To,

Listing Department	Department of Corporate Service
National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, C-1, G Block,	Phiroze Jeejeebhoy Towers,
Bandra Kurla Complex,	Dalal Street,
Bandra (East), Mumbai - 400 051.	Mumbai - 400 001.
Symbol: ANGELBRKG	**Scrip Code: 543235**

Dear Sir/ Ma'am,

Sub: Filing of the transcript of earnings call with analysts and investors under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further to our intimation on July 06, 2021 intimating of the earnings call with analysts and investors to be hosted by the Company on July 16, 2021, please find enclosed herewith the transcript of the said earnings call for your reference and records.

The transcript of the earnings call will be posted on the Company's website at *www.angelone.in.*

You are requested to take note of the same.

Thanking you,
For **Angel Broking Limited**

PATEL NAHEED REHAN

Digitally signed by PATEL NAHEED REHAN
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Naheed Patel
Company Secretary and Compliance Officer
Membership No. A22506

Date: July 20, 2021
Place: Mumbai

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A SEBI Initiative

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CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534, CDSL: IN-DP-384-2018, PMS: INP000001546, Research Analyst: INH000000164, Investment Advisor: INA000008172, AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.

"Angel Broking Limited Q1 FY2022 Earnings Conference Call"

July 16, 2021

MANAGEMENT: **MR. DINESH THAKKAR – CMD, ANGEL BROKING LIMITED**
MR. NARAYAN GANGADHAR – CEO, ANGEL BROKING LIMITED
MR. VINEET AGRAWAL – CFO, ANGEL BROKING LIMITED
MR. HITUL GUTKA - IR HEAD, ANGEL BROKING LIMITED

Moderator: Ladies and gentlemen good day and welcome to Angel Broking Limited Q1 FY2022 Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. This conference call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company, as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Dinesh Thakkar. Thank you and over to you sir.

Dinesh Thakkar: Good morning everybody. On behalf of Angel Broking Limited I would like to extend a warm welcome to you all for joining us for our first earning call for FY2022. Here with me today are Mr. Narayan Gangadhar – Chief Executive Officer, Mr. Vineet Agrawal – Chief Financial Officer, Mr. Hitul Gutka – IR Head and SGA, our Investor Relations Advisors.

I trust all of you and your loved ones are safe and in good health. We have published a detailed investor presentation and issued a press release to stock exchanges. I hope you had a chance to peruse them. I will comment on recent development and then Narayan and Vineet will walk you through the operational and financial performance for the quarter.

Quarter 1 FY2022 was marked by resurgence of COVID cases. This wave of COVID-19 peaked in April, 2021 before plateauing in May, 2021 and declining in June, 2021 that is last month. Because of the widespread effect of pandemic on businesses throughout India, multiple agencies revised their GDP estimate. However, with accelerated vaccination drives across the nation, economic activity has it resumed. The Indian economy is resilient and with strong fundamentals in place, we are prepared to bounce back.

In the midst of all this gloom, Quarter 1 FY2022 has been very strong for the broking industry. With quarterly performance continuing to achieve significant milestones, India's investor base continued to rise. With our 7 million new Demat accounts being added during this period, this number represents approximately 50% of new Demat accounts added for the whole of the last year. This strong addition in Demat accounts reflects the growing popularity and deepening penetration of equities, in Tier II and III cities and beyond. While total Demat accounts reached 62 million on June 30, 2021, equity penetration in India continues to offer huge growth opportunities. Our expectations are it will match or in some cases exceed those of peer economies in South Asia and mature economies in the West progressively. The narrowing gap between us and them gives me immense confidence that we will be able to sustain this journey of high growth over the medium and long term. This potential will be tapped largely by digital brokers, including Angel Broking, as we accelerate penetration further into Tier II, Tier III cities and beyond, using best in class digital products to give customers a state of art digital experience thus expanding our share of overall market pie.

This strong growth in Demat accounts, has translated into corresponding growth in an active customer base on NSE, which grew by 3.5 million in Quarter 1 FY2022 to 22.4 million as of June, 2021. Of this active incremental clients, approximately 77% were contributed by top five digital brokers, with Angel Broking amongst the leaders in this pack. As a result, the share of top five digital brokers in NSE active client base, expanded by 467 basis points sequentially to 52% as of June 30, 2021.

Angel, has consistently improved its NSE active client base and now ranks third in India in terms of its client number. I am happy to inform you that Angel is now the largest listed broking house, in the country. A significant part of this growth is attributed to our transformation into digital first and FinTech business model which has enabled us to redefine our processes by extensively using artificial intelligence and machine learning to enhance the digital experience of our clients. To entrench our strong connection with our clients and effectively communicate our products and service offering to our target audience, we have redefined ourself from *"Angel Broking"* to *"Angel One"*.

As Angel Broking, we were perceived as a single product, traditional booking house. However, we needed to break this perception and create a better connection with the youth, Gen Z, millennials and effectively communicate to them our bouquet of digital financial products and services ranging from protection and wealth creation products to passive investment options through our AMC business, all of which will be offered under umbrella brand of *"Angel One"*.

Over the next few quarters, we also plan to launch our super app, which will facilitate client access to all these products. Coupled with this, our focus will be on further improving the digital journey to give our clients a superior experience. This will lay the foundation for the next phase of our growth, as we aim to attain market leadership in retail stock broking over the next few years.

During this journey, we will be taking on board experts with exceptional digital prowess. This may lead to an increase in employee benefit expenses for two or three quarters, but will greatly complement the business by building an unprecedented team of experts with augmented artificial intelligence, machine learning capabilities, which will spearhead our growth initiatives. By taking these initiatives, we aim to make investing and wealth creation extremely easy thereby deepening the penetration of investing across India.

In FY2021 we adopted a formal and more inclusive dividend policy to take care of the interest of shareholders. In this context, I am happy to share with you that for Quarter 1 FY2022, the board has recommended the distribution of 35% of this quarter's profit as a first interim dividend to the shareholders.

I will now ask Narayan to give you a brief on operational aspect of the quarter.

