February 3, 2021

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 Sirs,

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 January 14, 2021 intimating of the earnings call with analysts and investors to be hosted by the Company on January 29, 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.angelbroking.com.

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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Date: 2021.02.03 14:50:33 +05'30'

Naheed Patel
Company Secretary and Compliance Officer

"Angel Broking Limited
Q3 FY2021 Earnings Conference Call"

January 29, 2021

MANAGEMENT: **MR. DINESH THAKKAR – MANAGING DIRECTOR – ANGEL BROKING LIMITED**
MR. VINEET AGRAWAL - CHIEF FINANCIAL OFFICER - ANGEL BROKING LIMITED
MR. HITUL GUTKA - IR HEAD - ANGEL BROKING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Angel Broking Limited Q3 FY2021 Earnings Conference Call. 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 guaranteeing of future performance and involve risks and uncertainties that are difficult to predict. 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. I now hand the conference over to Mr. Dinesh Thakkar from Angel Broking Limited. Thank you and over to you Sir!

Dinesh Thakkar: Good morning everybody. On behalf of Angel Broking Limited I extend a warm welcome to everyone for joining us on our earning call. Along with me I have Mr. Vineet Agrawal, our Chief Financial Officer, Mr. Hitul Gutka, IR Head and SGA, our Investor Relation Advisor.

As we interact for the first time in this New Year, On behalf of Angel family, I extend best wishes of 2021 to all of you and your families. We have issued a detailed investor presentation and a press release on stock exchanges and we hope you have had a chance to look into it. Since some of you maybe hearing us for the first time today let me give you a short overview about Angel Broking and then Vineet will walk you through operational and financial performance.

Angel Broking is one of the largest digital retail broking houses in India. We are over two decade old company and have gone through various phases of broking industry. Over the last decade, we have transitioned to a completely digital player. We are today harnessing the benefit of our digital presence as we acquire client across different tier cities through our online channel and gain market share exponentially across segments. Today we offer our clients a simple and uncomplicated flat fee plan of zero rupees for all delivery-based orders and Rs.20 per order for all other segments. Just to give a glimpse of Angel Broking Limited as we stand today, we have a customer base of 3.19 million with a reach of more than 97.6% pin codes across India, of this 1.88 million was added since April 2019. We continued to remain fourth largest in terms of NSE active clients and third largest in incremental NSE active client in Q3 FY2021. 10 out of every 66 incremental demat accounts are opened with Angel Broking. Average time taken by our clients to onboard is around 5 minutes and 100% of direct clients are on-boarded digitally. Till date, we have experienced close to 8 million downloads of our apps. More than 99% of our orders are placed by our client directly are seamlessly executed on online platforms. We recorded close to 3.7 million peak trade in Q3 FY2021, which demonstrates our strong IT infrastructure. We drive customer engagement on regular basis with the help of our artificial intelligence and machine learning tools. We update and educate our clients through nudges on latest news on stocks, products, advisory platforms, educational videos, etc. We offer them various schemes and personalized offers ranging from cashback, scratch cards, trade free periods, etc. Therefore, we are on the top of giving end-to-end advance digital experience to our large 3.19 million customers.

We offer our service through five digital platforms. One, Angel Broking mobile app, it is our flagship product for safe seamless online trading platform and enables client to trade in equity, future and options, currencies, commodities across stock exchanges, make investment in initial public offering and make investment in mutual fund. Second Angel BEE one of our new product, which is in the final stages of commercialization. It is a digital platform through which we provide retail wealth management and personalize investment recommendation to our clients. Third ARQ, we pioneered the concept of robo advisory in India through ARQ. ARQ as we call, provides equity advisory services based on alpha generating algorithms that consider multiple fundamental and quantitative factors. ARQ has consistently outperformed the benchmark indices since inception. Fourth NXT platform, it is a platform which helps our 14,000 authorized persons to be an integral part of the digital ecosystem and effectively utilize the business opportunities that are generated through various marketing initiatives. Fifth SpeedPro, it is desktop trading software which provides clients with a single window trading experience along with the trade monitoring capabilities across BSE, NSE and MCX, it is a secured robust platform with one click installation and is designed to meet trader's requirement.

