Angel One Limited
Q1 FY '24 Earnings Conference Call

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MANAGEMENT:

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Moderator: Ladies and gentlemen, good day, and welcome to the Angel One Limited Q1 FY '24 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 star then zero 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 expectation of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Hitul Gutka from Angel One Limited. Thank you, and over to you, sir.

Hitul Gutka: Thank you, Ryan. Good morning, and welcome, everyone. Thank you for joining us today to discuss Angel One's Q1 FY '24 financial and business performance. The recording of today's earnings call and transcript will be uploaded on our website under the Investor Relations section. The financial results, investor presentation and the press release are also available on the website. For today's call, Angel One is represented by Dinesh Thakkar, Chairman and Managing Director, Vineet Agrawal, CFO. We also have the other senior leadership team of Angel One on the call, along with SGA, our IR consultant.

The leadership team will give us a brief overview of the operational and the financial performance of the quarter gone by followed by a Q&A session. Please note that there may be certain forward-looking statements during the call, which must be viewed in aggregate with the risks that the company faces. With this brief introduction, I now invite Dinesh Thakkar for his opening remarks.

Dinesh Thakkar: Thank you, Hitul. Good morning, everyone. I'm happy to share that Angel One has continued to deliver strong performance and I will take you through some of the key developments of the quarter and important initiative which are lined up during the financial year. Vineet will walk you through our financial performance thereafter.

During the quarter, we maintained our focus on investing in technology and product to offer our clients a seamless experience on all our digital platforms. We endeavour to develop a user-friendly platform for new to market clients while making it swift for experienced traders. We continue to refine our customer journey on our Super App, shipping out key functionalities and enhancement regularly. This has led to a further improvement in our overall NPS to a historic high. I'm happy to share that Angel One features in the top 15 club of free finance apps across Play Store and App Store, outperforming many of our peers as we compete with banking, payment, lending, wealth apps.

We'll be rolling out several exciting features this year such as the always on order feature, which will enable clients to place orders at any time of the day, including even when they are out of the network, thus improving engagement with our app. We are also developing an advanced conditional order platform on which a statement will be translated to an order via a large language model. We have further enhanced our SmartStore, a market place offering a wide range of exclusive rule-based fintech apps catering to clients' diverse needs. Its integration with our Smart API facilitates trade execution for clients. In addition, the SmartStore provides educational resources, including blogs and webinars that keep clients updated with the latest trend and insights in the investment space. We are in the process of enhancing the SmartStore basket in a manner that is relevant and comprehensive across all the financial needs of our customers.

Angel One is a dominant retail focused fintech platform with a large and growing client base. With our focus on a more comprehensive financial services playbook, we commissioned the direct mutual fund journey on the Super App, which has been a resounding success. This model has witnessed a fourfold growth in registered SIP to over 430,000 in Q1 FY '24 over the sequential quarter. I'm happy to share that Angel One is amongst top 2 players in India in terms of incremental registered SIP in June 2023.

Next, we are building partnerships and journeys to operationalize the distribution of consumer credit products, which is expected to go live over the course of the year. This year, we have planned a formidable brand campaign to enhance awareness of our full stack fintech platform, which aims to address all our customers' financial needs and aspiration.

Our network of Authorized Person, AP, the affiliate business channel, remains one of the important growth engine in the business. We continue to dominate the industry with the largest network of Authorized Person in the country at over 21,000 channel partners. As of June 2023, we further augment and build greater efficiency in the channel, ensuring highest level of compliance and governance. And to facilitate the APs to serve our clients better across multiple asset classes, we have further upgraded the NXT platform, which is an industry-first dedicated digital platform to them. For us to capture the full potential of our distribution capabilities of digital financial products, we believe all affiliate channels, including IFAs, insurance agents, MF distributors are extremely important. This channel represents large untapped potential for us.

With our ability to harness big data at Angel One through our AI/ML capabilities in discerning patterns, trends and the preference of customers and to offer service digitally, our fintech DNA will be able to better empower such affiliates to serve a larger audience than has been hither to been possible. This will further enable them to expand their product basket, thus ensuring customer retention. Besides, this will help us fulfil our aspiration to positively influence the lives of underserviced population of the country, which relies purely on such affiliates for achieving their financial goals.

Our comprehensive digital capabilities, combined with such affiliate channels serving a large customer base, will foster a mutually rewarding partnership. We are in the process of hiring a Chief Business Officer - Affiliate Channel to comprehensively capture this large potential.

Since we now have a large pool of clients and a huge data lake, we are focusing on better utilizing this by further augmenting our data analytic capabilities. Over the past 9 months, we have centralized several heterogenous data sources to produce fact-based data sets on a common data platform. This centralized database collects and integrate various eligible client data, including user persona, engagement, trading behaviour, product touchpoint attributes, clickstream data and transaction data. This comprehensive repository empowers our product, tech and growth functions as they gain holistic insight into clients' behaviour and preference to further personalize engagement, thus improving client satisfaction and retention.

During the quarter, we collaborated with a U.S.-based service provider to conceptualize and implement GPT-driven chatbot for our customer support system. The chatbot is being trained on a large language model with our client specific and other temporal data. This initiative has resulted -- has delivered a 70% success rate as of now. We aim to incorporate real-time insights into a conversational model and go live during the current financial year.

To scale this up more effectively, we have expanded our management bandwidth with on-boarding of Mr. Deepak Chandani as Chief Data Officer. Deepak comes with a strong grounding in business intelligence, data analytics and data science and possesses strong AI/ML-related capabilities, having led these initiatives in his past assignment with companies such as British Petroleum, UBS, Apple and Infosys.

In our pursuit to become India's most trusted and preferred fintech brand, we will continuously explore opportunities that are synergic to this objective. In this context, we are also exploring inorganic acquisition and partnerships, partnership opportunity across the consumer financial products and service landscape, including core tech product distribution platform, wealth-tech, learning and content engagement platform, which would enhance and complement our existing and future offerings.

Last but not the least, it gives me great pleasure to announce that we have been ranked 52nd amongst top 100 best company to work for in India by the Great Place to Work Institute besides topping the fintech category and also being amongst top 25 in BFSI sector. These achievements are possible because of our firm belief in our core values of innovation, speed, thinking big, collaboration, trust and customer centricity. Thus, bringing about a collective sense of purpose and passion amongst all Angelites.

