To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Symbol: ANGELONE

Scrip Code: 543235

Dear Sirs,

Subject: 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 April 04, 2022, intimating of the earnings call with analysts and investors to be hosted by the Company on April 21, 2022, please find enclosed herewith the transcript of the said earnings call for your reference and records.

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

You are requested to take note of the same

Kindly take the same on record.

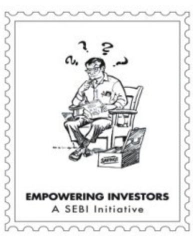
Thanking you,
For **Angel One Limited**
(Formerly Known as Angel Broking Limited)

PATEL NAHEED REHAN

Digitally signed by PATEL NAHEED REHAN
DN: c=IN, o=Personal, postalCode=400059, st=Maharashtra, serialNumber=333b54bd95a7b4b72066364d67a6162749f8eacabfc4132538e641ebee970e18, cn=PATEL NAHEED REHAN
Date: 2022.04.25 19:53:14 +05'30'

Naheed Patel
Company Secretary and Compliance Officer
Membership no. A22506

Date: April 25, 2022
Place: Mumbai



Angel One Limited
Q4 FY22 Earnings Conference Call

April 21, 2022

MANAGEMENT:

Dinesh Thakkar *Chairman & Managing Director*	**Narayan Gangadhar** *Chief Executive Officer*	**Vineet Agrawal** *Chief Financial Officer*
Jyotiswarup Raiturkar *Chief Technology Officer*	**Ankit Rastogi** *Chief Product Officer*	**Prabhakar Tiwari** *Chief Growth Officer*
Ketan Shah *Chief Strategy Officer*	**Dr. Pravin Bathe** *Chief Legal & Compliance Officer*	**Subhash Menon** *Chief Human Resources Officer*
Bhavin Parekh *Head of Operations, Risk & Surveillance*	**Devender Kumar** *Head of Online Revenues*	**Hitul Gutka** *Head of Investor Relations*

Moderator: Ladies and gentleman, good day, and welcome to the Q4 FY2022 Earnings Conference Call of Angel One Limited. 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. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Hitul Gutka. Thank you and over to you, sir.

Hitul Gutka: Good morning, everyone. On behalf of Angel One Limited, I would like to welcome all of you to our Q4 FY2022 earnings call. I am Hitul Gutka Head of Investor Relations at Angel One. Today we have on the call, Mr. Dinesh Thakkar, Chairman Managing Director; Narayan Gangadhar, Chief Executive Officer; Vineet Agrawal, Chief Financial Officer; Jyotiswarup Raiturkar, Chief Technology Officer; Ankit Rastogi, Chief Product Officer; Prabhakar Tiwari, Chief Growth Officer; Ketan Shah, Chief Strategy Officer, Dr. Pravin Bathe, Chief Legal and Compliance Officer; Subhash Menon, Chief Human Resources Officer; Bhavin Parekh, Head of Operations, Risk and Surveillance; Devender Kumar, Head of Online Revenue, SGA our IR Consultants.

We have published a detailed investor presentation and issued a press release to the stock exchanges, highlighting our performance for quarter four and for the full year 2022, I hope you had a chance to look at it.

With this brief introduction I now invite Dinesh Thakkar to give an opening remarks. Over to you, sir.

Dinesh Thakkar: Thank you, Hitul. Good morning, everyone. The recently concluded financial year 2022 have been a landmark year for the broking industry. As of March this year, the country had nearly 90 million demat accounts, representing about 18% of CAGR over the past 20 years despite multiple headwinds on the way. Most of this growth has come over the past five years, during which industry has grown at approximately 30% of CAGR. This has been a result of massive changes in ecosystem, along with significant reforms within the industry, both from regulators, as well as the participants.

Leading the macro transformation within the ecosystem have been a completely overhauled internet infrastructure, access to affordable smart and feature phones, lower data charges, rising financial literacy, expanding income levels, the digitization of various services, and the burgeoning desire from the younger generation to own equities as an asset class.

The emergence of FinTech players, and the dynamic changes they brought to the economy were largely responsible for the rapid transformation of financial landscapes. These players leverage their digital prowess and capacity to innovate, for innovation to build app that would expand their reach and enable them to seamlessly offer a wide variety of financial products to significantly large and different market. Coupled with this, a plethora of recent regulation and the development of large digital repositories ensured the safekeeping of personal data and motivated investors to upskill their awareness of financial products and actively pursue investments in Indian markets.

The meteoric growth of broking industry in FY2022 set a new records in terms of investors participation. For example, India added nearly 35 million new demat account, representing year-on-year growth of around 63%. On an incremental basis, India opened 2.4 times more demat accounts in FY2022, than FY2021. This led to a steady improvement in equity penetration, which today stands at about 6.4% compared to over 4% last year. However, even at this level, we are far behind our global peers.

Furthermore, FY2022 have been the best year in terms of average daily turnover for entire industry. ADTO on NSE grew 2.6 times in FY2022 to INR 69 trillion from INR 27 trillion last year. This growth have been fueled by increasing retail participation. The share of the retail investor in cash segment of the NSE stood at 41% in FY2022 compared to 33% in FY2016. Direct investments for retail investors in cash segment of NSE in FY2022 have been stronger with net inflows in 10 out of 11 months amounting to approximately INR 2 trillion. This is nearly 2.5x of the inflows during the same period last year.

All this reflects the changing behavior of retail investor in India. Today, they have a better understanding of significance of financial fitness. Unlike their older cohorts, the new age individual value the potential of the handsome returns from equity in spite of unpredictability of current global economy. With significantly reduced return on low-risk asset, equity are strongly emerging as a natural choice of sustainable investments.

The United Kingdom had a similar experience between 1982 and 1992, when inflation and interest rate fell by 40% to 50%. During this period, the percentage of households investing in stocks and shares increased three-fold to 25%. This phenomenon is being replicated in India and over the next decade, I expect we will achieve 25% to 30% penetration. With all industry statistics progressively leaning towards new age digital businesses, a significant segment of the businesses, including incremental clients and volumes is turning to those innovation driven intermediaries.

The cornerstone of growth in the investment domain is pioneering technology, accompanied by reliable and relatable content that can be seamlessly integrated by new users who account for a large slice of market pie, both in terms of demat account and active clients. We are already witnessing this trend as the top five digital brokers today account for approximately 58% of the total active client on the NSE compared to approximately 12% in FY2018. These digital businesses accounted for about 70% of the market share of incremental active client on NSE in FY2022, compared to 24% in FY2018.

Angel has been able to garner a fair share of this tech led growth to its digital business in the past few years. Our endeavor to offer our clients the best investing experience is reaping rich dividend as evidenced by our continuously improving operational performance over the past few quarters.