Narayan Gangadhar: Thank you Dinesh. Good morning everybody. Thank you for joining us on the call today. As Dinesh mentioned, the industry witnessed strong growth even on a larger base during the quarter. I would like to emphasize here that Angel has played a key role in this growth. Q1 FY2022 has been a very strong quarter for us, across a whole bunch of parameters.

We continued with our robust client addition, as we added 1.2 million clients in Q1 FY2022, the highest we have achieved in any quarter till date. Of this, 0.46 million clients were added in June, 2021. Again, our best monthly performance in terms of gross client additions.

Our digital assets continue to attract more Gen Z and millennials from Tier II, III and beyond cities, which contributed to more than 93% of our gross client addition during the quarter. With younger clients being on-boarded, the median age of our clients has dropped further to 29 years. Simple to use digital properties, coupled with best-in-class digital journeys and simplified pricing led to 93% of gross client additions coming under our flat fee plan during the quarter.

This overwhelming performance in client addition, led to over 28% sequential growth in our client base to 5.3 million as of June, 2021 and thus, creating another huge milestone for us.

Correspondingly, our NSE active client base also grew by 26.5% sequentially, to our historical best of approximately 2 million as of June, 2021. This represents that over 37% of our overall active client base was active on NSE as of June, 2021. As we added more active clients on NSE, our market share in NSE active clients expanded by 56 basis points sequentially to 8.8% as of June ‘21.

This healthy growth across overall and active client base also translated into 21.1% sequential growth in our average daily turnover to a Rs. 4.5 trillion and approximately 14% sequential growth in the number of trades to 248.5 million in Q1 FY2022. During the quarter, we handled about 5.4 million peak trades in a single trading session, thus highlighting our robust IT infrastructure.

In June 2021, our turnover and turnover market share were partially impacted due to the implementation of Phase III of peak margin regulations apart from other market factors when compared to April and May 2021. We expect this situation to normalize going forward. Despite this, our net broking revenue for the month of June was higher than the average for the quarter and we achieve our best overall retail equity ADTO market share of 22.7% in Q1 FY2022.

On the innovation front in June 2021, we launched SmartStore, an ecosystem that will serve as a marketplace for FinTech based products and services, including rule-based investing solutions and investor education services. SmartStore will also give traders a social forum to interact with each other. This platform will provide our clients with access to a variety of verified FinTech products and solutions at an affordable price, that can potentially help them trade effectively. Our FinTech partners get access to a marketplace where they can market their products to a large and growing client pool. Using our Smart API, our clients will be able to bundle these solutions and trade seamlessly on our platform. We're also working on our super app which is expected to be rolled out later this year.

Finally, we're still very young in our journey and there's going to be a lot of transformation that we will be undergoing in times to come. With the thought of providing best in class, seamless and unique experience to our clients, we are continuously investing and upgrading our technology expertise, based on augmented use of data science to improve the ability, reliability and availability of all our platforms.

Over the next 10 to 12 years, we foresee massive growth opportunity unfolding in the FinTech industry, as Bharat opens up more aggressively to the idea of systematic wealth creation. Today all of us are just at the inflection point of this FinTech revolution. After being about a quarter old into the system, I'm sure that Angel has the skillset and the capability to attract the relevant talent to fill in the gaps, progress towards our aim of attaining a leadership position over the next couple of years.

With this I now request Mr. Vineet Agrawal, our CFO to give you a brief on the financial performance of the company. Thank you. Over to you Vineet.

Vineet Agrawal: Thank you Narayan. Good morning everyone and I once again thank you for joining us today. I will take you through the financial snapshot for the quarter gone by. As explained by Dineshbhai and Narayan, Angel continued to deliver an exceptionally strong performance on all operating parameters which also translated into strong financial results for the quarter.

In Quarter 1 of FY2022, performance mirrors our strong momentum in business as we registered our highest ever gross revenue of Rs. 4,745 million. Some of the key drivers of our performance were strong client addition of 1.2 million, robust 21% sequential growth in our average daily turnover to Rs. 4.5 trillion with trades aggregating to over 245.5 million. A fledging client funding book, which clock a sequential growth of 26.5% to average at Rs. 12.2 billion.

Quarter 1 of FY2022 revenue is bifurcated as follows; gross broking revenue accounted for about 68% of our total gross revenues. Interest income which includes interest on our client funding book and interest earned from deposits accounted for 15%, depository income contributed 6%, income from distribution of third-party products was 1%, whilst other operating income contributed 10%. In gross booking revenue, the contribution of our F&O segment increased to approximately 63%, followed by cash, commodity and currency at approximately 31%, 4% and 1% respectively. During the quarter, we witnessed strong participation in the options and cash delivery segment with the latter leading to a growth in our average client funding book to approximately Rs. 12.2 billion.

After paying commission to our authorized persons, approximately 74% of the net broking revenue was contributed by our direct clients whilst the balance is attributed to the clients of our authorized persons. Since we have been adding clients at a very brisk pace over the last 2 years, the net broking revenue from clients who are less than 2 years on our platform continues to remain high at 74% in Quarter 1, whilst the balance is contributed by more than 2-year-old clients. Contribution of our net broking revenue by less than 2-year-old clients and 2+ year old clients grew by 3.7x and 2.4x in Quarter 1 of FY2022 over Quarter 1 of FY2020 respectively. Our net broking revenue under the flat fee plan continue to witness strong momentum having grown to a significant 76% of our overall net broking revenue. At the same time the share of net broking revenue from the traditional plan in the total net revenue pie has been reducing consistently from 50% to 15% over Quarter 1 of FY2020 to Quarter 1 of FY2022.

The finance cost increased to Rs. 164 million during the quarter, primarily on account of incremental borrowings to meet the working capital requirements. Employee benefit expenses increased by approximately 12% sequentially to Rs. 561 million in Quarter 1 of FY2022, mainly on account of annual revisions in payroll. Our other expenses rose to Rs. 1.12 billion with the 11.3% rise quarter-on-quarter on account of higher client acquisition, onboarding and engagement. The operating profit for Quarter 1 stood at Rs. 1,663 million translating to a 49% operating profit margin.