Coming to the operational performance in Q1 FY '24, we continue to demonstrate healthy progress. Our overall NPS continues to grow handsomely. Angel's share of India's incremental demat accounts stood at 21.3% as we concluded the quarter with a total client base of over 15 million. Our orders, a key revenue driver for our business, remained robust at 249 million, with the underlying ADTO growing by 23% quarter-on-quarter to nearly Rs. 23 trillion as we continue to expand our market share in overall retail equity turnover by 175 bps quarter-on-quarter to 24.5%.

I hope this insight has given you a flavour of our tech-driven business and our efforts to have a more integrated financial product play. Vineet will now take you through our financial performance after which we will be happy to answer your questions.

Vineet Agrawal: Thank you, Dinesh bhai, and good morning, everyone. FY '24 has commenced on a positive note for us as we surpassed the 15 million clients marked in June 2023 and achieved our highest ever market share across retail overall equity turnover and NSE active clients.

Whilst the business continues to be on a very strong footing, Q1 FY '24 had its own peculiarities in terms of 3% or 2 lesser number of trading days compared to Q4 FY '23, impact of annual increments and continued investments in tech and product. To this extent, Q1 has to be looked at slightly differently.

In Q1 FY '24, our total gross revenue stood at Rs. 8.1 billion. Gross booking revenue was lower by 4% sequentially to nearly Rs. 5.6 billion, accounting for about 69% of our total gross revenues for Q1 FY '24. Share of F&O segment in gross broking revenue reduced to 84% in Q1 FY '24 from 87% in Q4 of FY '23. Contribution of cash and commodity segments expanded to 10% and 5%, respectively, as compared to Q4 of FY '23.

Approximately 78% of our net broking revenues are contributed by clients from direct channel and 22% by our clients associated with the affiliates channel. It is important to note that as clients mature on the Angel One platform, their contribution to the net broking revenue continues to remain strong. This trend is evident from the rising share of net broking revenue from 2 to 3 years cohorts in Q1 FY '24. This cohort has consistently grown over the quarters and now stands at 22%, up by almost 3x from 8% in Q1 FY '22.

The longevity of these young new-to-market revenue-generating clients on the platform is further being fortified through various initiatives, developments and offerings across the entire spectrum of Angel One Super App platform.

Interest income, which includes interest earned from client funding book and from deposits with exchanges, grew by approximately 6% quarter-on-quarter to Rs. 1.4 billion. This accounted for about 18% of total gross revenues in Q1 of FY '24. Ancillary transaction income linked to the turnover stood at approximately Rs. 0.7 billion, accounting for 8% of Q1 FY '24 total gross revenues.

Employee benefit expenses, which stood at Rs. 1 billion in Q1 FY '24, include the impact of annual increments to employees, non-cash accrual of costs towards annual grants of stock options and proportionate accrual of the budgeted variable pay for the current financial year. Other opex for the quarter stood at nearly Rs. 2 billion, which grew in line with our operations driven by spends on client acquisition, software, connectivity & maintenance expenses, demat charges, CSR and other expenses.

Our consolidated operating margin for the quarter stood at 48.6% versus 51.2% in Q4 of FY '23. It may be recalled that in Q4 FY '23, employee benefit expenses had a one-time positive impact of Rs. 405 million on account of reversal of stock option grants and year-end variable pay provision, leading to a higher-than-usual operating margin percentage. Therefore, on an adjusted basis, there is a 7.4% decline in EBDAT on a sequential basis from Rs. 3.3 billion in Q4 FY '23 to Rs. 3.1 billion in Q1 FY '24.

Similarly, on an adjusted basis, our consolidated profit after tax from continuing operations declined 6.9% quarter-on-quarter from Rs. 2.4 billion in Q4 FY '23 to Rs. 2.2 billion in Q1 FY '24.

The Board has approved distribution of 35% of the quarter's post-tax profits as first interim dividend to the shareholders, aggregating to Rs. 775 million. This translates to Rs. 9.25 per equity share.

Period-end cash and cash equivalents increased to Rs. 66 billion on the back of increase in client margins. Client funding book remained stable at Rs. 11.4 billion as of June 2023 compared to Rs. 11.5 billion as of March 2023. Consolidated net worth of the company grew by 9.6% to Rs. 23.7 billion. As we continue to operate the business within the desired margin profile, our Q1 FY '24 annualized return on average equity remains a healthy 39%.

With this, I conclude the presentation and open the floor for further discussion. Thank you.

Moderator: Thank you. Our first question comes from the line of Swarnabha Mukherjee with B&K Securities. Please go ahead.

Swarnabha Mukherjee: Hi sir, thank you for the opportunity and good morning. So couple of things that I wanted to understand was first on the employee expense side, if you could give us a break up of fixed and variable components and how to think about this for the next three quarters. So, is the variable component provisioned only in this quarter, or will it be spread over the next three quarters as well, which means that we should see a run rate of a similar level along this?

And also, your comments on the add-on interest cost that you have highlighted, Rs. 40 crores to Rs. 50 crores earlier, now that it has gotten shifted by a couple of months. So, is there a kind of change in guidance from your side regarding that? And then I would have a follow-up also on the client acquisition, so after your answers we may can ask that?

Dinesh Thakkar: Sure, sure. Mr. Mukherjee, let Vineet answer your two questions. Vineet, if you can take it over.

Vineet Agrawal: Sure. So, Swarnabha, we do not disclose the breakup of the fixed and variable employee cost. And to answer to your question about how much of the variable cost has been factored in, this is spread over the entire year. So, one-fourth of the budgeted variable pay for the current financial year would be part of the Q1 expenses and then proportionately it will be spread over the other three quarters.

Your question about the update on the additional expenses that we are going to incur because of the circular, well, it is more or less in line with what our guidance was in quarter four and we continue to maintain that guidance. Again, that depends on the movement of the turnover and volumes on the platform. But the variance could be maybe 5% or 7% here and there. That is it, not more than that.

Swarnabha Mukherjee: Okay, understood. So, in the balance sheet on the borrowing front, so that number is over the last two quarters around Rs. 750 crores to Rs. 850 crores, it used to be upwards of Rs. 1200 crores 2-3 quarters back, even before you had that additional working capital requirement for paying out clients on by the first week of every quarter. So can you point to the reason why this borrowing numbers have come down from Rs. 1200 plus to this Rs. 850 crores around?