I'm happy to share with you that Angel One commands 10 plus market share of India's total, as well as active demat accounts. Our emphasis on deploying advanced analytical capabilities based on data science, artificial intelligence, and machine learning across our acquisition and engagement engines is helping us to continuously improve our market share. This focused approach has helped us sustain superior operating and financial metrics. We are clearly experiencing and expecting sustained operating leverage benefit of our digital models with a stable payback metrics.

Going forward as we commence the journey of rolling out our super app in phases, starting this quarter, we are creating intuitive grids to offer more products and significantly improve the dimension of time and monetary value of our clients. I am happy to share with you that the Board has in aggregate approved the distribution of over 37% of quarter's consolidated post tax profit as a combination of interim and final dividend to shareholders. The fourth interim dividend announced early April was distributed earlier this week. Whilst record date for the final dividend has already been communicated to shareholders via our stock exchange notification.

I now request Narayan to brief you on operational aspects of the business.

Narayan Gangadhar: Thank you, Dinesh. Thank you all for joining us today. I will now walk you through the operational performance and recent developments.

Our industry continues to report healthy growth, despite some macro deterrents due to ongoing political tensions, inflationary pressures, etc. This character only goes to demonstrate the resilience of our industry. I'm delighted to mention that we have reported our best ever performance during the quarter.

We have reported our highest gross client acquisition of nearly 1.5 million, total client base of over 9.2 million, 10.3% market share in demat accounts, the NSE active client base of nearly 3.7 million, 10.1% share -- market share in NSE active clients, average daily turnover of 8.6 trillion, and nearly 211 million orders.

In entire FY2022, we added 5.3 million clients, which is 2.2 times more than FY2021 and 1.3 times more than what Angel added over the last 24 years.

As we keep adding more clients from all geographies our presence remains strong, covering 98% pin codes. And more importantly, with client concentration of less than 0.5% in any given pin code.

We strongly believe there are tremendous opportunities in each of these pockets, and we will play significant role in nurturing them. Our client-centric approach continues to dominate our product offerings that provide superior journey, thus improving the overall experience. A reflection of this is also visible from the fact that our lifetime app downloads were higher by 19% sequentially to nearly 22 million and our ranking in incremental active clients on NSE during the last couple of months improved to second, outsmarting some aggressive all around competition.

On the tech front, we continue with our ruggedization efforts, applying surgical fixes, setting up monitoring, alerting for key engineering services. This gives us ability to monitor behavior and respond to incidents before the incidents impact our clients. We have improved our overall SLA to 99.8% and with further improvements through the year, we will be hitting four nines, 99.99% within the coming year.

We have embarked also on a journey to unbox a lot of systems. For example, the back-office system, which essentially handles post trade flows. Through this, our clients will have access to a vast amount of data in real time basis. First impression of this will be available in the initial version of the super app. Our data science engines feed-off of this data to curate insights for clients ranging from advisory to instrument recommendations, to nudges.

We are in the penultimate phase of our new mobile app, the forerunner to our much-awaited super app. This app is now code complete and in advanced beta, and validation phase. We will be soon ready to deliver the first look in this quarter. This app will see multiple layers being laid in a very planned and systematic manner for different product offerings to complete the journey of the super app.

During the quarter there were three major releases that were made public to a closed group of users to download the super app, explore/trade and also provide feedback. The last release, which was done in March significantly exceeds the features on our current mobile application. This version will not only incorporate personalized financial journeys for a whole spectrum of our personas, but will also refurbish our backend services to support it. The release candidate will be available across all three platforms, Android, iOS, and web. Since this is a completely new experience for Indian FinTech consumer, we will be deliberate about the dialup experience of all the clients. We have a migration plan in place to ensure our clients get seamless congruous experience during the impending transition.

As an expansion of our tech capacity and infra, we are building a new state of the art data center and global disaster recovery capabilities. We continue to build the tech team on principles of engineering excellence, speed, collaboration, intrapreneurship, and obsession with customer metrics.

We further expanded our talent pool this quarter with like of hires from top tech companies across the world like Amazon, Uber and Walmart Labs.

On the product side, our focus has been on streamlining our developments and making changes to meet future compliance norms. We have undertaken some very key improvements to our KYC journey like allowing clients to choose between monthly and quarterly settlement of funds, providing them as an option to add a nominee during their KYC journey, smoothing the process flow to enable seamless reactivation journeys. On the trade execution front, our product team improved the process and enhanced UI for delivery trades, which led to 50% reduction in order rejection for that segment. We dynamically also worked on placement of various product banners, which led to high visibility.

We integrated new live market trigger through our smart API, thus providing greater stability and performance in our app. As a part of our focused effort to provide our clients with wholesome suite of products, we have successfully included the much sought of direct mutual fund product on the distribution business. This went live last weekend on our Angel BEE app. Over the last few quarters, we continue to emphasize on building a holistic ecosystem to empower our clients, to invest via this channel. This will effectively lead to expanding the lifetime relationship with our clients. We continue to witness a jump in our net promoter score by 80% in Q4 FY2022, over Q3 FY2022. This was a result of vital tech and product improvements carried out in various parts of our product.

Onboarding some of the best tech and digital talent over the last few quarters has helped to achieve these enhancements and breakthroughs. This is a precursor to our overall client to attain market leadership over time. Human capital has always been at the core of our strategic plans. These are the assets who create and deliver superior experience to our clients, thus making our business robust, resilient and competitive. As a part of our efforts to keep them primed, motivated and aligned and aligning our compensation structure with best global practices, we have increased the portion of restricted stock units under the LTI Plan 2021, maintaining the overall annual limits as per the approvals received for the plan.

Vineet will be explaining the details during his opening remarks, this upfront disclosure is in line with our effort to follow best practices and transparency with all our stakeholders.

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

Moderator: Mr. Vineet Agrawal. Please go ahead.

Vineet Agrawal: Thank you, Narayan. Good morning, everyone. I will take you through the financial snapshot for the quarter gone by. As mentioned by Dinesh bhai and Narayan earlier, Angel continued to deliver a remarkable performance on all operating parameters for yet another quarter, which also translated into strong financial results.

Coming straight to the financial performance, quarter four of financial year 2022 has been our historic best. Our gross revenues increased by nearly 13% quarter-on-quarter to INR 6.9 billion. Key drivers of the growth of gross revenues were the gross broking revenue grew by approximately 15% quarter-on-quarter to INR 4.8 billion, this accounted for approximately 69% of our gross revenues. Interest income, which includes interest on our client funding book and interest earned from deposits with exchanges, grew by approximately 8% quarter-on-quarter to INR 1 billion. This accounted for 16% of our gross revenues. The ancillary transaction income, which is linked to the turnover of our clients accounted for 8% of our total gross revenues, registering a healthy growth of 63% quarter-on-quarter to INR 581 million. Depository income, which contributed 4% to the total gross income, registered a decline of 9% quarter-on-quarter. This was due to muted activity in the cash delivery segment. Income from distribution of third-party products, which accounted for 1% of our gross revenues, also decline by 31% sequentially due to fewer IPOs.