Now coming on operational highlights, Q3 FY2021 had been a remarkable quarter for us, as we continued to have a business momentum across all our business parameters. We witnessed gross client addition, which continued to pass 5 lakh mark for second consecutive quarter indicating a strong momentum to business. Although net client addition was lower on quarter-on-quarter basis partly due to 6% lesser working days. We recorded highest monthly net acquisition of 2,12,000 customers in the month of December 2020. Impact of the new margin regulation on volume have been restricted, while our cash and commodity volumes were lower by 13.5% and 19.6% respectively in December 2020 over November 2020, it was more than offset by 16.4% higher volume in our F&O segment. Robust growth in our client base coupled with improved client activity more than offset the negative impact of new margin norms on our net broking income, which grew 2% sequentially. On the contrary, our net broking income in December was one of the best performance witnessed by the company. Our overall equity average daily turnover breached 2 lakh crore mark for the first time in our history during Q3 FY2021. Our growth in ADTO over last 18 months is 7 times faster than the industry. Majority of our customers acquired come from Tier-III and beyond cities. Since we have been targeting younger, mobile and tech savvy customers, the average age of customer acquired has steadily decline to 30 years now. This robust client addition translates into 15.2% market share in incremental demat accounts. This sustained rate of client addition also helps us to expand our funnel of active clients. From Q1 FY2020 to Q3 FY2021 our retail turnover based market share grew 4.8 times in F&O segment to 16.1%, 2.2 times in commodity segment to 26.8%, 1.4 times in cash segment to 17.6%, 4.4 times in our overall retail equity segment to 16.1%. Coming on after market share, using our artificial intelligence and machine learning capabilities, we have been successful in activating more clients from our overall client pool, our market share in NSE active clients have also steadily increased to 7.6% at the end of Q3 FY2021 up from 4.4% in FY2018. Close to 38% of our overall retail base remained active on NSE as on December 2020. This is significantly higher than the industry average of close to 32%. As our client base expanded, so did our overall active customer base. Using our digital properties successfully we aim to become market leaders. As we move ahead, we plan to augment our product offerings, provide an open source platform, third integrate more third party applications, fourth augment our artificial intelligence and machine learning capabilities to provide more personalized digital experience to our clients, fifth engage with third-party provider to widen our product bouquet and finally capitalize on huge opportunity of growing investable wealth in India. At Angel Broking, we continue to witness a benefit of digital model in our business, which is giving us operating leverage benefit in our financial performance. I would also like to share that Angel App was fourth fastest growing app in finance category in India, in terms of time spent, as per App Annie intelligence report, a testimony of our digital capabilities and wide reach and usage by clients.

With this I will now request Vineet Agrawal, our CFO to give you a brief on operational and financial performance of the company.

Vineet Agrawal: Thank you Dinesh Bhai. Good morning everyone and thank you for joining us today. I will take you through the operational and financial snapshot for the quarter.

We achieved strong addition in net client base by 4,92,131 clients in Q3 FY2021, 76% sequential growth in our overall average daily turnover, 384 basis points expansion in our overall retail equity ADTO market share and a healthy average lending book of Rs 570 crores with a very low client exposure of about Rs 50,000 indicating a granularity in the book.

Now let me talk about the efforts to deepen the engagement with the clients and the customer profile. 67% of our overall client base are direct clients while the balance are clients through the AP channel. Of the gross clients added during the quarter 77% were direct clients, 55% of the gross clients added during the quarter came from Tier-III and beyond cities, 37% came from Tier-II and 8% from Tier-I. 72% of the gross clients acquired in Q3 FY2021 were first time investors.

Let me now talk about our financial performance. We reported a total income of Rs.3,156 million for Q3 FY2021 as compared to Rs.3,179 million for Q2 FY2021, which is only marginally lower despite 6% lesser trading days. Q3 FY2021 revenue is further bifurcated as gross broking income, which accounted for 70% of our revenues, interest income which includes interest from our client funding book and fixed deposit interest accounted for 14%, depository income accounted for about 7%, income from distribution of mutual fund and insurance products about 1% and others about 8%. Our gross broking income is further split into brokerage from cash, futures and options, commodity, and currency each contributing 35%, 56%, 8% and about 1% respectively. After paying commission to our authorized persons 71% of our net broking income was contributed by our direct clients and the balance by our clients through our authorized persons. With respect to tier wise net broking income, Tier-I contributed about 16%; Tier-II contributed about 38% and Tier-III and beyond contributed about 46%. Since we are adding clients at a rapid pace, 69% of our net broking income in Q3 of FY2021 was contributed by clients less than 2 years with us and the balance was contributed by older clients. As all our direct clients acquired post April 2019 are under the flat fee plan and this segment has witnessed robust additions, share of flat fee plan in our Q3 FY2021 net broking income increased to 64% as compared to 54% in the previous quarter. As more clients are added under our flat fee plan the share of the flat fee plan in our net broking income will keep rising. Since we transformed into a fully digital company, with majority of the transformation related cost already incurred over the last couple of years we continue to experience benefits of operating leverage. We maintained our EBDAT, that is earnings before depreciation, amortization, and tax, margin at just over 49% in Q3 FY2021 similar to Q2 of FY2021. Our profit before tax increased by 5% quarter-on-quarter to Rs.1,045 million. Our profit from continuing operations had been marginally impacted due to tax impact of earlier years by about Rs.49 million. Reported PAT for the quarter stood at Rs.732 million as compared to Rs.746 million for Q2 FY2021. Our trailing 12 months profit stood at Rs.2,287 million translating into an EPS of Rs.28 per share when calculated on our expanded equity base.

Our nine-month FY2021 performance stood as follows. We reported total income of Rs.8,801 million a growth of about 59% year-on-year; profit from continuing operations stood at Rs.1,961 million a growth of 261% year-on-year. Our nine-month FY2021 annualized return on equity stood at about 32% on an expanded net worth.