Our profit after tax from continuing operations increased 19% sequentially to Rs. 1,214 million, once again, the highest ever for any quarter to date. Earnings per share grew to a robust Rs. 14.8 per equity share on quarterly basis. Our quarter ending client funding book was at Rs. 15.2 billion whereas our borrowings stood at Rs. 12.2 billion. All the above translated to a very healthy average return on equity from the business at 41.6%. With this I conclude the presentation and open the floor for further discussion. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Ankush Agarwal from UTI Research.

Ankush Agarwal: Firstly, in our old business model since our take rate was based on the percentage of our value and whenever there was a market correction ideally our broking revenue used to go down. But now with the business model is changed wherein the flat fee based business model wherein it depends on the volumes. Do you think it makes up business more resilient in terms of the market correction since volumes might not correct that much compared to market value this model?

Dinesh Thakkar: Mr. Agarwal you are right, what happens like when market goes down, as rightly pointed out by you, a client tends to trade less but now because model is per order, so what happened even if a ticket size is low, our revenue does not drop equivalent to a drop in turnover. It is more resilient and plus we being on app now, we have seen that even lifetime value of customer has improved. People who used to like trade less after a year or so, after completing these four quarters, what we are seeing, trend is improving from older customers also because they are on the app.

Ankush Agarwal: Do you have any data point to share in terms of last couple of years whenever there was a market correction, did volume side Q2 were resilient like for last year in March the market corrected like 30%. Did you see that time the volumes helped you sustain some kind of broking revenue? If you have some data points if you can share?

Dinesh Thakkar: I don't think we have any data point on that to share right now. Vineet there is anything on you can comment on this?

Vineet Agrawal: No, right now we don't have any data point. But yes, the digital model definitely helps the stickiness of the client as well as the fact that clients trade less in terms of the volume but in terms of the number of orders the behavior is continuing.

Dinesh Thakkar: For example, Mr. Agarwal if you see this peak margin, when it was implemented there's an impact on turnover but we don't see much impact on our revenue proportionate to impact that we are seeing on turnover.

Ankush Agarwal: Secondly, I want to understand if you are facing any hindrance in terms of getting market share in the F&O volumes because as per the regulation for example in case of Index there is a 15% limit that a broker can do in terms of open interest and it comes at individual security level at 20%. Do you think it will impact your volumes at a later stage? Not now but do you see that impacting our ability to grow your market share?

Dinesh Thakkar: Mr. Agarwal still we are far away from that limits and so that way we would not be impacted in near future.

Moderator: The next question is from the line of Nidhesh Jain from Investec.

Nidhesh Jain: Firstly, if I look at the MTF book it has grown 26% sequentially but our interest income has not grown proportion to that. Interest income growth is around 15% sequentially. What is the reason for that?

Vineet Agrawal: The interest income comprises of both the interest we earn from the client funding book as well as the interest we earn from fixed deposits that we place with the exchanges as margins. Whilst this client funding book the interest that we charge on the client funding book remain same but there has been a decline in the interest that we earn from the fixed deposits. The client funding book continues to remain strong with the same rate of interest. The rate of interest that we charge to our clients is about 18% for the MTF funding.

Nidhesh Jain: It is largely because of the decline in the interest on fixed deposits that we keep with the exchanges?

Vineet Agrawal: Yes.

Nidhesh Jain: Secondly, we are transforming from a pure brokerage player to a holistic more comprehensive financial services player. We have already articulated that we will be launching our asset management product which will take probably around 2 years' time from now. But there are whole set of other financial service products which FinTech companies are planning to offer like lending, like insurance, like other segments so what all other segments we plan to add into our Super app that we are planning to launch?

Dinesh Thakkar: Currently, we are offering all other services like third-party product, mutual fund, insurance and lending product, third-party product. We are not manufacturers in that. In the Super app, in this journey, investors who are coming for broking services, they would be able to select their mutual fund, they would be able to do their insurance on our platform. Plus, we would be offering them lending product from other banks. Overall, the Super app would be one-stop solution for investors who start the journey in stock market but eventually when they want to buy mutual fund or create some kind of like wealth through acquiring a mutual fund or going for insurance product, this app would be helpful for them to manage total financial solution and their requirement of all financial products. Until in 2 years, we are able to start manufacturing our own product which would be more passive and ETF products which will help investor to take advantage of this equity as an asset class.

Nidhesh Jain: Any expectation on the revenue that we expect from the other products that we are adding? So today our distribution income is pretty small in overall revenue. Any expectation or guidance or target that you are setting up there?

Dinesh Thakkar: We are in that process of launching our Super app which will take at least two quarters from here. We are expecting once this Super app is launched, we would see a good revenue coming from these third-party products but for these two quarters we don't see substantial change in our revenue mix maybe post like in the last quarter, we can see some more traction from third-party products.

Nidhesh Jain: In this Super app, the customer will also be able to trade so there will be only one app?

Dinesh Thakkar: Yes, there will be only one app. That's the reason actually when we change our name from Angel Broking to Angel One what you want to signify is that all your financial product would be available One app. On this app they would be able to trade. That is what actually we want to achieve. The same app when person is trading for stocks how we can build a more journey so that we are able to understand customer better and offer them solution for their needs for future. What happens when we get into that trajectory of customer looking for wealth creation on our app, a lifetime value of the same customer increases. Cost of acquisition remains same but additional revenue that we get straight away it comes to our bottom line.

Nidhesh Jain: Last question you mentioned that you will be focusing on digital hiring and you also articulated that there will be increase in the employee cost but any quantification on the employee expense that one should expect over FY21 base for FY22?

Dinesh Thakkar: Currently we are in the midst of hiring process. It would be very difficult to give number in terms of how much increase it would be but I can say one thing that we are looking at client growth which is growing at a triple digit rate. We would be able to manage at this cost within these parameters what guidance we have given for our margins. With this margin guidance of around 49% to 50%, we would be able to accommodate all this cost within this two-three quarters.