Our gross broking revenues, further split as follows share of F&O segment increased to 78% during quarter four of financial year 2022, while contribution of cash segment came down marginally to 18%. Share of commodity and currency segments remain flat at 4% and 1%, respectively. The average revenue per client for the quarter was INR 513. This was primarily due to a higher share of new to market clients, which were at about 85% of our gross acquisitions for the quarter.

Basis as experienced, these clients initial are low revenue accretive, but stabilize in prime in activity with time. This is a secular trend and is not something to worry about, as we expand our base and market share, keeping our margins in line. Our net broking revenue from less than two-year old clients on our platform continue to remain robust at 76% in quarter four of financial year 2022.

This is driven by the multifold increase in our client base over the last two years. The net broking revenue on the flat fee plan continued to witness very strong moment, contributing a significant 85% of our overall net broking revenue. Share of total net income from our flat fee clients to the consolidated total net income grew nearly two-fold to 83% in quarter four of financial year 2022 from 43% in Q4 of financial year 2020.

Our consistent efforts to refine our acquisition engines contributed to higher client addition, whilst maintaining the payback metric of our cost of acquisition within two quarters intact. These efforts translated to a very healthy 55% operating margin for the quarter.

Keeping the pedal on the accelerator, we will continue our plans to increase our spendings on acquiring more clients across all geographies, focusing on syncing cohorts, as prescribed by our various data points, amping up our brand awareness, building the momentum for our new app, building the best talent pool for scaling new levels of growth, which will also include globally competitive compensation packages, both in cash and non-cash.

Narayan, earlier explained the rationale behind our ESOP mix. The higher proportion of restricted stock options being offered to a larger and crucial set of employees will further create a very strong sense of ownership, and as we often call their skin in the game. As per our estimates, this will lead to an incremental annual cost of approximately INR 600 million for each of the four years of vesting of the RSUs. While this will lead to an increase in the employee costs, however it should result in a more than commissary growth in all our business metrics over time.

Under the extant accounting standards, such debits to the P&L on account of grant of stock options being non-cash in nature do not impact the net worth or our ability to distribute dividends. Attractive stock options continue to be an important vehicle of long term investments in the business to retain quality talent, and build a sustainable growing and competitive organization. Coupled with this, there will also be some regular salary increases in our employee cost for the next year.

Our consolidated profit after tax from continuing operations in quarter four of financial year 2022 grew by more than 24% quarter-on-quarter to over INR 2 billion, once again, our highest ever for any quarter to date. Consolidated earnings per share grew to a robust INR 24.7 per equity share on quarterly basis.

Coming to the full performance, which is also our historic best, our consolidated gross revenues grew by 77.5% year-on-year to INR 23 billion. Our consolidated earnings before depreciation, amortization and tax grew by 99% year-on-year to INR 8.6 billion. This translates into about 51% margin, which is at the upper end of our guided range.

Our consolidated profit after tax from continuing operations grew by nearly 110% year-on-year to about INR 6.3 billion. Our resultant annual earnings per share was INR 75.8.

During the year, we have recommended and paid over INR 2.2 billion towards dividends spread over four quarterly interims and a final.

On the balance sheet side, the cash and cash equivalent increased to approximately INR 49 billion largely due to increase in client funds. The period ending client funding book was about INR 17 billion, whereas borrowing stood at about INR 13 billion, enhancements in tech capabilities led to a marginal increase in fixed assets to INR 1.6 billion as of March '22, from INR 1.2 billion as of March '21. Our net worth increased to approximately INR 16 billion as of March 2022. Robust profitability, along with efficient capital utilization led to a significant improvement in average return on equity to 46%.

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

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Anshuman Deb from ICICI Securities. Please go ahead.

Anshuman Deb: Yes. Hi, good morning, sir and thanks for your opportunity. So my question was regarding the nature of -- some of the growth that you have seen in terms of clients as well as orders. So if you could give a breakup of -- what percentage of contracts in options, normally are in long versus short, to give an idea that how much of people maybe in the money and out of the money, because that could decide kind of their persistency in terms of their trading behavior? So that is question number one. And the question number two, is that, based on our algo or recommendations that we give, we have had a certain kind of outperformance, as you have mentioned in the past. So what percentage of trade are done based on those algo and recommendations and what percentage are without that? So these are the two questions. Thank you.

Dinesh Thakkar: Thank you very much. Narayan would you like to take this?

Narayan Gangadhar: Dinesh, you can start, I can take it afterwards. Go ahead.

Dinesh Thakkar: Yes. See Anshuman, like in retail, nature of this business is such that people who come to buy options, or trade in, I would say, future and option, they tend to have a kind of lower ticket size and, they are very risk averse. They're not very risk takers. They're not very knowledgeable people do write options. So mostly nature of the business is that they will buy options, and mostly to be somewhere near the strike price and tenure of like duration of this holdings option is not more than a day or two. So that is how actually this whole retail market functions. Narayan, if you want to add on this algo and all that?

Narayan Gangadhar: Yes. So just to add to what Dinesh said, Anshuman basically see, if you look at our platform, we have covered sophisticated techniques to help people figure out what option strategies to select. And as you know, there is a wide range of options available here, ranging from better strike selection, faster entry exits, better position sizing, better orders and other breeds. So all these option underwriting strategies, we have kind of simplified them and represented them in our insta trade product. So, using that product, we let customers essentially game out their risk and figure out what is the best option strategy to pursue for their risk appetite at that point in time.

Now beyond this, whether -- how many options are in the money and out of the money, those kind of details we don't really provide, because that's kind of not very relevant to the product offer that we offer, but our whole business is to give platform capabilities to help customers pick the best strategy to maximize their leverage based on their risk appetite.

Anshuman Deb: Understood, sir. Understood. So, basically, because of the -- so you are saying that there are mitigation and close to trade strategies that are being done to kind of make them more educated in their efforts.

Narayan Gangadhar: That is correct.

Anshuman Deb: Yes, I'll get back in the queue. Thank you.

Narayan Gangadhar: Thank you. Thank you, Anshuman.

Moderator: Thank you. The next question is from the line of Kartik Sahni from Myriad Asset Management. Please go ahead.

Kartik Sahni: Hi, sir. First of all kudos on the Q4 numbers. So my question would be around your expansion of the talent pool. You said that you have hired employees from Amazon and Ola, but when I check your PPT, the employee base has actually gone down. So if you can just help me with that?