Vineet Agrawal: Sure. So largely our borrowing is linked to the onward lending that we do towards MTF and T+7. So as this number has come down over the last quarter or so, similarly, the borrowing has come down. And again, whatever cash we generate from the business, quarter-on-quarter that is again fed back into the business to fund the MTF and the T+7.

Swarnabha Mukherjee: Sure, sure. Very helpful. Just quickly on the client acquisition, so I'm just looking at your numbers over the last six months, around 2.5 million customers have been added, but if you look at the active clients' numbers, so it has gone up by 0.2 million. So just wanted to understand whether you are seeing any different trends in terms of activating these clients or what it means for your payback periods at the current standpoint?

Dinesh Thakkar: Yes. Yes, thanks. Devender, if you can just answer this.

Devender Kumar: Hi, Swarnabha. This is Devender. So, if you look at the overall market, Swarnabha, the overall market has also been adding a very large amount of clients, where the total base of clients is almost touched 12 crores now. And if you look at the active base of NSE which is close to 3 crores. So, if you look at from an overall industry point of view, the overall active base which is the active participation of retail has been subdued in the last two quarters. And as a result, the same is reflecting in our case as well, where our active base is kind of, has been stagnant, or let's say, has been stable to an extent. But from an overall point of view, during this period, when we look at our market share in terms of NSE active clients, we have been gaining market share, almost two percentage point is what we have gained in the last two quarters, which is reflective of the robustness of the way we have been doing our digital business.

From an overall per se, I think we are launching multiple services on the mutual fund side, and we have plans to monetize or, let's say, provide various kinds of products and services to our clients, which will further enhance the active base that we are going to look forward at. So that's precisely the reason.

Vineet Agrawal: Swarnabha just to add, what you need to also monitor is the number of orders executed on our platform because that is something which translates into revenue for us. And if you see, as I mentioned in my comment, that our 1-to-2 and 2-to-3-year client base has been giving us higher revenues. So that kind of shows the stickiness on the platform. So that is something that people need to be aware of. As a percentage, it may vary the active client versus the total client base, but it is more important to see the number of orders and the longevity of the revenue generating clients on the platform.

Swarnabha Mukherjee: Yes, Yes. So, like just if I calculate, I mean that number comes around 10%, but I'm pretty sure that you will be actually activating more customers because few older ones might actually be also dropping out. Just wanted to understand that if I were to just look at the incremental customer base but compared to the market, what you are seeing, do you see your rates kind of reactivation rates to be on the higher side, maybe not as much as on the peak of the market but right now on the higher side compared to market or would we be fairly at a similar level?

Devender Kumar: So, from an overall point of view, if I look at from an industry point of view, the overall industry activation rate is close to 25% and we are close to 30%. So, we are doing better than what the industry average looks like, but in the long period of time we are looking at the current market outlook and the current market conditions, this has remained subdued and we feel that it will in line with what market performance and market behavior is looking like in the coming time. But we are doing better than our peers from an industry point of view with our overall rate being 30% in comparison to the industry rate of 25%.

Vineet Agrawal: Just to add to that, Swarnabha this is a very interesting data point because it only shows a client who has traded once in the trailing 12 months, that client might have done number of orders instead of one, but that somehow is not being captured in this data point which is available for the industry and therefore, to that extent you can't really concentrate on this data point.

Moderator: Thank you. Our next question comes from the line of Prayesh Jain with Motilal Oswal. Please go ahead.

Prayesh Jain: Yes, I had a few questions. Firstly, if I look at the industry, the MTF book has been on the rise, but for us it has been kind of a steady trend rather than any impact from the peak we are on the much lower side. So, what is the reason why we have not focused on this business given that the margins have been much, the peak margin norms have kind of made it much better than the earlier scenario. That is first.

Second, I wanted to check, you know, with respect to the threshold level of the broker-wide limits. Where are we and what happens in case we hit those thresholds? In the past, I think there has been some mention about having a different card and getting implementing the same there. But is it really possible to do that execution? That is my second question.

And third one is you mentioned in the opening remarks about focus on the AP network. Does it mean that we are kind of changing our approach and seeing that, on the lower Tier or Tier 3 and Tier 4 towns, you need stronger presence through AP network? How should we read into this?

Dinesh Thakkar: Yes, see on your first question about MTF book, as I always have maintained my stand that we are not into kind of like everything in margin funding, lending and all that. Mostly it is in kind of like bridge funding given to people who are trading in cash and they want some fund for say like their interim need. So, we are not very much focused to increase our margin funding book. Beyond, it is a part of service that we provide in our brokerage book. So, we don't do a ESOP funding and all that. So, we believe that as market like small cap, mid cap, will see a rally, there will be a proportionate growth, but to expect a linear growth in MTF, that is not our focus.

Okay, second on our threshold kind of a limit, I think still we are far away from that, but we have enough kind of a like contingency plan to take care when we hit that.

On your third point on affiliate channel, if you look at India, that population apart from digital, there are lots of population who are dependent on bit assisted model. And when it comes to when we are going to all services beyond broking, look at mutual fund, if you look at insurance and lending products and all that, still it is like an assisted kind of a model.

So, to have a proper focus and have a market share and leadership position in all segments that we'll be offering on our Fintech platform, we thought it is best to have a scale in all offering that we do. Plus, if you look at the platform that we provide to our affiliate channel, it is high on technology. Now, when we talk about data science and all that, today, if you look at affiliate channels, they are unable to guide customers very effectively because of lack of information and data with them. And with kind of like competency that we have to build technology and to build platforms, which with the kind of like AI/ML tools, we believe that we would be able to achieve a better market share across all our product offering, be it on digital platform or B2C, or be it people who want an assisted model in products like mutual fund, insurance and lending products and all that.

That is the reason we want to create a proper focused kind of a division who does not miss out on any kind of like market share across all this kind of like offering. Our focus remains on being a technology player, using this technology data science so that we are able to be effectively grow and expand this market across all categories.

Prayesh Jain: Okay, got that. Just a follow up on the second question. So, what are the contingency plans in case we hit that threshold level?

Dinesh Thakkar: See, like there are lots of things which can be worked out. Today we allow clients to keep do trading on all kinds of instruments and all that. So, when time comes, we will be very specific in terms of how we can save that bandwidth. Apart from that, we have one more membership that with us. So, we can split that business also. So that is not an issue. When time comes, we'll address it appropriately. Right now, I don't think we -- that is like under our consideration to see that, how we are going to take care of threshold.