Moderator: The next question is from the line of Abhay Agarwal from Piper Serica Advisors.

Abhay Agarwal: I have a question related to this variable margin requirement that is going to further go up from 75% to 100% from September 1. We have seen already that, that has impacted the ADTO in recent month though the number of new customers has increased but the ADTO has remained the same. I guess that peak margin is creating pressure not only on Angel One but also the rest of the industry players including exchanges like MCX. What is your expectation? What will happen to your ADTO once this goes up to 100% from September 1? Or do you think there is a possibility that Sebi may reconsider by then the peak margin requirement and keep it either at 75% or actually bring it down? If you can just share your thoughts on that.

Dinesh Thakkar: On peak margin requirement as every quarter, I say that there would be an impact on ADTO but because our revenue which is generated by a number of orders that the client places. So what we have seen impact on revenue is not very substantial. It is just in the tune of 2% to 3% and that is offset by growth in our customer base. Going forward, now we are coming to that last tranche of this implementation. I don't feel that Sebi is going to defer this but because we work on what is announced. If something is announced which is better than that, we will see some positive thing but what we are seeing is our revenue may get impacted by just 2% or 3% maximum. Every tranche we have seen impact is to the revenues 2% to 3% but impact on turnover is higher but because our is a flat fee base so impact of 2-3% is offset by a growth in customer base which is growing at the rate of almost like 15% to 20% every quarter. We are not expecting any big hit from this last tranche of peak margin implementation.

Moderator: The next question is from the line of Prateek Poddar from Nippon India Mutual Fund.

Prateek Poddar: In your annual report you talked about this project Spark right, new product offering which is Spark. Can you just talk a bit about that? That's question number one. Secondly, we had discussed in this call that incremental ADTO is not a driver for Angel anymore. Is market share or looking at ADTO market share of any relevance? Lastly, I think you have talked extensively in your annual report about becoming a WealthTech platform. I just wanted to ask in terms of employees or filling up gaps where are we positioned or what needs to be done so that at least from a foundation perspective we are there?

Dinesh Thakkar: Prateek on your first question about Spark, Spark is like a first leg of Super app. So Super app would be built on this platform which we pet named it Spark but that will replace Angel One once it is ready in two quarters. This app would be having all journeys apart from stockbroking it would be having journeys for mutual funds, insurance, lending product, all third-party products and going forward when we would be entering into AMC business so this would be the app which would be like an interface for in customer to consume all our services. We are expecting that by next two quarters, we would be able to launch this app. Now coming on your second question on ADTO. ADTO definitely gets impacted but as we have gone to flat broking plan, we look at number of orders and customers' engagement. So, market share definitely is relevant because in digital players there will be only few players who would be dominant in terms of like generating revenue and being profitable. Our aim is to be number 1 and within few years we want to be there. The only way we are tracking is to increase our market share in acquisition and market turnover. Third thing on WealthTech, already we have taken lots of steps as last time I had discussed that ARQ is an engine which is going to help us to generate a smart beta product. Already lots of investment has gone in creating lots of backend which can help us to give a better return and give a passive product which can engage lots of customer who are entering the market with a low-ticket size. Even with ticket size of around Rs. 25,000-30,000, we can guide him with a good portfolio but what happens once we are going in WealthTech with AMC being an interface, we can reduce our ticket size to lower which can help lots of Tier II, Tier III people to consume these products. In terms of WealthTech I think we have taken lots of backend innovation and plus currently whatever recruitment we are doing, this recruitment is mostly on people who are good at machine learning, artificial intelligence, creating better journey for customers. In these two or three quarters, you will see lots of cost on this front getting front-ended over here but good thing is that because there is a good growth in broking business, we would not be like suffering in terms of getting in this front end like cost which is over bearing on our margins. We would be able to retain this margin, maybe in one or two quarter we have to build these resources but this same resource is going to help us to build a better journey for stock broking. That will give us more customer engaged on our platform and we would be able to generate more revenue from the same set of customers.

Prateek Poddar: Just to conclude, this means that your lifetime value of a customer increases because you are adding these third-party products and also the engagement level or engagement matrices increases? That is what your eventual end plan is that by the end of the year with the launch of Super app, the lifetime value of a customer increases multi-fold plus the engagement levels which were earlier only limited to broking will now further increase?

Dinesh Thakkar: Yes, you are right. Purpose is that once we acquire a customer, cost of acquisition is upfront. We have already taken so when we offer other products and they are able to consume this product, lifetime value increases because when they consume this mutual fund, insurance which is their lifetime goals, they are going to remain with us lifetime till the time they are enjoying our app. That's the reason we want to make this app very engaging so that people who have come on the platform just for broking, they find this app more relevant even for their other needs, financial needs. That is the reason we feel that total lifetime value of the customer will increase and even experience the customer would have, would be very easy and convenient to do all the transition on One app.

Prateek Poddar: If I may ask just one small question on SmartStore which you have launched. If you can just help us understand the revenue model over there because I think you are on, it's a platform right;

you are onboarding FinTech on your platform as well as the customer can access those technologies or those FinTech and trade via Angel. It's a win-win for both, what kind of number of users who have signed up for Smart Store and what kind of engagement levels are we seeing because that itself can become a data monetization property or a value creative digital property for you. So maybe some numbers over there would be really helpful.

Dinesh Thakkar: It will be very early to give numbers right now but I would ask Narayan to talk upon this because it's a very unique concept. Just to give you brief of this. See India if you see there are lots of young engineers who are building lots of solution for niche investors, algo traders and all that. What we thought that see world is moving towards platform, world is moving towards where we are able to get lots of people who use our API, who use our technology skillset and plus very important thing is when they create a solution, big cost goes into marketing that product. That is where our customer base of around 53 lakhs come into play where people who develop a good solution and clients are able to get a better solution for them where we would be having a revenue sharing model. On technology side, I would ask Narayan to briefly talk on this.