Narayan Gangadhar: Yes, great question. So see what we have -- our strategy as we have communicated in the past is in continuing to scale our digital workforce. And as we scale our digital workforce what's happened is that we have changed the composition, the mix of people that we are bringing in the company. See Angel is at its core, we are a fundamentally engineering driven shop. Okay. So our entire business, when you look at our -- when you look at the products we offer, when you look at the kind of offerings we bring to the market, the kind of future bets we are taking, all of those are driven by the product and engineering DNA.

Now this engineering is taking place in various aspects of our business. There it's taking place in technology in finance, it's taking place in sales and marketing, and it's taking place in revenue and many, many other functions along with core engineering and product. So what you are seeing here is that the shape of the pie is changing. So we are hiding more, for example, in Jyoti’s team and that's where -- Jyoti is our CTO. He's also on the call and we are growing there by bringing top talent to help us automate and build newer age systems, which will allow us to scale. Jyoti do you want to add a few things here to give them an idea of what kind of talent we are looking at?

Jyotiswarup Raiturkar: Yes. Hello, hello Kartik. So we are basically looking at people, who are force multipliers, right. So in our industry, there are what we call 10x engineers. Basically the few engineers who can produce the

10x of the output of other normal engineers. So we actively look at and go after such engineers. So that is why we have got them from places like Amazon and Uber, and this -- so we can get much more with a very, very skillful workforce. Hope that answers the question.

Kartik Sahni: Yes. Yes. And just one more question that would be around your average revenue per client. So I see that it has been going down and your market share in the active NSE client has going up. So can I assume that these are new to market customers that have been targeted or, I mean, if you can just, help me with this also?

Narayan Gangadhar: Yes. So as Dinesh bhai has address this question many times, so I would also just -- I'll just add on to this. This has been addressed in our earnings call also. See what's happening is that we are attracting a lot of new people to the market that is testament to the product we are building. And the fact that we are penetrating through our marketing strategies and areas, which historically have been underpenetrated. So as more and more newer people come to the market, what's happening is that because they are new, they are -- there is a gestation period, where it takes them time to get to know the system, learn and such. So overall, if you look at the average revenue, yes, it's kind of stabilizing. I wouldn't say it's declining, it's stabilizing to the point where we believe that with further improvements to come, there is a extension in the lifetime value of our clients, because these clients we are acquiring now, they're hardly 25 to 29 years old. So there is a much longer time horizon over which we can train and cultivate this cohort base. So that's how we look at our overall business relative to both active clients, as well as, our -- the net revenue realized.

Kartik Sahni: Got it. And with this super app, I just wanted to ask that your other two apps, will this be integrated?

Narayan Gangadhar: Yes, that is correct. We will be integrating all the experiences and eventually retiring the other two applications. Yes.

Kartik Sahni: Okay, thank you so much. All the best.

Moderator: Thank you. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Yes. Hi, team. Congratulations for a great set of numbers. A few questions from my side, firstly, Dinesh bhai, you spoke about the penetration levels in the country has been low, but if I look at the last six months data, the incremental demat accounts that are being opened every month has been declining, increment NSE active clients that are getting added has been declining. So is there anything to read out there as to, are we entering a phase where we possibly take a breather and then possibly in next round of growth we might come through? So first thought would be there. First question will be that. Secondly, with regards to the launch of super app and a kind of cost associated related to it, we've seen the cost to income ratio really come off in this quarter at around 45% odd level, do you think that is a sustainable level and with the kind of marketing that would be needed towards super app or investments in terms of technology. And you also mentioned the ESOP cost that will come in. So what kind of cost to income ratio we should think about? And my last question will be on the -- if I look at your revenue per order, both in F&O and the cash segment, that has been declining, and I understand it will because of the mix between the associated person in the business and the flat fee model, but do you see this kind of stabilizing now and no further reduction possible? That would be my three questions. Thanks.

Narayan Gangadhar: Okay. So you've asked three questions, so let me collate the answers and one by one we will address them. Okay. So I'll also loop in, Dinesh bhai where needed. So, okay, let's first take the meta question that you asked, about what Dinesh talked about in his opening monologue. See, we all know that the market is seriously under penetrated. I think that's a very well understood fact. It's barely at 4% to 5%. And so clearly as more and more and more customers come to the market, there is obviously going to be a learning curve for the whole industry, not just for any broker it's for the whole industry, it's going through this collective learning phase.

Now in this collective learning phase, the type of products, the type of journeys that these customers want, that is what Angel is paying attention to. See, we are not so particularly razor focused on getting the -- on squeezing the last rupee out of the client, as much as we are interested in understanding what is the journey that they care about, because it is ultimately that journey which will lead to greater rewards and greater investment behavior. So if you look at our strategy, it has never been around -- it has never been a -- what you the better way to put it, it is never been focused around just a rupee optimization, if you will. It's mostly focused on build the right journey, understand what is it that this new cohort base cares about, what kind of investment patterns make sense for them, and then build the right experience on top.

So obviously in that evolution, which we have started over the last two, three years, you will see that our net orders is actually going up and it's going up across all the cohort bases. Now, if you go one step further and look at what kind of better experiences we want to produce, even our new features such as insta trade or option simplified, they are resonating with this new age customer, because this new age customer wants that inherent simplicity in the product. So our strategy is going to be around discovering those experiences and building those experiences based on machine learning and AI. And that is one of the biggest differentiators for Angel from everybody else in the competition. This is one thing we are doing much better and very differently.

Now, your second question, sorry, you have asked three questions, so I'll try to go step by step. So your second one is about the cost to income ratio. I will have Vineet take this, but just to give you just a broader business sense on it. See, ultimately once the super app gets live, there is going to be an investment in call to action, in getting people to adopt the app and most people to kind of onboard their journeys, their existing journeys onto it. So clearly there is a cost, but all of this is factored into our net operating plan. So I will have Vineet just give a sense on the income numbers. So Vineet, can you cover that?

Vineet Agrawal: Sure. So, Prayesh, what happens is that we've -- historically, as you see, we have been improving our cost to income ratio over the last few quarters ever since we went digital, and that trend is going to continue. Now in some quarters, there might be some higher force, for some like, as I said, about the incremental salaries that we have given in the first -- from April itself. So those things will be there, but by and large, I think there will be -- the cost to income ratio will be improving, as we go along in our digital journey and definitely with the launch of the super app, this is going to improve going forward.

Narayan Gangadhar: Yes. So hopefully that answers your cost question.

Prayesh Jain: Just one more -- just one bit on the cost to income the ESOP cost that you mentioned is INR 60 crore per annum for the next four years.

Vineet Agrawal: That's right. So, the stock -- RSUs that we have granted yesterday for those RSU and the ones which we expect to grant in the next few months for those the vesting period is four years and the cost is amortized over the four year period. So this is going to be the annual cost approximately.