With this I conclude the presentation and open the floor for further discussion on our quarterly performance.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Akshay Ashok from Dalal & Broacha Stock Broking. Please go ahead.

Akshay Ashok: Sir congratulations on good set of results. I just had two questions. Sir why are we losing market share in cash and commodity segment on a QoQ basis while we are doing so well in F&O and overall equity why there is a problem in cash and commodity?

Dinesh Thakkar: Actually I do not see like a reason why but what happens many times few other participants are active like HNIs and all that. So it may appear that some month like market share is not in line with because we cannot see market share grow every month, but if you see at overall growth you see steady growth in all the segments. Although currently retail flavor is more on F&O side because of new margin restrictions and all that, but overall like in commodity as well as in this cash, there is impact of margin the new regulation. But I do not see we are losing market share, but overall market in retail segment might have dropped when it comes to a small ticket size, but from this base what we are seeing a gradual increment in our market share in all the segments.

Akshay Ashok: What is this Angel BEE is it wealth management platform are you guys looking to enter into wealth management in any way to diversify the growth in business because most of your revenues is coming from broking. So is this Angel BEE a part of a plan to diversify a bit?

Dinesh Thakkar: Yes, so you are right. Angel BEE is very revolutionary kind of a like product, which will help you to decide on their financial planning so initially we will start cross selling to our broking client products like mutual fund, insurance, loan products and all that. So Angel BEE is more on financial planning for lifetime, so gradually like we want people to create lots of financial assets to meet their financial goals and requirement, so this Angel BEE has lots of clients like that.

Akshay Ashok: Yes because broking because you guys are so much into broking that like lifetime of a client if you have to keep him with you like right from he gets into a job and till get us, so we need to diversify a bit right, so is that part of the plan why Angel BEE you are introducing, when the salary increases you look at wealth management because Tier-III cities has a good chance that when the market start falling these guys may stop trading right so that is a fear right?

Dinesh Thakkar: See you are right, see lifecycle of an investor starts as a trader and then gradually they have to move to acquire more financial assets. So Angel BEE is an answer to that and as you rightly pointed out Tier-III city ticket size is very low, so to serve them this RMs and physical infrastructure it is not viable to serve. But if you look at youth of India they are getting an initial salary of 2 lakh, 3 lakh so they start their savings, which is 5000, 10000. So Angel BEE is a solution which can help them not only to decide their mutual fund and their portfolio but they help them to even track their goals. So if it is not aligned to their goals automatically because of algos that we have built that is what we called based on this ARQ engine, this platform will nudge them that your portfolio is not performing you have to realign and rebalance that.

Akshay Ashok: When this planning is getting into operation Angel BEE most probably?

Dinesh Thakkar: Say like we are testing it out and we have tested out with a large customer base so now starting next financial year we will start operationalising and scale it up.

Akshay Ashok: Okay Sir thank you so much, all the best.

Moderator: Thank you. The next question is from the line of Deepak Khatwani from Girik Capital. Please go ahead.

Deepak Khatwani: Sir I just wanted to understand why is there a significant decline in average revenue per client this quarter, is it because of decline in the cash turnover or is there any other reason to it?

Dinesh Thakkar: Vineet just help me in that.

Vineet Agrawal: So as we are expanding our client additions, so these clients not necessarily they start trading in the first month or in the first few days itself so they take some time to start trading and we also have some offers which we roll out to our new clients to nudge them into trading. So because of that there could be a slight movement in the revenue. But over a period of time they start increasing their exposure in the market start trading more and more, and secondly because of the margin restrictions that came into effect from December 1, 2020 we have seen slight dip in the activity especially in the cash segment, which will bounce back as we go along, so as Dinesh bhai already said the market share is already in the upward mode so it will keep on improving.

Deepak Khatwani: Sir could you also help me with the steady state number for the coming quarter because there are lot of things have happened in the past one year, I am just trying to understand the steady state average broking revenue per client will it be similar to this quarter number or will it be higher than this or lower than this?

Dinesh Thakkar: See Mr. Khatwani, what is important what we focus on is increasing our market share, so as I said that being the digital model like we have lots of operating leverage that we can play with. So as cost of acquisition, that is the main cost that we have, so we would like to maintain a CTR cost to revenue of around 50% and excess you would like to spend on that segment of customer, give them offers and attract them to our platform so that we are able to get a higher market share. That is the focus currently, to get more market share and when we give this kind of offers and all, definitely there is an impact on first month and second month revenue that we receive from customer, but we look at lifecycle, lifecycle revenue has a very small impact. But as we are growing month-on-month basis we may see impact on month-on-month that will be there in terms of average revenue that we get from a new client. But if I check the lifecycle revenue that I am going to get from this client that I am acquiring will be almost similar to averages that we have got for Q2 and Q3.