Narayan Gangadhar: As Dineshbhai mentioned we are creating this unique platform on the Smart Store side to let people build and explore a wide range of trading applications on the platform and what we have seen is when developers, they sign up to this service, to this unique service, they get a set of features right out of the box for free. That includes the profiling of the customers, that includes the ability to trade on our platform by using APIs and that includes the ability to get analytical data about how their apps are performing in real time. This helps developers create a very unique set of experiences and launch them on a platform which can also then be leveraged by other users. So as Dineshbhai mentioned, as of this week, we have more than 100,000 unique users actually on this platform. And we are averaging a non-significant amount of revenue which is already being traded essentially on the platform. The way I see it as this is only going to continue to grow to eventually becoming a mainstream product for us but right now, we are very happy with the traction we are seeing early.

Prateek Poddar: Which customers set would be most apt for that particular strategy and is there a nudge been then given to the customer to use that strategy which is a win-win, right because the customer wins the FinTech company also wins, and their platform becomes stronger. Is that what you are trying to do over here? I mean is that a value proposition which you are doing?

Dinesh Thakkar: Yes, today if you see trend, youth wants to do some data testing, they want to do some more trading, that's a big community which is again getting created. There are lots of engineers who are creating solutions for these youth but only thing that we have to be an organization who matches the both ends. There are creators of this kind of a solution and there are people users who are big in number but progressively if you see when we talk about like financial services and all that there are lots of solutions needed which will use our APIs but this would be niche solutions for niche market but we would be creating a platform where customer can come look at their requirement, check which app is relevant to them and start using that on our platform.

That way even a person who is creating the solution gets an access to our resources plus our market and customer gets a best of service.

Moderator: The next question is from the line of Kajal from ICICI Securities.

Kajal: In the opening remarks, it was told that out of the total clients acquired, almost 93% came on the flat fee platform. Earlier you were saying almost 20% of client acquisition happens to the AP model. So, is that changing now and direct model is working more? How are the clients as of now acquired, which mode you are working faster?

Dinesh Thakkar: Vineet you have numbers on this? Just to tell you briefly that, see when we said 93% are using flat fee, just for information even we allow AP to offer this flat fee to their customer. Although our revenue would be coming from AP but lots of plans which are sold by AP is flat fee.

Vineet Agrawal: Under the flat fee plan during Quarter 1 of FY2022, we acquired 11,25,000 clients and under the traditional plan we acquired about 80,000 clients.

Kajal: Which modes are working more for like in this 11,25,000, which modes of acquisition have worked better? And in terms of cost of acquisition how they have been?

Dinesh Thakkar: See like digital acquisition engine definitely is optimized to a level where it is giving a good number. Most of these numbers are coming from a direct B2C acquisition and Vineet you have number on breakup of this acquisition channels?

Vineet Agrawal: No, we don't share that.

Dinesh Thakkar: Just to like to give you a sense that most of this growth is coming from digital acquiring channel and AP model is a physical model, so their growth is lesser.

Kajal: One more question on the technology cost. Last quarter, I think you had shared that almost 30% of the other expenses which was around Rs. 47-48 crores is the technology cost. What would be that number around in this quarter?

Vineet Agrawal: Yeah, it would be the same. As I had mentioned about 13% to 14% of our total cost excluding the finance and commission that we share with these brokers, that proportion continues.

Kajal: 13 to 14 or 30 to 40?

Vineet Agrawal: No, 13 to 14. I had mentioned 13 to 14 not 30 to 40.

Moderator: The next question is from the line of Deepak K from Girik Capital.

Deepak K: I have a question regarding ARPU. Our ARPU has come down a bit compared to the last quarter. Can you point out the reasons for the decline? Are there any offers as free bees that you are offering because that was a such a decline? And I have another question on the activation rate. So, this rate has been consistently high from the last four-five quarters. If the market doesn't do as well as it is doing right now, can there be an impact on the activation rate going forward?

Dinesh Thakkar: I don't know whether we give number on ARPU. It is derived number, I think.

Deepak K: So, it's a derived number.

Dinesh Thakkar: It is derived number because new set of customers as I said that in AP also we are acquiring customer on a flat fee, so I am not sure how it has been divided. Vineet there is any data on that?

Vineet Agrawal: No, we do not share any ARPU related data.

Dinesh Thakkar: Let me come to second question of activation. See activation again like I am seeing it is function of one volatility in the market, second is people who are coming from Tier II, Tier III, where most of the customer are coming from that pocket. Over there we are not seeing a major impact because of volatility currently because if you look at our last quarter number as we said even June, we did not see a significant drop in volume where volatility in the market had reduced substantially. We are seeing because we are more exposed to Tier II, Tier III where customers are new. Their ticket size maybe lower but in terms of revenue they are almost equivalent to our majority of the customer that we acquire. Overall, I don't feel that volatility would be having a major impact although there is an impact, always there would be an impact of volatility but not to the tune where we see a significant drop.

Deepak K: As you mentioned ticket size, do you have any number as to what is the average ticket size in average investment account of the customer set right now?

Dinesh Thakkar: Vineet we have shared any ticket size number?

Vineet Agrawal: That we don't share, we don't share the ticket size of the individual clients.

Deepak K: Just one more question on ARPU. What I have done is I have just divided the broking revenue by the average number of active clients during this quarter and the last quarter. So earlier it was that number was 2064 in March quarter and now it has come down to 1800, 1800 kind of a number. Essentially whatever revenue you are making upon each client per quarter has come down a little. I just wanted to understand will this trend continue? Can we consider it a new base or there's a possibility of further decline or can it come back up going forward?

Dinesh Thakkar: As I said that maybe in March, we may not be adding much number on AP side on flat fee but what we are seeing the sources that we acquire, ARPU is almost like consistent. There is a few fluctuations because of peak margin and volatility but not to the tune which should be like concerning us but when we add a new channel, we look at unit wise economics. If that is working, we would like to be acquiring customer on that front also. Like as we introduced or we pushed our AP to offer flat fee to their customer, we do our working back end. It may appear that overall ARPU has reduced from that pool. I am unable to specifically tell you on your question of 2000 and 1800, just I am giving you an example. When this new source of customer comes which is AP driven, we don't have a cost of acquisition on that but whatever fees they generate or revenue they generate it is just shared with us. In terms of unit wise economics, it is far better but it may impact the overall ARPU, it may appear to be lower from that source. That is what maximum I can share with you right now.