Prayesh Jain: Dinesh bhai if I get one last follow-up. When you mentioned that MTF book is not a focus area and just more of an offering to the customers, but don't you think, this is a very safe business now and relatively much safer than what it used to be earlier and can be a very good revenue stream and profit stream for you. So why not increase the focus in this product and improve the offerings that we have currently? Or do you see that because on our platform, the cash volumes are much lower and you don't earn a lot of revenues out of the cash delivery segment, you would want to focus continue be on F&O segment and not so much in cash segment. Is that the way to think about it? Because…

Dinesh Thakkar: No. That is wrong way of thinking, Prayesh. I think that our focus on retail lending is there. We would like to be a leader in that. What I was trying to say, when you look at this lending book, it consists of retail lending, plus many other components, HNI and all that, that we are not interested. The focus is not to increase this MTF at any cost. We are a focused player. So, we want to achieve more market share, better market share in retail segment.

In retail segment, if you see, we are growing. So, retail does not work in a linear way because when they find some good opportunity on option side, they get very active on option side. Suddenly, when you see small and mid-cap picking up, they will come to cash segment. So, my point is that, when it comes to retail offering or retail requiring this kind of service, we would be very aggressive, we would like to have a highest market share. But being focused on MTF and trying to go into other segments, where we are not interested to serve other kind like needs of that customer, we would not like to just for the sake of increasing margin funding book, would like to go into that segment. That is what I meant.

Prayesh Jain: Thank you so much for the details. Thank you, sir. All the best.

Moderator: Thank you**.** Our next question comes from the line of Nidhesh Jain with Investec. Please go ahead.

Nidhesh Jain: Thanks for the opportunity. On SIP, so when we are saying that, we have become number 2 player in SIPs, is it on number of SIPs? And does it include all the participants, including banks, nonbanks? And how will be the -- our positioning in terms of value of SIPs?

Dinesh Thakkar: Okay. Saurabh would the right person to answer this. Saurabh if you can?

Saurabh Agarwal: All right. Thanks. The number includes banks, nonbanks, fintech's, everyone. So, we are second overall in the market. In terms of the value of the SIP, this is not an information that we disclosed proactively, but will be in line with most other players in terms of direct mutual fund in the market.

Nidhesh Jain: Sure. Secondly, how are the trends on payback period, which used to be two quarters earlier. How are the trends for this -- in this quarter on the payback side?

Dinesh Thakkar: Vineet, if would like to answer this?

Vineet Agrawal: So, Nidhesh Jain, again, we would want you to concentrate more on the LTV to CAC. Of course, the payback remains more or less in that bandwidth. But it's more important to understand what the LTV to CAC is and that, as we explained in our presentation, it's a very healthy, 8x the CAC. So, that is more important a metric to concentrate on.

Nidhesh Jain: Sure. And lastly, so when you're talking about this affiliate channel strategy, we already have some 21,000 channel partners. And probably as we scale it, this number may become much larger. So, do we have also plans to have insurance broking license? Because without insurance broking license, the value proportion on the insurance side will not be that material.

Dinesh Thakkar: See, currently, like we are in the process of creating this -- strengthening this vertical. So, in terms of granular detail of this kind of business model in affiliate channel, give us some time, we will be more clear and give more disclosure by the next quarter.

Nidhesh Jain: Sure. Thank you, sir. That's it from my side.

Moderator: Thank you. Our next question comes from the line of Sumit Rathi with Centrum PMS. Please go ahead.

Sumit Rathi: Thank you for giving me the opportunity, sir, to ask this question. My questions have partially answered. But I wanted to check that our active client as a percentage of gross client has been in a declining trend and that you rightly said, it's been with competitors also. How do we see this trend getting going forward basis or would it get stabilized at what level, if you can give some colour on that?

Dinesh Thakkar: See Sumit, activity of a customer depends on market conditions. You know that we are into kind of like cyclical market, where we see activation of customers for a year, it appears to be normal. But if we track it month-on-month and all that, it will appear to be going up and down. So, my point is that we are introducing lots of services to make this customer base active.

For us, what is important, that what is the lifetime value we are creating from our customer, are we able to extend that. That is where our focus is. Our focus is not on day-to-day, what customer is doing, but we try to compare ourselves with competition and all that.

But our journey that we are building up fintech is far different than what industry is building. So slowly and progressively you will see, we also wanted activation ratio often customers should increase and that customer should become active on many other products, which will not be captured by NSE's database.

Sumit Rathi: Okay. Makes sense, sir. And lastly, on the ESOP cost, how will the trajectory be going forward if we have to see like next two years, three years down the line?

Dinesh Thakkar: Vineet, if you can answer this.

Vineet Agrawal: So, I can't give you a forward-looking kind of a number. But for this year, the budgeted spend on ESOP is about Rs. 50 crores, Rs. 55 crores.

Sumit Rathi: All right, sir. And any update on our AMC business launch, where we are progressing in that, like that would be my last question?

Dinesh Thakkar: Vineet, if you can answer this.

Vineet Agrawal: Sure. So, we are in the process of creating the entire infrastructure and the organization. We've already incorporated the asset management company and the trustee company. And hopefully, in the next couple of weeks or three weeks, we should be able to file our application for final approval.

Sumit Rathi: Okay. And with the final approval, what time does it take to really launch the products and all that?

Vineet Agrawal: Well, it depends. Normally, our understanding is, it will take about two quarters for SEBI to come back with the final approval. And immediately, we can launch schemes.

Sumit Rathi: All right, sir. Thank you. Thanks a lot, for all the clarification.

Moderator: Thank you. Our next question comes from the line of Gautam C Jain with GCJ Financial Advisors. Please go ahead.

Gautam Jain: Good morning. Congratulations for good set of numbers and thanks for giving opportunity. My first question is, how much is the gap between us and other top two player in terms of rank based on NSE active client?

Dinesh Thakkar: See, that data is available on the website. Somebody can answer, Bhavin or Ketan.

Devender Kumar: Yes. The top two players, I...

Dinesh Thakkar: No, what is the rank, he is asking. Rank, I think right now, we are in the top, active clients, we are third, right?

Devender Kumar: Yes. We are rank number three.