Deepak Khatwani: If I can squeeze in one more question on the cost of acquisition, could you comment a little bit on how the cost of acquisition is in this quarter as compared to the last quarter?

Dinesh Thakkar: See cost of acquisition has remained same for all this two, three quarters one, two and three, it has not changed in anyway. In fact we could have optimized that, but as I said our focus is on market share, so we continue to spend same amount to acquire the client as we have been spending in Q2 and Q1.

Deepak Khatwani: Alright. Thanks for answering the questions.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead. Please go ahead.

Sarvesh Gupta: First question was related to the previous participant so while you said that the new additions in the clients may not have traded much but we have also seen a very strong jump in the ADTO. Now if we look at our pricing structure in the cash market of course intraday there has been some pressures, etc., but on the F&O side we earn money on every trade. So despite a very strong jump in the F&O ADTO we have not been able to increase our revenues from Q2 to Q3 so that is something which I could not understand why the ADTO has not led to the traction in your revenues that is number one and second on the competitive landscape now we see every player right from Kotak to an ICICI everyone is basically offering a cloning of your plans in terms of pricing, etc., so given that sort of a completive intensity wherein our positioning is a little bit diluted now in terms of lower pricing and digital offering and all that so how are you viewing that as a impact on your business and the growth going forward?

Dinesh Thakkar: See coming to your question on ADTO, ADTO an increase because of increase in volume in option, but if you check the option volumes now like it increases it is not proportionate to like what revenue will get generate because ticket size over there is much higher than a cash segment so whole market like I think was impacted because of this new regulation on cash intraday. Cash intraday may appear like lower turnover but it is high on revenue. So now when you compare ADTO in terms of cash it has dropped, commodity has dropped and there is a significant rise in F&O, but as I said F&O volume comes from option so it may not be as proportionate in terms of revenue that we generate from our client so that explains that. Otherwise I think like if you look at like December numbers they are showing a good traction in terms of new customers that we are acquiring plus volume that we are able to generate from this customer who are getting used to this new norms, we are very confident about that customers will get used to this new regulation and again normalcy would come back and at the same time we are not impacted because we are seeing a huge surge in customer acquisition number. So overall if you see December overall our revenue was higher by around 2% and if I factored in 6% loss because of less trading days, so overall impact like there is a positive impact of 8% on our revenue. Had we normalized that our revenue would have been 8% higher, this factoring in this new regulation which has come in. Now coming on the second part of question competitive landscape will always be changing broking industry and pricing is not just one criteria to attract customer because many players in the past have played with price, but I think after Rs.20 per order customers are insensitive to price because if you factor in all other taxes what they have to pay even any brokerage reducing price from 20 to 10 also will just have an impact of 8% to 12% on customer paying for his trade. Now coming on competitive landscape, I believe that India is a very underpenetrated market and future is with digital players, so it is not a question of price it is question of how digital savvy you are, how are your process design to capture or acquire a customer from Tier-III, serve this customer from Tier-III and maintain the relationship with them. So I think it is more to do with digital competency not with the pricing. So I believe in terms of digital competency we have proved that we have given a best experience to customer if you look at reference business that we get and word of mouth that is spreading in the market, we are confident that customers are liking digital journey that we have created plus our ARQ platform is helping them in advisory services, which lots of competition have not digitize their advisory service and we were first to use this robo based advisory services where we are able to recommend our customer advisory services, which a normal full-fledged traditional broker would give. So overall I think we have lots of plus point, which gives us confidence that we will be in that top ranking for the next few years. Definitely going forward, I would say, we have to look at who has digital competency that would be a competition. Giving price I do not think matching the price is going to give a bigger market share to any player.

Sarvesh Gupta: Understood Sir. Thank you and all the best for the coming quarters.

Moderator: Thank you. The next question is from the line of Rohit Seksaria from Sundaram Mutual Fund. Please go ahead. Please go ahead.

Rohit Seksaria: I had a question on cost of acquisition like quarter-on-quarter I see we have added 10% less clients, but acquisition you said is similar then what has taken our other expenses up by 6% quarter-on-quarter?

Dinesh Thakkar: See one we are spending on product and technology side, so that is where we are in the kind of a like we are developing lots of digital products, which we will be launching in the next financial year, so our spend will be more on improvising on our product and technology expenses. Plus at the same time we are like exploring possibility of how to increase market share and experimenting lots of things on digital acquisition, how to acquire a more customer from different, different kind of pocket, so when we are doing this kind of an experimentation there is some cost which has built which is front loaded I would say, which takes time to really result in advantage that we could receive by acquiring more market share. So I would say on sales side it is front loading of the cost and definitely we are spending on improvising our digital properties and plus we are spending on upgrading our technologies.

Rohit Seksaria: In terms of the client additions, we have added significant number of clients this quarter and the previous quarter roughly 50% of our total clients we have added in these two quarters itself to give revenue contribution of the clients added last quarter and this quarter?

Dinesh Thakkar: We have any numbers on that new client's addition?

Vineet Agrawal: Can you just repeat your question please?