Deepak K: Will there be any linearity between the growth rate of your active clients and the growth of revenue especially the broking revenue or will the broking revenue growth will always be lower than when your client addition growth rate?

Dinesh Thakkar: You have to add some factor always you will see there is no correlation between growth in customer, turnover and revenue. You have to see few quarters, whatever factor was there it would be growing with that factor. Overall, we don't see as I said dip in quality but what happens many times because of different-different like customer comes from different source so it may not be linear in terms of number of customers that we acquired and growth in revenue proportionately.

Moderator: The next question is from the line of Sarvesh Gupta from Maximal Capital.

Sarvesh Gupta: Just one question which was related to your flat fee pricing. So, because of this extremely high growth in client base that the industry is seeing in terms of the discount broking industry, do you see any chances or any probability increasing about lowering of the flat fee for the various products like intraday and F&O etc.?

Dinesh Thakkar: Currently, I don't see any kind of gain in market share because of lowering the fees, because if you see this fee’s is just small part of cost that a customer pays. I think customer is looking at more engaging journeys build in an App. What I see is that the reason we are building a cost on technology side not only we're building it for super App but what happens this kind of a like talent which comes in, they improvise on journey related to stock-broking. What I see is that organization who was able to build a good journey’s invest good on a technology team they will be able to grow their client base and this client base will continue only if you continue investing in this tech assets. But otherwise reducing flat fee’s is not going to give any incremental market share. Already one or two players have tried you know it, I don't know the name them. They were unable to get any major market share in fact it reverted back to the same flat fee.

Sarvesh Gupta: Secondly while we are building this super App and maybe Narayan may be able to answer this question little bit better but I think globally we have also seen that when you have too many things at the same place generally those sorts of super apps I don't know if there are many global peers which have done a lot of success in that particular area. I think mostly Apps which are focused on a particular category have done very well and so I mean how are we planning to think about it, at if you offer too many things would our positioning get diluted in terms of how we are perceived by the customers and when an incremental customer comes what is his expectation? So how are we thinking about that being a focused player compared to trying to do everything at the same time and maybe diluting our positioning or experience in terms of the new customers?

Dinesh Thakkar: Excellent question. I would ask Narayan to answer but let me just briefly touch upon that. We have always been a focus player. Our aspirations are clear to be number one in broking industry because we know when any industry goes digital, there are big kind of benefit being number 1 or number 2. We would not like to compromise on that position, never we have done. Angel if you see from beginning, we have been focused on retail broking and we want to be number 1. But what we are seeing now capabilities of Apps are such that without diluting that experience, we can enhance the experience by building lots of other journeys, here I would ask Narayan to step in.

Narayan Gangadhar: As Dinesh mentioned, broking and trading they remain our core focus for our business. Our entire App strategy is built around making that experience very seamless for the end user and you're right that having more journeys it tends to overload the application but at the same time having those journeys built in a way that is very responsive using machine learning and user filtering techniques really helps us build a best in class experience which is tailor-made for a particular client. So their overall experience and immersiveness with the application actually only gets better. That is really the experience that we are building and we are investing in on Angel. Our super App strategy is not like the other super App strategies where we envisioned building three or four different type of disconnected workflows or three or four different types of different app experiences in the same App. That's not how we see it. We see ourselves as building a single unified experience which is very intuitive which is built on understanding the customer and it is built on maximizing the return and the value that they get by spending time on the App. That is how we are looking at building our product strategy. So ease of use and ease of understanding comes first.

Moderator: The next question is from the line of Ansuman Deb from ICICI Securities.

Ansuman Deb: My question was regarding this less than 2-year-old client portfolio that you have. Because it's less than 2 years old, any kind of, what gives us confidence in this customer profiling, because they are less than 2 years right? So, you may have seen the amount of cycles that you have seen with them is lower. What gives you confidence about this customer base and how much of them are new to the market? If you could give some color on this particular segment that's the only question.

Dinesh Thakkar: See one thing is that we map our old customer and new customer in terms of their behavior in first year and second year and we track that deviation. So, what we are seeing there are positive deviation in customer who have acquired digitally and who are trading digitally. That gives us a confidence that if track record of 1-2 year was better than the old customer, so going forward it will be better. One because this new set of customers are trading through App. We have seen in the market like if a customer is not trading for 2-3 months in the physical market, he used to lose dealers contact or dealers used to attrite. In App world, App is always there. There's no attrition. Whenever the customer wants to come back, he has to just start trading or investing back through this app. That's the reason we believe that lifetime value of this customer will be higher than that old customer. Tracking every quarter's activity with that old customer, that is where we feel that this model is going to work better.

Ansuman Deb: My second question is how much of them are new to market and you could also say like what is a wealth base of this customer, are they speculative or they are varied in terms of also capable in terms of therefore have considerable amount of pocket?

Dinesh Thakkar: Almost more than 70% people who are coming on our App are new to the market. We are able to build kind of a like educational programs for them so that they're able to understand this equity journey better. We have seen, be it an old customer who came in physical world or the new customer, they start their activity exposing equity by trading, by having high expectation then after 2-3 years they realize and they go towards kind of like a mutual fund, investment, deliveries and all that. I think journey in terms of this new youth and previous customer who used to come to the industry is same. What is different? This youth is very social media savvy. He is learning these tricks very fast. I know people like from old economy they used to take years to understand options, over here youth they're able to hear experts, they are able to use algo formulas and are able to hedge their risk better than people who did not know about these instruments. What I am seeing that this are the youth who are getting into that their first salary or earning from their business and they straight away starting journey with equity, one because equity is giving better return than this risk-free assets compared to previous generation who used to get 10% and equity returns are expected to get 11%-12% at that time. Today when we are expecting corporate earnings to grow at 14%-15% and risk-free assets are giving less returns. So definitely when this youth is starting his journey from his initial paying days, these are the one who would be the wealth bearer in the next 15 to 20 years. Being in to a FinTech world, we have to get this youth early in their stage to use our App, if you believe that our economy is going to grow at a nominal rate of 12%-13% in next 20 years you will see GDP growing by 15x to 16x. Majority of the wealth would be created by this youth. So, we are not looking at what wealth base they have today, we are looking what wealth they would be having in next decade or so. I think FinTech world is all about serving this small ticket size and giving best of service because in the technology world there is no incremental expenses, that are one-time expenses and once we achieve scale we can serve any customer at any cost.