Dinesh Thakkar: That is his question.

Gautam Jain: Gap between our market share and top two market share?

Dinesh Thakkar: Gap between market share you are saying?

Gautam Jain: Yes**.**

Dinesh Thakkar: Yes. We can just share the number, yes.

Devender Kumar: So today -- so our market share is 14.3% in the June month. They're just checking the top player, that is close to 20% market share. So, the gap is...

Dinesh Thakkar: Gautam**.** Let me clarify. This gap does not show you anything in terms of revenue and all that. So, this would be a wrong parameter for you to track. But we are giving you data. But if you look at the revenues and all that, that will be far more better kind of reflection of health of business and where particular player stands.

Gautam Jain: Okay. Yes, I got it. And my second question is your gross booking income to your order. If I calculate, it's Rs. 22.4 per order. And that has -- we have seen the bottom in Q4, which was Rs. 22.1 and it has gone up now Rs. 22.4. So, it's like, yield has improved or because of mix change between discounted scheme and traditional plan for direct to channel revenue because of the fee broking income from the number of orders gone up sequential?

Dinesh Thakkar: I'm not sure whether we are tracking it. Devender, you have any like clarity on this?

Devender Kumar: So, we track it. It's in stable nature, but we don't really disclose how it is trending to the market.

Gautam Jain: Okay, fine. And last is, can we get the breakup of interest income between interest received from the client and interest on our investment book?

Dinesh Thakkar: Vineet, do we disclose that?

Vineet Agrawal: No, we don't disclose, but I can give you a directional view. So, as we mentioned in our annual report as well, about 75-80% of the interest that, we generate on the fixed deposits comes from the client margins and the balance is on our own proprietary funds. So that's how the trend is. But the number that we've disclosed in the quarterly financials is the consolidated number of the interest earned from MTF as well as interest earned on fixed deposits.

Gautam Jain: Okay. And what will our cost of borrowing?

Vineet Agrawal: The cost of borrowing is remaining in that same ballpark of about 8% and 8.5%.

Gautam Jain: Okay. Great. And lastly, the other cost has gone up sequential, despite the number of orders have declined. So, was any one-off in that? Or have you increased some variable cost to acquire the client or some fixed has gone up. How to read that?

Vineet Agrawal: No, it's in line with the growth of the business. So that's what I mentioned in the comment as well that the other expenses are growing in line in terms of the number of clients that we are acquiring and the growth in the volume of the business.

Gautam Jain: Okay. Great. And are you seeing any improvement in number of orders since market has started doing good even after June, daily number of orders?

Vineet Agrawal: You will see the number being published at the end of or the early part of August for the July month. We will not be able to disclose any number right now.

Gautam Jain: Okay. Great. Thanks you so much. I'm done.

Moderator: Thank you. Our next question comes from the line of Pallavi Deshpande with Sameeksha Capital. Please go ahead.

Pallavi Deshpande: Yes, sir. Thank you for taking my question. Just wanted to understand on the SIP book, how much would be from a regular plan versus the direct plan? And second would be on this -- on the credit business that you're looking. Have we hired the Chief Credit Officer and the tie-up with the NBFC? Thank you.

Dinesh Thakkar: Thank you. Pallavi. Saurabh, if you can just answer this.

Saurabh Agarwal: So, in terms of the breakup between the direct book and the regular book, that is not something that we are disclosing for now. And the second question around credit, right, since we are largely into the distribution of credit products and not being a lender ourselves, we don't need to hire a Chief Credit Officer. Having said that, the team in terms of building the lending business is getting hired, and we are hiring top quality talent there to take the lending business forward.

Pallavi Deshpande: And what would be the size of the team you were looking at?

Saurabh Agarwal: That is not something we tend to disclose.

Pallavi Deshpande: Okay. Thank you, sir.

Vineet Agrawal: It will be commensurate to be the kind of business that we develop. So, it's not something that will be static.

Pallavi Deshpande: Right. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Sanketh Godha with Avendus Spark. Please go ahead.

Sanketh Godha: Thank you for the opportunity. Sir, what I understand from the mutual fund strategy is that you typically sell largely direct plan on the app on, the Super App. But the incremental strategy, what you have been seeing on affiliate people selling the third-party products, which is mutual fund, the insurance and everything. Sir, just wanted to understand, the 21,000 people who, in your view, how many are already into this product distribution? And incrementally, why they need to switch to Angel to distribute on your behalf?

And also wanted to understand, when you are going offline, which means that, we give the tech solution to them, whether you will be focusing unlike app, Super App story, more selling regular plan there so that you third party fee income will grow. So just wanted to understand the broader strategy there, how you're looking at it. And how much it can potentially contribute since you are already looking to hire a Chief Business Officer to cater to this particular segment? How much revenue you are targeting to generate from this particular piece?

Dinesh Thakkar: Coming to your second question that is very important so when we talk about affiliate channel currently 21,000 are authorized persons primarily focused on stock market activity, plus they are selling over third-party products. But we feel that if you want to be successful in all the products because when we are introducing everything on fintech platform, so it makes sense for us to have a scale of that business. Look at all third-party products apart from this stock -- including stockbroking, sorry. There is an audience who would like to have some assistance when they are going for that service or buying product like, insurance, lending product and all that. And given the fact that we have a best technology platform, already for stockbroking, we extend a platform called NXT and because of that they are able to be more effective in terms of serving their client need. So, we want to enhance that kind of like capabilities of our authorized people, plus attract the people who are into distribution of mutual fund, IFAs and all that. So that they are also able to take benefit of advanced technology platform that we have and plus as I said that we are getting deep into data science and all that. So, all said and done we want to see that affiliate channel, everywhere on all the channels, whatever they are selling they have a right kind of information for products they are selling. So that we are able to include more people in this financial service.

So digital is one way, we have proved that we are able to acquire customer serve their need, but when we look at mutual fund industry, when you look at insurance, when you look at lending, still we feel that there is enough business in those affiliate channels but what is the gap between currently what is happening is a good technology bridge, a good technology platform, which can help them to be more effective in terms of servicing their customers. So, our approach of super app giving all kinds of services on platform remains same. But we feel this is a natural extension to digital capabilities that we have created and that will help us to get more market share.