Rohit Seksaria: I am asking like revenue contribution of the clients added this quarter and last quarter how much revenue they have contributed?

Vineet Agrawal: In my reference I said that 69% of our clients that we have added over the last few quarters have contributed to our revenue. So as the increase in the flat fee based clients that we are acquiring over the last few quarters is increasing, so the overall contribution is also increasing. We have not shared any data relating to the exact contribution of these clients to the revenue pool because that is something very sensitive.

Dinesh Thakkar: If this can help you, you can refer from our presentation slide, where we are showing that around 1.88 million clients we have acquired since April 2019, so they are contributing to almost 70% over revenue.

Rohit Seksaria: It is something similar you can do only for FY2021 or if acquired since March because that is when you have acquired a significant number of clients so that would be of great help.

Dinesh Thakkar: Sure.

Rohit Seksaria: Thanks.

Moderator: Thank you. The next question is from the line of Dipen Sheth from Crystal Investment Advisors. Please go ahead.

Dipen Sheth: Couple of questions if you give me the liberty. So the first one is on acquisition and I wanted some color on the nature of cost that we are incurring for this and what we classify as acquisition cost or acquisition expenses. The specific clarity that I want is how much of this spend is in the nature of promotion, advertising, outreach and so on, which is fine by me, but how much of it is in the form of direct benefits or subsidies being given to customers in the form of your freebies and so on do you have some sense there what I am trying to figure out is how much are we subsidizing in literally bribing customers to work with us?

Dinesh Thakkar: So when you say about cost of acquisition that includes all our branding cost, performance marketing, call center and whatever freebies we give. And over here I would beg to defer it is not a bribe given to customers. It is business model where in India we know that market is underpenetrated, so clients get attracted towards if at all there is some kind of an offer which is given to them, so there is offers like going through some of our educational videos and giving something free or something direct kind of a like benefit in terms of not charging them brokerage for few trades so that helps us too…

Dipen Sheth: I am perfectly okay with these things, I am sorry to interrupt you Sir, the sense I am getting is are you literally transferring benefits to people and incurring cash cost for those, if you are incurring virtual cost give them free brokerage for a month I am perfectly okay with that but are you going out of pocket to get people to join?

Dinesh Thakkar: See our offers are primarily like when person uses some service, so they get some like one month free brokerage or they get five trades free, so majority of the customers are...

Dipen Sheth: If you give me Rs.1000 Amazon gift voucher I would call that bribe, but if you tell me you get free trading for a month I will say that is fine that is the sense…

Dinesh Thakkar: No in that sense we give vouchers and all that definitely like, so what happens vouchers is given to like customer who are referring so because some gratification has to be there if at all somebody is referring a client…

Dipen Sheth: Sure, we have a referral thing that is fine.

Dinesh Thakkar: Yes, so most of our is like gratification to a person who have referred and the customer who comes on our platform they get some five trade free and all that so all that kind of thing we do not give free shares and like…

Dipen Sheth: Yes, are you going to credit Rs.1000 of mutual funds into my account just because of that.

Dinesh Thakkar: No, we do not do that

Dipen Sheth: Is it as direct as that?

Dinesh Thakkar: No, we do not do that direct.

Dipen Sheth: You might pay someone else a referral fee, you might pay one of your authorized person an acquisition reward, I am okay with that, you might get one of your performance marketing associates you might remunerate them for a confirmed sign up or so, that's fine I am okay with that.

Dinesh Thakkar: There are few offers which we give when customer has been acquired but maybe he has not become active so we try to attract him through some voucher and this so that he puts his trade and understands our system so that are very few cases, but when we acquire the customer we do not give them any direct transfers.

Dipen Sheth: Fair enough that is a convincing answer Sir, if you will allow me one more question sir please. So you have been acquiring at what is clearly a frenetic way close to about 5 lakhs or so every quarter and which is a fantastic performance for a brokerage which is not backed by a bank and I think it is very, very creditable. Can you just elaborate on the other side of this the other side of acquisition is activation so what is the kind of activation how does your activation water fall of cascade look like, so let us look at the first nine months of this financial year and even if I look at customers acquired and let us say the first seven of the nine months right up to let us say the end of October, I will give you I do not want to know what happened to the customer acquired in November and December but from April to October whatever number of customer you acquired let us say about 10 and maybe about 11, 12 lakh customers that you would have acquired how much of those are active?

Dinesh Thakkar: See we would not be able to give you a proper like number for that period but overall if you see customer base that we have so almost 38% are active and if you compare with industry average it is around 32% so our customers are more active, I understood I am coming to your point, but we have not shared that number in terms of last six months or every quarter but to give you a rough sense activity of the customer for like last two, three quarters if we take would be much higher than averages that is an maximum I can tell you.

Dipen Sheth: Would you also be tracking and perhaps even sharing what I will call inactivation or deactivation data the simple question to ask is how many of your customers who were active in FY2020 have not trading in FY2021 is that a percentage that you track here?

Dinesh Thakkar: No. It become same question twisted in another way.