Moderator: The next question is from the line of Akshay Ashok from Dalal & Broacha.

Akshay Ashok: I have two questions. The cash turnover market share has been dropping continuously is it only because of the peak margin norms and will it revive in the coming quarters because your cash turnover market share has now come to 13.8% from 16.3%. That dip has been quite high in this Q4 to Q1 although in the previous quarters the drop was very low. So will it normalize and even in an incremental market share, Demat account there has been a slight dip for 16.6% from 17.6% in Q4. This change going forward is it a one-off? And then what is the initiative you are taking to make our clients more active like your client activation rate 37% is what I heard but the competitors although they have obviously, they have a lower client base their activation rates are a bit higher at around 55%-60%. Is there any way by which you are planning to increase your activation rate? Because now that all have on boarded so rather than focusing on continuously increasing clients will the strategy, we have to make the existing clients active?

Dinesh Thakkar: Cash market share which had dropped and now it is progressively improving. Vineet, do you have number on cash market share? And on your second question let this data come. The active customer base I think our ratio is better than industry. Industry is at around 33% and we are around 37%. Having said, we are working on lots of journeys how to make customer more engaged and make them more active. So like as we are hiring more talent on artificial intelligence and machine learning. So that is where our data scientists would work on how to understand customers who are on boarded, who are on our App, what are the needs they have and how to give them a solution to make them more active. So going forward, we are going to see a better activation ratio on our App. Having said that currently we are better than industry that is what data suggest, let me just come to on that cash market share.

Vineet Agrawal: So, the cash market share for the last 3 months it's an average of about 14%. So we saw some impact because of the 1st of June phase implementation but that we have seen in the past as well in the month in which the phase comes into effect we see momentous decline but then it gets back to normal.

Dinesh Thakkar: What we can see is that maybe after a few quarters when this peak margin is implemented completely, we will see this will bounce back because there are lots of things, we can just work out on making this customer active on delivery front. But whenever there is a one kind of an installment of peak margin there's knee jerk reaction.

Moderator: The next question is from the line of Vikas Mistry from Moon Shot Ventures.

Vikas Mistry: As we have seen that making communities very important for the sustained flywheel effect to ensure the long-term LTV of the company. What are we doing to ensure that we have a strong better community of traders at the same time for investors and how we are going to challenge the Money control App because it is whole community moving around that can throw some bite on it?

Dinesh Thakkar: Narayan will answer but before that we are not competition to Money control. In fact we should allow communities to be formed anywhere where they like where they think the topic what they are interested is discussed. Because to form kind of platform where we try to make community is I would say is not the right approach. Let it be with those organizations or those sites which have a kind of a like good a population or talking on the topic. Having said we are also building lots of community within our App. So actually this market has expanded because of this community being formed. As I said that youth is far social media savvy so he finds it like very kind of like educational to go to some community, neutrally understand what they have to say.

So, we would not like to put a color that all community has to be formed under our App. Narayan if you want to add on this?

Narayan Gangadhar: Actually, it is exactly what Dinesh just mentioned, because we want to be an open and fair marketplace and we believe that the key to creating that marketplace is to allow open access to our APIs, so that innovators can come and build best-in-class products for a much larger audience than exists today. The way we facilitate building that set of cohorts that set of community is by encouraging people to build a platform and by increasing our awareness using social media initiatives on WhatsApp, on Facebook, on a whole bunch of different on YouTube by building more of these channels so that users get more and more data, so they can get continue to get more and more data which is more relevant with their trading style. That is really the strategy that I see us building on over the next couple of years. But I absolutely think that it is not we do not want to be in the business of especially Money control or any of the things that you mentioned earlier. This is what Dinesh was mentioned.

Vikas Mistry: Actually I want to understand that we have launched a product known as Smart Buzz, so I try to correlate with it will have a community part and we will leverage that to make sure that persons who has become less interested let us suppose for 2 or 3 months that then he can just come and see what happening in the stock market and then we give him nudge to him to trade. So, I am extrapolating on the Smart Buzz platform and all that.

Dinesh Thakkar: See we have been providing lots of kind of relevant content but as I said that and as Narayan also said we would like to allow our API's to be used by other platforms so that we are able to form a bigger community where content related to broking what has to be given to customers we will provide but then lots of general information, which is available across a different platform, so to cover everything one platform is not possible. We will give relevant content but there's a lot of content which are available across a different platform. We would like to integrate all that content also within our App or within our digital properties.

Vikas Mistry: One last question on Angle Spark, we have already started journey on that and my question is that whether we will start fine tuning algo's afterwards after 6 months or we will having already having data management platform of our older data. Should we start fine tuning those data right now when we been leveraged that after 6 months as soon as we launched the App?

Narayan Gangadhar: So that's a very good question. I mean we have a rich history of our data which has been used by millions of customers over the last several years. I first wanted to say that our existing product is already best in class. If you look at our ratings if you look at people's feedback it is one of the best products. If not it is easily one of the top, we have been in the top two or three products today in the space. Now, we want to leverage this data and provide even better experience to our customers. When we publicly launch Spark as Dinesh mentioned early on in the next two or three quarters, so yes we will be using that data but also we will be continuing to learn from our new customers because we are adding so many customers every single month that we are also continuing to learn about what the new customers want, what profiling works, what the preferences should be and that is where I think you will see a lot of innovation in Spark what you already see today in our existing App.