So, we are not as in broking also we are not focused that affiliate channels should sell only like, traditional products and all that. We are going to extend all digital, all latest services to them also they can sell traditional, they can sell whatever we think is right for in customer, it is up to them. But what we are going to give them, a scale better price and better data management and information management of end-customer.

Sanketh, I just missed your first question, direct plan, what is?

Sanketh Godha: Because super app, we preferably sell direct mutual fund plans so that your customer remains more engaged with the apps and probably ends up trading more. That's broadly the strategy which I understand. Then if it is the offline mode which is AP model then the mutual funds what you will distribute there would be typically the regular ones where you will earn commission that is the whole idea is what I wanted to understand, or it will be similar to…

Dinesh Thakkar: See, what happens Sanketh, when somebody is providing some additional service, he or she is entitled to charge some fee. And it makes sense for a customer also who is not total digital or who want some assistance in terms of their services, so it makes sense for them to pay some small premium. So that their asset management and everything is managed properly.

Sanketh Godha: Got it. But sir, just wanted to understand but given our distribution income quarterly run rate is say, Rs. 8 crores today, so which is coming from third-party products. So given this strategy, any number you have in mind? This quarterly run rate maybe in two years or three years can become 3x or 4x compared to what you generate on per quarter basis?

Dinesh Thakkar: Yes. See, Sanketh, our aspirations are very high in terms of gaining market share and gaining revenue also from that. But if you see, third-party product which is sold in affiliate channel, it has a revenue attached to that. So difficult to put a number right now but as you know that whichever division or vertical will go into, we'd like to be a leader in that. So fairly, you can say that what is the market share of a leader in that segment, would like to be closer to that.

Sanketh Godha: Okay sir, great. And last Vineet, one small question. This 90 -- our finance cost or interest cost is Rs. 18.3 crores and we have guided that the number would be Rs. 40 crores because of the change in rules with respect to upstreaming of client money. So just wanted to understand out of the Rs. 40 crores for nine months FY ’23, how much is already sitting in first quarter FY ‘24?

Vineet Agrawal: So Sanketh, this Rs. 18 crores does not include this Rs. 40 crores. So Rs. 40 crores, we'd calculated effective 1st of July. If you read it carefully, we'd said that the upstreaming circular is going to be implemented from 1st of July and that's how we'd calculated it for a pro-rated period of nine months in the current financial year to Rs. 40 crores and the annualized cost, we had estimated to be about Rs. 50 crores, Rs. 52 crores. We more or less stand by that again there could be some changes due to the change in volume and growth in the business. But as I mentioned earlier, it's not going to be a very significant number.

Sanketh Godha: So basically, if I go by that Rs. 18 crores, which you reported in first quarter FY ’24, probably will become maybe Rs. 30-odd crores or Rs. 32-odd crores in next year as these rules get implemented, right?

Vineet Agrawal: Again, it's very difficult to estimate because the cost of -- finance cost is also linked to what my client funding book is going to be and what the benefits of the efficiency in the clearing corporations are going to come back to us. So, it's difficult to estimate that number.

Sanketh Godha: Okay Vineet, thanks for that. That's it from my side.

Moderator: Thank you. Our next question comes from the line of Nidhesh Jain with Investec. Please go ahead.

Nidhesh Jain: Thanks for the opportunity again. So, on the -- again on the question of the SIPs, so can you share some data around how much SIPs are taken from active customers and how from non-active customers? I'm trying to understand that because of SIPs, because of these new product additions, are we able to get incremental engagement from non-active customers or largely the active customers are coming for the SIPs and other products?

Dinesh Thakkar: Nidhesh Jain, we don't have a breakup of that, but I can tell you this all this whatever is mutual fund we are selling, we are selling to only our existing customer base and Saurabh would be able to add more light to this.

Nidhesh Jain: So, the idea is to understand basically, the existing customer base is divided into two parts active and inactive. Active customers are giving us revenue, non-active are not giving us revenue. So, if we are able to engage more with non-actives in future there is a possibility of to monetize them. From that point of view, I was trying to understand.

Dinesh Thakkar: Yes, Saurabh is going to take.

Saurabh Agarwal: Yes. I'll just give you directional flavour, right. Active versus inactive what is the share in terms of SIP that we can't disclose but what we have already started to see, is because of the customers who are buying mutual funds from us and having a portfolio with us, their engagement and their retention on the platform has started to already show green shoots. And that will materialize into decent broking numbers going forward. We are still quite early into the mutual fund journey, so it is difficult to really quantify those numbers but in terms of engagement and retention, we are already seeing good traction.

Nidhesh Jain: Sure. So that is from the active customers but any colour on the inactive customers? Are we able to sell mutual funds to the inactive customers who are not trading, they have our app but not trading but maybe interested in mutual funds.

Saurabh Agarwal: Yes. I mean so, in terms of the mix of the customers of active versus inactive as I just told a few moments back, we can't give the exact split, but we are seeing good chunk of inactive customers also starting to buy SIPs and do lump sums with us.

Nidhesh Jain: Sure, okay. Thank you, sir, thank you. That's it from my side.

Moderator: Thank you. Our next question comes from the line of Prayesh Jain with Motilal Oswal. Please go ahead.

Prayesh Jain: Yes, hi. Just a couple of questions again. Firstly, on the finance -- consumer finance business, I missed that part when you were mentioning about what kind of strategy you would be implementing there. Just throw some -- if you could throw some light again on what is the strategy about distribution of finance products? That is one. And I'll ask the second question after that.

Dinesh Thakkar: Saurabh, if you can just take this?

Saurabh Agarwal: Hi Prayesh. So, in terms of the strategy around consumer credit right, we'll be starting with launching personal loans. The opportunity is quite large there and we're looking to tap into that business. In terms of the model, we'll be undertaking distribution without taking any risk on our books which can actually help us scale big. And however, in the medium term, we don't intend to just be a vanilla distributor. We are building intelligence around AI/ML based models to assist our lending partners in all aspects of the lending journey, using internal and external customer data. And this can potentially enable us to get higher distribution margins going forward.

What looks good for us, primarily, with the initial analysis that we have done and the engagements that we are in the process of with our lenders, is one the overall base quality in terms of the credit profile of the customer looks quite good.

Secondly, the engagement of the on the platform with our customers is already high and mutual fund scaling in a very short time frame without any external marketing is a testimony to that, which can enable us higher offtake even for credit from the platform.