Dipen Sheth: So I will probably get you guys separately on this. Alright never mind Sir thank you.

Moderator: Thank you. The next question is from the line of Amit Shah from Ace Securities. Please go ahead. Please go ahead.

Amit Shah: Sir I have two questions. First can you throw some more color on Angel BEE and SpeedPro platform how is it different from our regular Angel Mobile App?

Dinesh Thakkar: SpeedPro is a desktop version of like people who want to invest, trade and all that and Angel Broking is an mobile app and when it comes to Angel BEE it is more of like people who wants to start the journey by investing in mutual fund and create a long-term portfolios, so Angel Broking app is for active traders, active investors, even passive investors can use it who want to directly invest in stock and create a portfolio, but when it comes to investing passively through mutual fund or buying any other financial asset so then they have to come on Angel BEE.

Amit Shah: Thank you Sir that is all.

Moderator: Thank you. The next question is from the line of Prateek Poddar from Nippon India Mutual Fund. Please go ahead.

Prateek Poddar: Sir just wanted to ask a bookkeeping question in terms of how much cash on books do we have today, ex of client advances what is the cash on books which we have?

Dinesh Thakkar: Sure Vineet you can answer this.

Vineet Agrawal: Our net worth is about Rs.1,050 crores and if you were to see that our fixed assets are about Rs.120 odd crores, so the rest of the amount is in the form of liquid assets or cash we have.

Prateek Poddar: So you would have Rs.900 crores of cash that is a fair understanding right broadly?

Vineet Agrawal: Yes around that.

Prateek Poddar: Second question is on your MTF book I did not see an uptick in MTF book despite equity markets doing very well any specific reason for that?

Dinesh Thakkar: If you know that regulator has come out with a new pledging mechanism and what is happening that the customers that we are acquiring previously they have to just buy and we could have fund that. Now they have to learn the process of pledging and unpledging and all that so I think it is a matter of time that we have to create lots of awareness journey for new customers and old customers and how to avail all this facilities, so we have some programs in our pipeline to initiate this kind of a like awareness programs.

Prateek Poddar: So you are saying basically if the client does not pledge or will that journey of pledging is not clear your MTF book will not grow in the sense there is a learning curve to it once the learning curve comes in then the MTF book grows?

Dinesh Thakkar: Yes it will be the normal as it was few quarters back.

Prateek Poddar: Lastly just on your just to sorry going back to the cash, this cash is liquid cash right?

Vineet Agrawal: Yes so this is in the form of the margins that we place with the exchanges and the capital requirements.

Prateek Poddar: So it is nowhere in equity mutual funds are you just trying to understand from that perspective the deployment is in cash and cash related instruments?

Vineet Agrawal: Yes.

Prateek Poddar: Okay Sir thank you.

Moderator: Thank you. The next question is from the line of Pranav Gala from iWealth Management. Please go ahead. Please go ahead.

Pranav Gala: Sir just one question followup on fellow analyst you are saying that we saw an increase in the options turnover right so in that term even there we are charging them Rs.20 so what was the reason for the fall in ARPU?

Dinesh Thakkar: If you see ticket size of cash and if you see ticket size of option now it is different but charges that we charge per order is same. Do we have any data Vineet on ticket size of cash and ticket size of option?

Vineet Agrawal: No Sir we have not shared that information, but it is significantly more than what it is for the cash segment.

Dinesh Thakkar: Mr. Gala just to give you a sense that, okay when a person buys an option so like turnover may appear to be huge but like revenue that we gives just Rs.20 and cash he may just purchased 50000 or 1 lakh and trade he gives us same Rs.20.

Pranav Gala: Right so even after an overall increase in ADTO we saw a substantial increase in ADTO even in Q-on-Q so still we are just trying to understand that what was the reason for the fall in the average revenue?

Dinesh Thakkar: No, one thing as I said that we saw total revenue increased by 2% in this quarter but the factor in this quarter had less working days to the tune of 6% plus we have to absorb this new margin regulation so all in all had we normalize this quarter to Q2 and Q1 we are seeing that we could have a growth of around 8% plus we have absorbed this impact of new margin regulation.

Pranav Gala: So you are saying that if the new regulation has not had happened we would have seen the same ARPU?

Dinesh Thakkar: Almost I would say because as I said that we are running lots of offers to attract first time investors so we give like first month trading free so when we acquire a customer now one month is now like contributing on revenues and he starts contributing from next month so there is a new base getting formed.

Pranav Gala: Okay Sir thank you so much.

Moderator: Thank you. The next question is from the line of Kajal Gandhi from ICICI Direct. Please go ahead. Please go ahead.

Kajal Gandhi: Congratulations on the good numbers. Sir two questions one is you were sharing the acquisition cost, but you did not show the total number so what would be your total acquisition cost for the quarter?

Dinesh Thakkar: Vineet do we give like sales number?

Vineet Agrawal: No we do not share the acquisition cost Kajal.