Vikas Mistry: My last question is we have added most of our clients within last 1 year or couple of years but our activation rate is very low. It's not like we are not comparing with the industry because we are not competing with the industry. We are the leaders in the industry. So, the activation rates should be better than leader. Leader is having activation rate of over 60%. We are having 37% how we are going to bridge that gap?

Dinesh Thakkar: Everyone has a different acquisition tools and as I said what we look at you need to as economy for different sources. If we just restrict ourselves from one source we can get a better active customer but what I am seeing is that from different sources when customer is young or like is not very active initially, but they become active at the later stage. So right now we are grabbing every land which is available where economically it makes sense for us to acquire and generate revenue and make it profitable within the year that we acquired. So our game plan is a bit different. It will vary from person to person, organization to organization. What we are looking at is that when we are acquiring customer from different sources what is the activation ratio more than that what is a unit wise economy you are achieving from that particular customer. So we are not averse to just attracting very active trader or a person who is low ticket size. We are open to everybody wants to use our platform but in that definitely activation ratio of an investor is different than a trader. We are not when we are optimizing our digital acquisition engines we are not optimizing just for an active trader. Even we want a customer who just invest 1 day or 2 day in a year, but we know his lifetime value will be much higher, but that person is not burning his capital. We'll look at the unit wise economy based on that we acquire our market share.

Moderator: The next question is from the line of Rajesh Vora from Jainmay Venture Advisors.

Rajesh Vora: My question is about last call you mentioned that going forward you continue to reinvest the incremental margins that you make due to this massive scale up and concurrent costs in technology and OPEX is not going to be in line with revenues obviously given the Tech platform. That's a very powerful model to go after not many companies have that luxury given that as maybe and the fact that 2/3 of current client of 5.3 million, 3.5 million are acquired in this last 15 months which is phenomenal. How can you weave in your thoughts about margins being reinvested because you will have problem of plenty on margins given the way you have been growing. Can this growth engine continue the way? I mean I'm not asking about next quarter or next three quarters I'm looking at next 3years 5 years, can we continue to grow at breakneck speed and also maintain margins and if that is the case there is so much money to be reinvested because incremental costs are not that high. So I am not looking for a number here but more color on complexion of the journey that will happen in the next 3-5 years.

Dinesh Thakkar: Very intelligent question I would say and the person who has tracked digital kind of an organization for having quite relevant question that’s the reason in my speech I said that we be on-boarding lots of experts on the data scientist, having machine learning capabilities because we want to invest in tech and tech related people because going forward we are looking at market which will be more evolved than what it is today. We have to invest in future but we have enough kind of like margin incremental revenue that we generate that has a kind of better margin than the previous client base. Continuously what we will be doing is that because we have to upfront this cost that is the reason in my initial speech I told for two or three quarters we have budgeted a good amount of expenditure which will go towards building this kind of talent pool with us not only talent pool how to scale up our data centers and all that so that we are ready for next 2-3 years. But good thing is that still after spending all this, we are confident that we will be able to maintain our margins. That is because incremental business is giving lots of margin if we don't invest today, we are not looking at future. We are just looking at present. So, what we are looking at we are trying to balance current quarters plus we are trying to look at next 3-5 years.

Rajesh Vora: The other side I mean we have been as you rightly mentioned and also Narayan that it's just the beginning in terms of your digital model just a couple of years ago and that couple of years has been fantastic. Given the way this has been a dream run so far it has probably beaten your own internal expectation also I don't know. In this dream run what can one or two things that keeps you busy and Narayan and the team, what is the biggest challenge? What are the biggest couple of risks that you foresee that can somewhat puncture this phenomenal dream run that you're going through?

Dinesh Thakkar: See I would ask Narayan to answer this later, first let me tell you that we both are very excited. So what I was saying that opportunity is quite huge. In India if you have to serve this millennials low ticket size we have to work out lots of solutions. What we are seeing is a great future. There is nothing like which can spoil this party because our youth population is just started earning. So, we see a big opportunity and fortunately for Angel we are able to attract good talent. We feel we'd be able to give solution to this youth. Narayan if you want to add on this.

Narayan Gangadhar: As Dinesh mentioned this market is at a very early-stage market. The market opportunity is at least 10x more than what it is today. The thing that keeps me up is how should we think about ways to launch newer and better products and get them in the hands of these customers. How do we build better journeys better experiences so that the first-time experience for anybody who is entering the space is very fulfilling and for somebody who is a mature investor they are able to get more and more insights and more value continuously from the market. So, it's a very exciting opportunity but again there is so much more with it. The realm possibilities are so huge especially with people from Tier-III and Tier-IV cities now coming online that you have to build the product for all of them. We cannot just be building for Tier-I and Tier-II cities, right? We have customers everywhere and that's where the big opportunity is for Angel.

Moderator: Thank you. Due to time constraint that was the last question, I would now like to hand the conference over to Mr. Dinesh Thakkar for closing comments.

Dinesh Thakkar: Thank you everyone for joining us today on this earnings call. India's FinTech industry is at the cusp of strong growth, players who are able to identify this opportunity early and will lead this growth. In digital era there is a space for only few players. It is imperative that we keep investing in augmenting our technology infrastructure, human talent and product and service offering to become leaders in this segment with a strong corporate structure in place coupled with our superior product and service offering. I am confident that we are poised to achieve our goal of attaining the leadership position over in the next couple of years while keeping our profitability intact. There may be periods of interim ups and downs but our nimbleness, expertise and marketing initiatives will keep us ahead of the curve. I am certain Angel will play a dominant role in deepening the culture of systematic wealth creation across all segments and age groups in the long run. Our strategy to expand our product and service bouquet to include protection and sustained wealth creation product will play a vital role in the journey. With Narayan onboard, I am sure you will witness a significant technology transformation in times to come. If you have any queries, please do reach out to our investor relations team or to SGA our investor relations advisor. We wish you all a good day and a prosperous year ahead. Stay safe stay strong. Thank you.

Moderator: Thank you very much. On behalf of Angel Broking Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.