Prayesh Jain: Vineet, if I understand this correctly, generally this is on a declining way where the first year we have the bulk of the cost, then it reduces to the based on the vesting period. So -- and you are saying that it will be INR 60 crore per annum, so is it INR 240 crore amortized over four years and bulk would be the front end, and reducing going ahead? Or it will INR 60 crore per annum.

Vineet Agrawal: This is based on the black scholes model. So every year we redo the model based on assumptions and tentatively, I've given you a INR 60 crore annual cost. That is going to be there. And this is, as I mentioned in the call -- in the earlier part of the call, this is a non-cash, debit to the P&L.

Prayesh Jain: And there is no such related ESOP cost in FY '22. This has been new, completely new.

Vineet Agrawal: Yes. This covers mostly all the ESOP costs that is there.

Prayesh Jain: FY '22, we had nothing.

Vineet Agrawal: FY '22 we did have about INR15 crore or INR 16 crore.

Prayesh Jain: Okay. Got that. And the last question was on the revenue per order.

Narayan Gangadhar: Yes. So, we don't actually -- we don't give macro level data like that.

Prayesh Jain: If you can just compute the revenue in the F&O segment and the number of orders that you give, that number has been on a decline. And I understand it would be because of the mix between the AP business and the flat fee model. But do you think this will get normalized over the next -- and will not see any further decline or how do you see that happening?

Narayan Gangadhar: Yes. So see, first of all, obviously the ratio is just a simple division is always misleading, right? Because it's looking at a very aggregate picture. Now, I think, the question that we are asking ourselves is what is the user behavior behind the -- what are the trends behind the numbers, which are leading to this transformation. Now, I do see the numbers stabilizing. There is no precedent for it to go any other way, except to stabilize over a period of time. But it's hard to tell whether it will take another two quarters or three quarters or a few years. But what we do know is that, as the overall traction on our products improve, the net gains will come largely based on new journeys that we built around F&O, around options trading and also other segments. So we are looking at the net picture, because that is a better indicator of what the market -- where the customers' wants are ready. So that is a much bigger, question for us to answer rather than looking at a micro level trend that might be useful, but it's only useful in its own bubble, if you will.

Prayesh Jain: Okay. All right thank you. I will come back in the queue.

Moderator: The next question is from the line of Akshay Ashok from Prabhudas Lilladher. Please go ahead.

Akshay Ashok: Yes. Hi, congratulations on a very good set of numbers. I just had a few questions, what are the steps you're taking to increase the client activation rate? And what is the activation rate now? Because I think the activation rate before was around 38% or 39%, because now that you have added so many clients, the next step would be to activate them, right. Because if markets start falling or there's a downturn, the best way to continue maintaining your gross broking revenues and everything would be, having a higher client activation rate. So what are the steps you guys are taking in that direction?

Narayan Gangadhar: Yes, so we have our chief -- we have Devender Kumar, who runs revenue on the line. So I'll hand it over to him, but let me just add a few sentences first. So actually our activation numbers have been steadying strong as you guys know over the last almost 24 months now, especially this last year, we have seen a significant increase. Now what we believe is that through a combination of better referral schemes, through a combination of better first trade and the first onboarding journeys, we believe there is potential to actually apply data science and ML and take this activation to the next level. So I'll have Devender talk about, some of the key initiatives they're leading.

Akshay Ashok: What is the client activation rate now? It was 37%, 38%, right?

Narayan Gangadhar: Devender you want to take over?

Devender Kumar: Yes. Hi everyone.

Akshay Ashok: Hi.

Devender Kumar: Yes. So, we don't disclose our activation ratio as such, but you can take a number of NSE active clients upon to the base, which will be coming over the new client addition is around 40% - 42%, but we don't disclose this number. On the answer that what are the steps that we are taking to increase the actual activation ratio. I think

Narayan touched the chord rightly that we have taken a very data science oriented approach. Where we are creating different cohorts of clients, based on the kind of a profile that they're coming with and customizing the journey that they take in terms of getting the first investment done or figuring the first trade done.

So that's the larger theme that we're following. And I think the imminent launch of a super app that is going to come through is going to take -- give us a very strong step in terms of giving this journey in a very seamless way as well, where we have projects like onboarding kit, where the first time trading, first time investment, or first time trade experience of the client is taken care of. The first time investment instruments and so and so forth. So what we are doing is basically looking at a mix of these two things, particularly where a cohort based approach and building new kind of instruments or not the instruments journeys for the clients and exposing the right products for the first timers, through which we are planning to go ahead with this.

Akshay Ashok: So these are the things for first timers when they join your app, how long does it take for them to do a trade?

Devender Kumar: So I think we don't know the information, but I think it ranges...

Akshay Ashok: Okay. Sir...

Narayan Gangadhar: So usually I can, I'll just give you a high level idea. Generally with, as Dinesh has said this in the past, within about six months, we kind of break even. So mostly about more than half of our clients are active within the first year. Now, obviously within that we don't -- because of competitive reasons, we don't divulge any more info than that, but based on that you can put a good approximation on how effective our strategies are.

Akshay Ashok: Okay. Yes. Final sir, this commodity market share gains are continuing to be very strong, what is the reason for that and this cash market share why, again, this slightly it has dipped because the peak margin norms I think have been implemented, right? And why is commodity market share gaining so quickly?

Narayan Gangadhar: Commodity is clearly a testament to our substantial -- we are truly the market leader there based on our super excellent research and our excellent product. I mean, if you, yourself, haven't used the product, I would strongly encourage you actually try it out because you'll see it firsthand. The product is beautifully done. That's one of the main reasons we are -- and also combined with our super excellent research team, led by Amar Singh, and company, they have done a phenomenal job at seeding our position there. And regarding the other question, see those changes will happen as regulations keep changing. So those are ultimately, that playing field is going to get leveled with time and we don't see much advantage in those other things.

Akshay Ashok: Okay. Sir, hearty congratulations.

Narayan Gangadhar: Thank you very much

Ketan Shah: Narayan, if I can add, on this commodity market share.

Narayan Gangadhar: Yes, please Ketan.

Ketan Shah: Myself Ketan Shah, so to answer this question on the commodity market share, which is growing. So if you look at the exchange volume somewhere the future volumes are stagnated at, 20,000 25,000 crore a day. Recently the large growth is coming in the option market and we were kind of very early adopter and provider of options on the mobile platform to our customers. That's one of the major reason that, we see as a market share growing. Second important factor is that all of our customer has fungible limit. So when they have a margins with us across the segments, they can trade, they don't have to actually earmark their funds towards the segments, while in the industry that that is not available. These are the two large factors which are driving the market share higher. So, the option volume, while the future is at 20,000 crore to 25,000 crore, option volume has grown to a level of roughly around 15,000 crore a day. And that's where our market share is very high and at a blended level that's how we are reporting 40% plus market share.