And third is, we have proprietary data around clients and high-quality data intelligence which will enable us to get higher approval rates and higher commissions from our lenders. So, this is largely, our consumer credit strategy. Personal loans being the product to go live within a few months. We'll also look at credit cards in some time but still early to comment on that.

Prayesh Jain: Okay. And have you tied-up with any NBFCs or banks currently?

Saurabh Agarwal: Yes, we are in the process. I mean, discussions are happening with the top banks and NBFCs in the country. And you could hear something good from us in the coming quarters.

Prayesh Jain: Okay, got that. And just on this finance book again, so does Angel also charge to customers who give -- bring in 100% collateral and the 50% is funded by Angel? Interest gets charged to those customers?

Vineet Agrawal: No. We do not charge anything for that. So, any customer who brings in incremental non-cash collateral, over and above 50%, we allow them to bring that collateral but we do not charge anything for that.

Prayesh Jain: Okay, got that. And just lastly on this strategy on the associated person. So, your associated person network is a franchisee network, right? Is that the right way to understand, or there could be just individuals also having working from their own home?

Dinesh Thakkar: You are talking in terms of affiliate channel that we are talking about?

Prayesh Jain: Yes. Associated person's network. So, could you just give some more clarity as to even these are having a brick-and-mortar presence in their areas or working from home?

Dinesh Thakkar: Ketan, if you can address this?

Ketan Shah: Yes. So, it's a mix of this authorized person. They are individual, they are corporates, so all mixed people are there.

Prayesh Jain: Okay. And you mentioned that you will be also looking at hiring IFAs and these individuals, who can bring us volumes on distribution, right? Is that what I got it correctly?

Dinesh Thakkar: Yes, yes, correct.

Prayesh Jain: Got it. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Sumit Rathi with Centrum PMS. Please go ahead.

Sumit Rathi: Yes. So, on the lending business segment only, sir, though, you given a lot of clarity already. Just wanted to check that the risk is not on our balance sheet but are we going to also get engaged ourselves into collection process over there, or that collection would also be the responsibility of your NBFC partner?

Dinesh Thakkar: Saurabh

Saurabh Agarwal: So in terms of collection just nudging the customers to remind them that their EMIs are due etcetera, which is what we call soft collections is something that we can help our lenders with but hard collections, where -- which is what we call collections in the industry is something that the lenders only will undertake.

Sumit Rathi: All right, sir. Thank you for the clarification.

Moderator: Thank you. Our next question comes from the line of Sumit Jankar with SaiGanga Niwas. Please go ahead.

Sumit Jankar: Thank you for providing the opportunity. I had a question regarding the active clients. What is the share of active clients, who are trading into derivatives? And how much share contribution of derivative clients has increased in active clients? And my next question is that a derivative clients tends to make loss, so the tendency or the lifespan of a derivative clients is lower as compared to cash. So, is there any way that you're looking to -- for retention of this type of clients?

Dinesh Thakkar: Okay. Sumit, first of all, we don't give breakup of active clients in derivatives and all that. So, and second question, when you look at a customer's journey, always it starts, whenever it starts from equity, especially traders, most probably they are going to make losses at all. You have seen people around you who have started their equity journey and if they are bit kind of risk taker, they'll get into a product which may result in losses but that does not mean they stop being into the market.

So, when we talk about lifetime value, what happens that customer comes is looking for some extra income initially, one or two years. So, he's trading or she's trading but after third year, they tend to look into wealth creation opportunities. They don't shy away from totally from equity market, but they change their approach, they change their strategy, they change their investment in this market.

So, when we calculate lifetime value, it includes all these phases. When we are saying, now you are looking beyond just the people who are active as a trader or into just equity, where we would like to expand this lifetime value by giving offering them or so that they can continue with mutual fund, some insurance product or some lending product and all that.

So overall, we should not put any colour to traders that they come to the market they make losses and they forever go away from the market. There is no other asset class where they can invest where they can get a good wealth creation opportunity. So, we have seen across like, whatever my experience is in this industry for 30 years, initially, everybody trade, they make some losses and people who understand virtue of equity they remain in equity market for almost ever.

Sumit Jankar: Okay. Thank you, sir. Thank you for answering in depth. And all the best.

Dinesh Thakkar: Thank you.

Moderator: Thank you. Our next question comes from the line of Sahil Shah with Bridge Capital. Please go ahead.

Sahil Shah: Yes, hi. So, sir, I have three questions. First is on the account of the aggregator and sahmati tie-up, will it be a playing a level field for -- a level playing field for everyone right now?

Dinesh Thakkar: You want to ask all three questions or you want one-by-one?

Sahil Shah: Yes, I'll ask all three. So yes. Second would be on the mortality. So just wanted to ask on active versus inactive, and how do we currently make our inactive clients active? And the last question is on the cohort analysis. So, we have highlighted for FY '22, this analysis, how do we see this trend in the past four, five quarters, how was it?

Dinesh Thakkar: Okay. On account aggregator, Ankit, if you can just answer that?

Ankit Rastogi: Hi Sahil. Ankit, here. So, we have gone live with account aggregator. An account aggregator as a service from sahmati is available for all the fintech players. We are one of the consumers and we see the beauty of account aggregation is that as more-and-more aggregators and including suppliers and the requesters come to the platform, it will be the exponential growth for all. So more-and-more accounts get linked irrespective of who does that it will be beneficial for all. So right now, our on-boarding has been powered by that and we'll also look into further use cases of that.

Dinesh Thakkar: Sahil, can you repeat your question on mortality?

Sahil Shah: Yes. So basically, it was on active versus inactive. And how do we make our inactive clients active again, so it will be the process behind it?

Dinesh Thakkar: Yes. Processes to introduce more services like, we are working out with coming out with lots of kind of like, new services. Devender, if you would like to continue from here?

