Rs 250 crore as the minimum liquidity. As on February 28, 2026, the group had cumulative liquidity of Rs 761 crores, considering cash and bank balances, OD facilities availed and unutilized bank lines, and the same can be used whenever required as the group had nil external fund-based debt.

Rating sensitivity factors**Downward factors**

- Weakening of the earnings profile or sustained increase in cost-to-income to over 75%
- Impact on business risk profile, as indicated by drop in market share impacting revenue from core operations
- Any sustained impact on the business or financial risk profile due to changing regulations

About the Company

The Dolat group was established in 1971 by late Mr Dolatrai A Shah, a first-generation broker with the first group company, Dolat Capital. The growth of the group has been directly linked to the growth of stock trading in India.

The group has been engaged in trading and broking activities for more than 40 years. Its lines of business include arbitrage trading in equities, institutional broking, forex broking, commodity trading, algo-trading in derivatives, among others. Each company has a different core trading strategy, as such there are no revenue interlinkages among the group companies.

Dolat Algotech Ltd is engaged in risk neutral delta hedged derivatives trading in futures and options through its proprietary trading desk. The company deploys strategies to earn on the market inefficiencies using highly complex and accurate algo-trading model developed in-house.

Key Financial Indicators (consolidated group)

As on/for the year ended March 31	Unit	6MFY26	FY25	FY24
Total assets	Rs crore	3999	3663	3370
Total income	Rs crore	509	1360	1299
Profit after tax (PAT)	Rs crore	127	405	386

Cost to income	%	70.6	63.5	62.5
Return on networth	%	8.6	15.0	16.3
Gearing	Times	0.1	0.1	0.1

Key financial indicators: DAL (standalone)

As On/For the year/period ended	Unit	9MFY26	FY25	FY24
Total assets	Rs crore	1316	1132	908
Total income	Rs crore	202	424	305
PAT	Rs crore	82	215	157
Operating expenditure to income	%	40.4	29.6	29.2
Return on networth	%	10.5	24.0	22.0
Gearing	Times	0.2	0.1	0.1

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Commercial Paper	NA	NA	7-365 days	350.00	Simple	Crisil A1+

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
DOLAT CAPITAL MARKET PRIVATE LIMITED	Full	Synergies and common management
DOLAT CAPITAL IFSC PRIVATE LIMITED	Full	Synergies and common management
DOLAT FINSERV PRIVATE LIMITED	Full	Synergies and common management
Vaibhav Stock & Derivatives Private Limited	Full	Synergies and common management
SHAILESH SHAH SECURITIES PRIVATE LIMITED	Full	Synergies and common management
PURVAG COMMODITIES & DERIVATIVES PRIVATE LIMITED	Full	Synergies and common management
Nirshilp Commodities and Trading Private Limited	Full	Synergies and common management
NIRPAN SECURITIES PRIVATE LIMITED	Full	Synergies and common management
L.C. RAHEJA FOREX PRIVATE LIMITED	Full	Synergies and common management
JIGAR COMMODITIES & DERIVATIVES PRIVATE LIMITED	Full	Synergies and common management
CHURCHGATE INVESTMENTS AND TRADING COMPANY PRIVATE LIMITED	Full	Synergies and common management

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2026 (History)		2025		2024		2023		Start of 2023
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	350.0	Crisil A1+		--	05-03-25	Crisil A1+	19-03-24	Crisil A1+		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Finance and Securities companies (including approach for financial ratios)

Criteria for consolidation

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