Akshay Ashok: Okay. Okay. Thank you. Thanks so much. That's it from me.

Moderator: Thank you. The next question is from the line of Hitesh Gulati from Haitong Securities. Please go ahead.

Hitesh Gulati: Yes. Thank you for giving me the opportunity. So just on your insta trade platform, wanted to understand the number of users that we have got, what is the user base of this?

Narayan Gangadhar: Sorry, your -- Yes, insta trade, see, we don't give feature by feature breakdown of our monthly active or daily active users, but it's a pretty substantial portion, a good portion of our active clients. That's all we can say.

Hitesh Gulati: Okay, sure, sir. Sir, just another question on stock options. So sir, if my understanding is correct currently, if the person on settlement date, if the long is in the money he has to take delivery compulsorily, is that understanding correct?

Narayan Gangadhar: So, Bhavin, can you answer this.

Bhavin Parekh: Good morning, everyone, see basically in an option, if there is an in the money option that the customer is holding in case if the margin are sufficient from the customer, we allow the customer to take the delivery, but if the margins aren’t there, there is a margin call done to the customer, then accordingly actions are being taken.

Hitesh Gulati: Okay. Okay. So thank you, sir. That's it from my side.

Bhavin Parekh: Thank you.

Moderator: Thank you. The next is from the line of Nilesh Jethani from BOI AXA Mutual Fund. Please go ahead.

Nilesh Jethani: Hi, sir. Thanks for the opportunity and congratulations on the great set of number. My first question was of course, on the active clients, when I see today, our active to total client number is anywhere in the range of 40%, but when I compared it to someone like Zerodha, it is north wards of 60%. So wanted to understand, why the divergence? One and second, what are we doing to drive this active? Because it's a number of trades, which will drive the top line growth for us. So wanted to understand what are we doing on this parameter?

Narayan Gangadhar: So, first of all, we can't comment on our competitors activation ratio because those data is -- that data is highly subjective, your guess is as good as mine. Now -- but the bigger question really is that our activation numbers, as I said, is almost half, is almost 50%. And of course we don't get into too many details on how it's split and everything, but the key thing here is that many times our competitors, when they run incentive schemes, which are of the types of giving somebody a free ETF while opening an account and things like that. So when you do -- when you take existing customer acquisition strategies, such as giving out free ETFs, then by definition, if I open an account to redeem it I have to activate. So that is never a good indication of whether the activation is inherent activation, or it is just a forced function of revenue realization, which the client wants to get.

So what we -- however, what we have seen is that in our case, the activation numbers, we are reporting, they are consistently going up and they've consistently gone up. It was in the -- just in the low thirties as early, as about two years ago. And now, as I told you, the numbers is significantly higher. So I see this numbers going further up as we continue to improve our data science and machine learning based journeys. And this is what Devender was hinting -- was talking about a few minutes ago where he talked about our approach in improving the first signing to trade experience, introducing better cohort selection and introducing better targeting for our clients to help them onboard and start their journeys. I think between these three steps, we have a very clear and winning strategy for driving the number up over a period of time.

Nilesh Jethani: Got it. And in the new app, the super app is that helping us to drive the activation rate, when it comes for the broking business?

Narayan Gangadhar: Yes. So the data is -- because the super app, it's been in the works and now we are getting obviously a lot of early feedback. Yes, the trend is going in that direction, but I need one more quarter worth of data before I can affirmatively answer that question. But right now it's looking like, it's obviously trending up because we have run numerous studies, but as we launch it further and scale further, I'll have a more measured answer for you. But right now off the cuff answer based on what we have seen so far is yes.

Nilesh Jethani: Got it, sir. Those were my questions and thank you so much for replying to each one of them. Thank you so much.

Narayan Gangadhar: Thank you.

Moderator: Thank you. The next question is from the line of Hiten Jain from Invesco. Please go ahead.

Hiten Jain: Thanks. So I have a couple of questions. So first is, so I remember Narayan joining the company one year back, was the first work anniversary I think this month itself. And so I remember that, you were quite keen on the super app investment and your work through and it is good to see that it's seeing -- it's coming to -- it's becoming live in beta mode. So I just wanted to understand, so obviously this year was an investment year for your super app and how should we look about the investments next year in this? And earlier, in one of the earlier question you spoke about the incremental costs that you will incur to get clients on super app. But just thinking about it, it’s just the migration of the existing clients from your existing app to super app, and it's a normal, client acquisition cost that you any which ways have every year. So I'm just wondering, how is this cost different to acquire customer on super app? That's question number one. And second is obviously, how should we think about investments next year and even the sustainable margins that you have in mind? And then I have a second question after that.

Narayan Gangadhar: Great. Thank you. Thank you for asking the question. So see, first of all, as you know, once the super app, as the super app gets baked and more and more people transition to the super app, there is always going to be a long tail of customers who are going to take some time to migrate over. Now this journey, this migration that we are going be -- that we are talking about here is going to be one of the largest migrations in India. And in fact, one of the largest in the globe, because we are talking about a wholesale move of more than 9 million clients to the new app. So clearly there is a -- there will be a cost associated with it. Now we have actually factored in all those costs and built the right kind of tooling and infrastructure far ahead of time to ready ourself for this, upcoming switch. And this switch is going to be collectively excellent for our business and great for our client, great for our clients, because they get a better journey and better experience.

So from a cost perspective, from an engineering and product perspective, there is no much, Delta, as you rightly indicated, because that cost is already baked in. And it was baked in from the day I joined the company. That's what we have been doing for the last four quarters. But now there is another cost. The cost is, see if you look at our strategy, we have not really played big in our brand space. We are -- we have kept our heads hunkered down and just exclusively focused on building the right product. But now that we have built this kickass product, we want to now get it to the masses, which means we need to start investing more in increasing our brand visibility throughout our industry, throughout our -- with our clients. And this is something that this year is going to be a big investment for us. Big in the sense it's going to be more than what we have done in the past. We want to get out there. We want to tell the message, get more clients onto the system.

So that's one of the key bet this year, and then subsequent years, see we firmly believe that our next wave of growth will come from risk and ops

. The person that -- the team that figures out a scalable way to unlock the value in automating these systems can innovate much, much faster for the customer. So I look at the next two years as a start of that journey, where we are going to take a look at our existing risk systems, our existing processes, our existing back office systems, our existing customer experience journeys, and automate, and bring that to the next level. And that is where the next few years of spend will go. And that's largely driven by engineering and product.

So hopefully that gives you a sense of what's coming immediately. And then what's coming in -- let's say in a year from now.

Hiten Jain: Yes. I understand. Just to follow up on that, see one of your aspiration is to become the largest broker, of the country. And today the largest broker has not relied on marketing. He has relied on his product, word of mouth, but you seem to be taking a different journey. So why not let your product speak for itself and why spend marketing dollars?