Kajal Gandhi: Broadly still quarter-on-quarter the numbers and other expenses are similar, so we expect these are similar or we have gone up on that?

Dinesh Thakkar: No cost of acquisition is almost similar as I said that being to digital model we have lots of operating levers that we can use to optimize our cost, but currently forecast is maintaining this COA how we can increase market share so focus on market share rather than optimizing our cost of acquisition. So if there is any left budget in terms of acquisition cost we try to experiment on new ways of acquiring more market share.

Kajal Gandhi: Second thing was on the sub-broker volume you have shared almost 20% is contributed by them the presentation what will be the color like most of them will be the F&O or cash and what will be like revenue contribution on gross basis?

Vineet Agrawal: So on net basis we have shared that the contribution of the net broking income from the clients through the authorized persons is 29% and the behavior is almost similar to what it is for the direct clients so they are contributing approximately in the similar manner in terms of turnover as well.

Kajal Gandhi: How much they have contributed to the incremental client addition?

Vineet Agrawal: So 23% of the clients that we acquired in Q3 were through the sub broker network and about 77% was direct clients.

Kajal Gandhi: I heard Sir saying that if suppose the client is not getting activated we sometimes do offer the vouchers; these vouchers are to give him trade directly or what kind of vouchers will these be?

Dinesh Thakkar: No, this would be all like Amazon vouchers and all that not to trade. It is just to incentivize him to or maybe we will give just three trades free in some segment something like that.

Kajal Gandhi: Sir at 2,20,000 ADTO, will you be the second largest in terms of volume in terms of retail brokers?

Dinesh Thakkar: Exchange does not share this information, so it would be difficult to say.

Kajal Gandhi: Okay thank you very much Sir.

Moderator: Thank you. The next question is from the line of Sanketh Godha from Spark Capital. Please go ahead. Please go ahead.

Sanketh Godha: Just wanted to understand that the way you have given your revenue brokerage, net brokerage revenue breakup into the new plan versus the old plan, can you even share the full data of ADTO business, how much of the ADTO happens in the new plan versus the old plan, so just wanted to understand the revenue realization for the same ADTO in a new plan versus an old plan from company point of view. That was the first question and second question is also with respect to old and new, given the contribution of old has come down to 36 compared to 46 previous quarter, so how do you see this trend trajectory going ahead. The second question is just want to understand that in options market after new margin regulations are retail investors have become more option buyers versus option sellers so that the margins requirement actually does not impact them in a meaningful manner, those were my questions?

Dinesh Thakkar: There are few cuts given in presentation in terms of revenue that we received from old and new client, but if we look at our direct client acquisition that is almost 77% like client that we acquire are direct and 23% is from sub-brokers, so new clients that you are acquiring direct are totally into new plan, so you will see that growth in new plan will be improving every month on every quarter because clients that you are acquiring now are mostly into the new plan, so I do not know what kind of a cut I can give you what you have asked. Vineet do we have any cut which can be shared?

Vineet Agrawal: So we can only tell you that the ADTO split will be similar to what it is in the direct client versus clients through the authorized person network and in terms of the split in the old plan versus new we have also again shared that 46% has come to 36% and 56% has gone to 64%.

Sanketh Godha: No, why I am asking this question is because the cash ADTO declined just 12% but your revenue declined almost 21% on sequential basis from cash broking income so just wondering that is because of largely the mix change between flat plan to and the old plan the mix changing that is some of the major reason for the drop in the cash revenue versus the fall what we have seen in ADTO?

Dinesh Thakkar: The cash revenue has dropped because of this new regulation agreed, but there are lots of customers who have shifted like their intraday kind of a like activity to options. So overall to say that it was just impact because of this regulation would be difficult to say because what shift happen from cash to F&O is nothing but the compensation of trader who was doing intraday trading so he has opted now to trade on options.

Sanketh Godha: Just from the second question can you see a trend that retail customers are becoming more options buyers to overcome the challenge of margin compliance?

Dinesh Thakkar: See I would categorize this into two parts one is retail investor who comes and buy his delivery so definitely over there I do not see they will shift their position from cash to F&O, but there were lots of customers who are doing intraday. Now with like less leverage available they easily opt for options now.

Sanketh Godha: Okay Sir thank you that is it from my side.

Moderator: Thank you. The next question is from the line of Prateek Poddar from Nippon India Mutual Fund. Please go ahead. Please go ahead.

Prateek Poddar: Sir sorry just I did not understand your MTF book is actually related to stock purchases, pledging is more for margins for intraday but MTF book is more for like one plus five or T plus five right that is the way MTF book works where people buy for four five days and then they kind of sell off so I did not understand that?

Dinesh Thakkar: Mr. Poddar what happens like when it is loan against share then customer has to buy and then pledge it to us to avail loan against shares. But our margin trading book works where customer buys and automatically we use to lend him if at all he wants some lending on that, but previously shares were in our pool account. Now it has to be transferred to customer account and then he has to initiate a pledge, so he has to learn all that and there are like new journeys. Whenever there is a new journey there is a drop in revenue always we have seen for any feature on our app. Now this is a major change which regulator has come with, so a person who wants to avail margin trading he has to pledge and unpledge that is very important, so he has to learn all that so that we are able to provide him fund on that position what he has taken. Usually in margin trading what they do they just pay us 25% rest automatically has to be funded it is very different than loan against shares.