Devender Kumar: Hi Sahil, so from the point of making inactive client active, inactive mortality, inactive client active, there are two points here. From overall point of view, there are multiple services that we have. We have launched MF and we have multiple insurance as well. So we look at overall spectrum like IPO, ETF all services comes into picture where we look at exposing our clients and making them learn about these new services to get them into it. From the point of view of getting the clients active again in the broking segment, different clients have different activation rate. Let's say, some clients will know let's say, like, a delivery clients will activate maybe once in six months and once in two years maybe and some clients are active on a daily basis. So, we have a very clear program for each cohort of client, where we're looking at a delivery client who has done delivery investments let's say, one year back and now what are they looking at and how are they going to look at rebalancing. Similarly, trader who are trading for a monthly cycle, for a weekly cycle, so we actually cohortize them in every aspect. And the way we actually make them active is basically offering them a lot of education in terms of what are the tools that the different clients are using within the app, which is what is making them progress into a better mature state of usage of a service as well. And obviously, we do a lot of discounting offers in terms of our pricing to an extent to, for clients who are inactive for a very large period of time. So as to see, how we can initiate them back into the system as well. So, we will look at these two pronged strategies, plus multi-product strategies to really work on the overall base of our clients.

Sahil Shah: Okay. Thank you. And lastly, I just wanted to I ask some of the trend over the past four, five quarters on the cohort analysis?

Dinesh Thakkar: Devender, if you can just take this?

Vineet Agarwal: No. So, we will not be sharing this data on a quarterly basis because this data gets curated, we test the data and then we publish it. So, you will have to wait for some time for us to refresh this data.

Sahil Shah: No problem. Thank you so much and all the best.

Dinesh Thakkar: Thank you.

Moderator: Thank you. Our next question comes from the line of Hardik Jain with White Stone Financial Advisors. Please go ahead.

Hardik Jain: Yes. Good afternoon, sir. Thank you for the opportunity. So, my question is on the distribution platform for the lending business that we are trying to build. So, from what I understand, you will help your NBFC and bank clients to source borrowers or clients based on from our app. And also, you'll use machine learning and other technologies to assess the credit quality of the borrower. So, you will do this business only through your platform or you can also give this API of this of your software to the lending partner where your credit assessment engine can run behind the front end of your credit partner?

Dinesh Thakkar: See currently objective is to use our platform so that we are able to give more services to our customer. Saurabh, would be the right person to take it from here.

Saurabh Agarwal: Yes, so I mean, the thing that you are trying to mention is us being a TSP, right? Just a Technology Service Provider. So fundamentally, TSP as a business is starting to become a low margin business because there are too many players offering the same services to NBFC in terms of just the platform play. And there is much more money to be made by being a distributor and by being an intelligent distributor. So, we don't intend to just hive out our technology platform to other lenders to underwrite their customers and without us being a distributor there.

Moderator: Thank you. Our next question comes from the line of Pratik Shah, an investor, please go ahead.

Pratik Shah: Thanks for taking my question and congratulations, Angel team, for putting a great set of numbers and increased market share. I have a couple of questions. The first one is, as we know that the company is in a process of hiring a new CEO, just wanted to check the status of that and by when we can expect this announcement? And second one is how Angel One is incorporating machine learning and artificial intelligence in this broking service or any advisory service?

Dinesh Thakkar: Yes, so process of like looking out for a right candidate is on. It would be very difficult to put a timeline because we are looking at someone very senior and seasoned, but all said and done, there are hiring agencies who are looking out for candidates. Second on use of AI/ML on broking or any other services. Jyoti, would you like to take this question?

Jyotiswarup Raiturkar: Sure, DT. Hi, so…

Dinesh Thakkar: And then Deepak can add, because Deepak is just joined, so maybe you can just give a perspective on our business and Deepak can talk about new technologies and everything, what you would be using.

Jyotiswarup Raiturkar: Sure. So, we use AI/ML across the customer journeys on our platform for example just in this now release we have talked about customer support so we have leveraged a LLM model with contextual data specific to us to help answer customer queries and it has got a 70% success rate. Besides this, we also leverage it from our acquisition during KYC for various things like signature recognition etcetera.

And even for our activations right for churn management of clients, we figure out what is the right campaign or right campaign needed for a particular person to get activated on the platform.

Dinesh Thakkar: Deepak, if you'd like to add on this, your vision strategy have seen the world.

Deepak Chandani: Yes, thank you very much. I'm very excited to be here today. I think as Jyoti mentioned, a lot of things are going on. Here, I see a lot of technology play while we can use artificial intelligence, machine learning, data science, to kind of enhance customer engagement, experience and further revenue increase for us.

So, I'm looking into all the initiatives which are running right now and have a lot of ideas from the past. We have done journeys at Apple in which we have a lot of customer base, and we use that halo effect in which a customer comes in and then we push them onto various journeys. That's what we are planning to do in Angel One.

So I'm in process of building a strategy roadmap and using technology, I am hoping we will be able to enhance customer engagement, experience and revenues for us. So please hold on for more coming quarters and we will come up with exciting ways on how our customers get benefit. Thank you.

Pratik Shah: Yes, thanks, sir. And one more question, sir. Like we have, all we know that BSE has also introduced this derivative segment with launching of Sensex and Bankex, but we are still not supporting that. So, any plans to introduce that with our super app?

Dinesh Thakkar: Yes, Bhavin can take this question and Ankit can add on product side.

Bhavin Parekh: Sure. Yes, BSE has actually started the Sensex weekly options and the Bankex as well. We have evaluated that and we have started working on this. In the start of quarter three, we should be live a little before that, but there is an integration which has already started in the towards that as well. Ankit.

Ankit Rastogi: Yes, Yes, nothing to add there.

Moderator: Thank you. Thank you. Our next question comes from the line of Prathamesh with Proinvest Nirmiti. Please go ahead.

Prathamesh: So, I wanted to understand what impact will be there on our order volumes with the recent changes in the weekly expiry that have been done by NSE and BSE?

Dinesh Thakkar: See, when weekly expiries increase, definitely there is some kind of an uptick on customers engagement and all that. Devender, you would like to answer this question?

Devender Kumar: So generally, when the weekly expiry is coming up, we have seen improvements in line with market. And I think what we are seeing is much more distributed behavior, rather than concentrated behavior, is what we are able to see. And which is overall increasing the engagement of people as multiple instruments are getting distributed across the week.

So, it is overall increasing the engagement of people in a much more focused way, which was concentrated earlier in nature and which is helping the overall business. We can't quantify how much impact it will bring, but it is a benefit for the overall business that we are able to see.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Dinesh Thakkar for closing comments.

Dinesh Thakkar: Thank you for joining us on the call today. I hope we have been able to answer all your queries. Should you require any assistance, please feel free to get in touch with Hitul Gutka, Head IR, or SGA, our investor relationship advisor. Good day.

Moderator: Thank you. On behalf of Angel One Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.