Narayan Gangadhar: That's a fantastic question. And the main reason for that is because now that we have -- this is the first time. If you look at our app site, we have had two different apps. We have Angel BEE, we have had ABMA, and then we have had some prior versions. So clearly there is no impetus for building that organic traffic, organic traffic builds once you have a consistent platform for sharing your message. So the reason we have not had that opportunity is because we have just not had that product so far, but that is going to change with the Super-App. So as you, as I play the movie out over the next year, two years, clearly there will be more emphasis on organic. But at the same time, our market itself, our job is to also expand the market. And if we can spend more and get more customers on the platform, while keeping our core business metrics at a profitable level, then to me, it makes most business sense to go spend that money. There's no point in keeping that and trying to super optimize at this stage, because at this stage, it's all about capturing the market.

So it's a two pronged answer. The reason we have not invested much in organic is which I just answered earlier, because it's been a platter of apps and that is changing with our Super-App. And once we have the Super-App, clearly the emphasis on organic is baked right into the app itself. And then the second question is even if we have that, I still believe that we need to continue to spend and expand this market and bring more and more clients into the system, as long as we can maintain the healthy level of operational profits and excellence.

Hiten Jain: Sure. I get that. Now the second part of the question, so while we have discussed the costs, now let's, talk about potential revenue from here while I understand, and I appreciate that your larger objective is to improve the activation rate in your core business, have -- give a better experience and thereby increase your broking revenues further. But in terms of diversifying into other sources of revenue, while you've already integrated direct mutual funds, but obviously it's direct, so it is more of added experience to clients and not revenue accretion. Your second, intention of getting into mutual funds is some time away, but again, it has – it will be passive focus, again less revenue accretive. How about other products in terms of -- do you intend to add loan against securities while you've spoken in the past about lending products and that is something, this cohort, the young cohort would be quite keen to explore and not so much of the savings products given their age profile. So, while you have your beta product ready, but how do you think about the diversified or different revenue sources and what is the timeframe that you have in your mind?

Narayan Gangadhar: See, I firmly believe that there is a lot of money left on the table as far as broking itself is concerned. I am a firm believer that we need to stay razor focused on winning broking. And that is the only thing that matters to me for the next year. And I want to be very specific about it. Because when -- what we have seen is when customers,-- when our -- and you have seen this with our competitors, also, it's very easy for us to launch 10 different things and do a poor job with all of them. What we need to do is think about how we can get and unlock revenue opportunities in our space itself, because ultimately the next disruption is going to come from here only. Now, obviously that includes things like considering products like loan against securities and such. And clearly we are running those experiments on our side as well. And when the time comes, you'll be seeing us launch those products and launch those capabilities.

Now in terms of direct mutual funds and other auxiliary products, see the reason we launched direct mutual funds is because it is our customers who are actually looking elsewhere because they have a unmet need. So we are actually -- it's almost like our latent client base, which is forced to look outside our product because we currently don't have anything. So that made a lot more business sense because we want to give them a wealth garden. And this is something revenue -- Devender's team is current strategizing on. And, as we look at building out this wealth garden, we look at customers today, which we are acquiring and they're hardly 28, 29 years old. So our lifetime value is -- you're looking at a 20, 30 year lifetime value. So we don't want to -- we don't want these customers to self cannibalize and kind of go elsewhere when we can give them a much superior integrated product in our own platform.

So this is the main reason why we did the direct mutual fund launch. It's not because it's the thick of the moment or whatever. It's we don't -- we don't do -- we don't approach new businesses that way. Now there are other opportunities also like lending is another one. Insurance is another one, but even before we get there, I believe that there is opportunities to look at fixed deposits, there's opportunity to look at aggregate fixed deposit products. There is opportunities to expand our -- and more revenue opportunities in commodities. There is obviously opportunities further out in insurance products, which we are also selling on our platform. I believe, as a platform company, there will be opportunities to unlock those capabilities in the -- once the Super-App platform is ready and is rolled out. So that's how I'm thinking about the next year, two years and three years.

Hiten Jain: Sure, sure. That makes sense. I wish you all the best. Thank you.

Narayan Gangadhar: Thank you.

Moderator: Thank you. The next question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Yes, good afternoon, sir.

Narayan Gangadhar: Good afternoon.

Ankit Babel: My first question is, now without this super app, you were growing at suppose x percentage.

Moderator: I'm sorry to interrupt you Ankit, but we cannot hear you clearly.

Ankit Babel: Am I audible now?

Moderator: Yes, please. Go ahead, sir.

Ankit Babel: Yes. So sir, now without this Super-App suppose you, people were growing at X percentage with this app coming in. Can that growth go to like 1.2x or 1.3x? If yes, how and if, no, then why this app?

Narayan Gangadhar: Yes. so great question. It's a very fundamental question. So thank you for asking. So see, what has happened is that our customer's expectations from the app and from the product have changed. So even if we sit and do nothing, yes, it's true, that our app is our current app is also growing at a pretty phenomenal rate, and we are actually -- in fact, I think we mentioned in the call that we are right now in a very seriously strong leading position, as far as new clients are concerned for the first -- for this past quarter.

Now this trend line is continuing because obviously the journeys are baked in and such. But see what has happened is the, the behavior of the cohort is changing. Customers now they're expecting a better personalized journey. And this is what Dinesh has said in his opening statement is that, this personalized journey is what our client's future needs are. So we have to hedge against that and we have to build that journey in the most effective way possible. And that is unfortunately not possible in our current app. This is the main reason we decided to build the Super-App because our ambitions are far bigger than what you see on our current ABMA application. So to give us space to innovate, we embarked on the Super-App strategy.

Now, what we see, in terms of your next question, on how we see the ramp up. I am extremely confident that once the migration is done, like it will take two to two and half quarters to kind of get that over with, right. Once all the customers are into the new platform and when we bake the new app, right. I'm definitely confident that both acquisition rate, as well as the activation rate will go up. Now, whether it goes up 2x or 3x or 0.5x it remains to be seen because the Super-App also is built with a very fast customer closing loop in mind. So we do know that we can iterate much faster than the competition once we have this platform. So I am very confident that you're going to see a double digit growth once the full transition is complete and the buck starts rolling on the Super-App. So that's how we are approaching it as a company and as a management team.

Prabhakar Tiwari: Narayan, can I add something to that?

Narayan Gangadhar: Yes. Please Prabhakar go ahead.

Prabhakar Tiwari: Yes. Hi, that's a great question. My name is Prabhakar Tiwari, I work as a Chief Growth Officer here. So as Narayan has mentioned, and has been the theme throughout that product will play a huge role. We are a tech product company, and in terms of growth, it will impact both our acquisition funnel and our revenue funnel. In terms of acquisition today, we operate in a certain channel mix. Some other question was regarding, why the competition is kind of growing without marketing dollars and Narayan answered that, there is a blended approach. There is also aggressive competition, which is in another extreme. So far, we have taken a blended approach, both organic and paid in future that blending will change more for organic and referral kind of channels.