Prateek Poddar: Okay Sir I will take this offline also just to understand this better okay sure thank you.

Moderator: Thank you. The next question is from the line of Dipen Sheth from Crystal Investment Advisors. Please go ahead. Please go ahead.

Dipen Sheth: On the pricing bit I saw a reference to something called flat fee plans in the presentation so when you talk about flat fees you are referring to instances like Rs.20 a trade or a monthly fixed flat fee or all trades unlimited volumes?

Dinesh Thakkar: No we are referring to Rs.20 per trade and zero brokerage on delivery yes we are referring to that.

Dipen Sheth: Do you think that we might just like telecom we might get into an unlimited volume situation and just like people do what they want for let us say Rs.1000 a month or Rs.5000 a month or whatever is that something at the back of your mind?

Dinesh Thakkar: No because like we want to serve the retail customers so average ticket size is low we are not serving to heavy algo traders. So this plan of unlimited is successful when we want to saw a big kind of a like active trader in algo and all that, but our market is total retail so their ticket size is low and they do not trade very often to get a benefit of unlimited plans, so we do not have any plans to introduce any unlimited plans.

Dipen Sheth: Second bit on the cash on your books you made a reference to something like Rs.900 or Rs.950 odd crores of cash on the books, so what I am really looking for is what is the unencumbered and absolutely free to use cash which is there on your books because a lot of it will be in the form of current assets, current liabilities given your exchange position at the end of the quarter and so on so if you net off all of that and even if you net off all the FDs and other things that you put up as margins to the exchanges all of that I would count as cash which is not really free or unencumbered if you just look at the unencumbered cash how much do we have at the end of the quarter?

Vineet Agrawal: So the number which I said in the range of about Rs.900 crores is something which is cash which is unencumbered so as we have explained in the past also ours is a asset light business model and we do not really require too much of fixed assets or whatever the creditors and provisions are also not significant other than the client funds that we have which they park with us in anticipation of trades so this Rs.850 odd crores that is sitting in our balance sheet is completely something which we used for our margin trading funding as well as for the margins with the exchanges.

Dipen Sheth: So my sense is that you can pretty much do whatever you want with this cash including spend it on maybe an acquisition or do whatever capital allocation that you want that is how I should interpret.

Dinesh Thakkar: No, please do not take it this way because we are in a market which is volatile so we have to keep enough provision for increased volumes that we can anticipate from whatever is happening or across the globe. If you look at margin trading currently it is around say like Rs.550 - Rs.600 crores and three years back when small and mid caps were doing well we had a margin of around Rs.1400 crores. So with new clients acquired, once this kind of like wave stabilizes in small and mid cap, our book can go as high as Rs.3000 crores also. So all this cash what we are retaining right now minus additional earning that we are doing that we have kind of a like decent dividend policy rest would be deployed and kept only for this business.

Dipen Sheth: Thanks.

Moderator: Thank you. The next question is from the line of Jiten Mehta a Retail Investor. Please go ahead.

Jiten Mehta: I just had a couple of questions related to the branches that we have I think from what I can gather is you are planning to shutdown a few physical branches. But if we have to do that, can you give us numbers for how many branches we plan to shutdown and if we are shutting them then what happens to the customers who are more dependent on those branches how you all integrate them and move them in the online space?

Dinesh Thakkar: See since April 2019 we have become a total digital player. We have shutdown all the offices except there were three or four that too also we shutdown in the last two quarters. So currently we do not have any physical offices, which is serving B2C customers so customers that were there on branches were given an option either they can use our mobile app to trade or they can get associated with some of our business partners. That has been taken care since long back in April 2019 we are almost shutdown all the offices so from April 2019 we are totally digital player, we acquire customer digitally we serve them digitally we do not have branch office to serve our customers.

Jiten Mehta: That is it. Thank you.

Moderator: Thank you. Ladies and gentlemen due to time constraint we will take that as a last question. I would now like to hand the conference over to Mr. Dinesh Thakkar for closing comments.

Dinesh Thakkar: As you are aware that financial investment has become a necessary consumption to achieve financial goals and aspiration. India is highly under penetrated economy with equity products forming under 4% of asset as compared to equity penetration in other developing economies. We believe the current generation which is mobile and technology savvy will lead growth from here on. Our role in this growth opportunity will be in facilitating them to invest in right and most appropriate manner. Correct product suite and the simplified & uncomplicated price places us competitively in the industry. We continue to penetrate deeper into Tier-III and beyond cities where we believe there is an ample opportunities to grow for us as well as for retail participants. So thank you very much for joining on this earning call.

Moderator: Thank you. Ladies and gentlemen, on behalf of Angel Broking Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.