And also one important thing I want to communicate that what you have seen last year is our rebranding, moving from Angel Broking to

Angel One. And I'm very happy to share that with Angel One, we have now 84% awareness just for Angel One in two quarters. Now what you will see this year, with the new app, being stable, the migration being complete is a new positioning. And the new positioning is around the power of data and technology for everyday investors. We believe both the product experience and the entire positioning around it will definitely help us in the top of the funnel, kind of opening up the top of the funnel for more growth and also will kind of make our lower funnel more efficient so that the next wave of growth as Narayan spoke about would come at a much, much lower cost or in a more cost efficient manner. Thank you.

Ankit Babel: Okay. Sir, my second question is now what I understand, from your business is that you people have a very high operating leverage model. So, if you continue to grow at a very high growth rate, definitely there would be an operating leverage. And I understand that operating leverage would be utilized or would take care of your increased investments in say client acquisition or the increased employee cost and everything. So, just for my understanding, is it fair to assume that what you have done in FY ‘22 in terms of top line growth and bottom line growth can be replicated, say for the next two years also, in spite of the increased investments in these areas?

Narayan Gangadhar: Yes. Yes. So what you're seeing is that the parameters of the business are not going to change. We are fundamentally operating within the same envelope, just the assumptions and just the growth rates and just our investments have changed within them, but the overall metric and the overall framework stays the same. So yes, I do see that over the next year, two years, three years, I foresee the same kind of traction.

Ankit Babel: Yes. Okay, that's helpful. And so last one short question. What is your client acquisition target for FY ‘23? You added some 5.3 million last year, can you double it up in the coming year?

Narayan Gangadhar: Yes. See, we don't divulge that, but yes, I mean, we are looking to -- you can say that yes, we'll be -- for a company, like at our stage, which is growing at the rate at which we are growing. Yes, I mean, doubling that is a very aggressive and a very achievable target.

Ankit Babel: Okay. And any targets for client acquisition? Sorry, active client ratio, I mean from current 40 to say 45, 50, 55?

Narayan Gangadhar: Yes. Any, anything that is -- we want to obviously anything north of 55%, 56% is a good number to hit at and we are very close to those numbers already. So, obviously there is no upper limit on how high it can go, but this finite math dictates how high it can go. But we don't talk about those targets, but you can assume that we want to be within that range that we have already discussed the 50%, 60% range in that.

Ankit Babel: Okay. That's helpful. So thank you and all the best.

Narayan Gangadhar: Thank you.

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

Prateek Poddar: Yes. Sir just two questions, one is, you seem to suggest that the migration to Super-App is a switch, or going to be phase type migration. Can that be a threat in the sense like, let's say customers take some time for adoption of new customer journeys on the new Super-App. How do you think about that? And ultimately if let's say in a close group, the sample set is quite small relative to what you have as total clients, right. So if the experience is not good, and if you do it as a switch, how do you rectify or how -- because there could be a loss of momentum. So how should we think about that? That's question number one. And the second question is, it's been answered in some parts, but last month, if I see the last couple of months, you seem to outperform even the market leader when it comes to NSE active client adds on the existing app. So how should I think about -- what is driving this? And lastly, just an extension, overall, you seem to suggest that the Super-App will take you into a different trajectory when it comes to revenue. So how do we think about this revenue? Is it more client adds or is it higher ARPU or is it more diversified or ancillary revenues? What takes you into the next league? So three questions. Thanks.

Narayan Gangadhar: Yes. See, first of all, as with any app strategy, the minute a company pivots and launches a Super-App, there is always a runway period. Many times, investors, they get impatient, they want to wait only for one quarter before they see results. And oftentimes it doesn't work that way because the new journey, new experiences, they take time, but they are done with a long term perspective in mind. So we have built the Super-App and the journeys based on what the cohort behavior we want to drive on our platform going forward. So, what we have -- in terms of the switching, that's a very important question. See, we are launching the product in phases and each there is -- there are gates scaling up and scaling down our adoption curve based on customer feedback. So we closed the loop with the customers pretty quickly, and we continue to iterate based on feedback that we are actually getting from the clients. And this innovative phase has been going on. The app has been in development, and we have had plenty -- tens of thousands of beta customers now for almost six to eight months. So I will have, Ankit Rastogi who's our Chief Product Officer he's on the line. Ankit Rastogi can you just talk a little bit about what kind of strategies we are pursuing to scale up the knob on adoption?

Ankit Rastogi: Yes. Thanks, Narayan. Hi, Pratik. Fantastic question there. So, as Narayan mentioned, we've been experimenting with this CUG, closed beta group kind of cohort from last couple of quarters on our Super-App or an incumbent for a Super-App, the release candidate. And firmly we can believe that we have seen a cohort of both, existing customers migrating as well as new customers. So we will continue on that calibrated approach. In fact, it will be quite a measurable rollout. We call it stage measurable rollout where the X percent of the users will get it. We will again repeat we'll measure, their revenue, their FYRs, full year revenues, their activation and acquisition across various channels where the referral is working whether organic is moving up. So between these needles and these metrices and these funnels, it will be a calibrated approach. And we have a capability to kind of quickly address in case there is -- or arrest any drop and kind of move this needle from 5 to 10, probably X percent, and eventually move to a majority number. And that's why when you hear the answer that it will be at least a two quarter plus kind of an approach, which we're taking on the transition.

Prateek Poddar: Got it. And the second question on you guys outperforming the active -- I mean, client addition outperforming the market, any thoughts how you be able to do this?

Narayan Gangadhar: See, yes. So, actually I should specify that we have been -- while our current app has been kind of in low touch mode. There have been many capabilities and features which have been introduced towards the tailing part of last year, before we called the code freeze. And now you're starting to see our clients take advantage of that. And you're seeing more momentum build around those. Like, obviously insta trade is one option. There's a lot of others in the pipe. So we should not downplay what we have done in the past year on our existing app.

And then other thing is, clearly our investments in digital marketing have paid off. We have -- we are one of the first companies to take a very nuanced look at applying both AI and ML techniques to our client acquisition strategies. And that has obviously resulted in better cohort selection and better realization of leads, which have come in through the funnel. Because we have also invested heavily in optimizing that funnel, right from the time the lead comes to the door, to the time we actually open an account. So there has been a combination of both, better product improvements, better tech capabilities, better system of time, and obviously digital improvements in the entire acquisition.

Ankit Rastogi: Narayan can I add?

Narayan Gangadhar: Yes, go ahead.

Ankit Rastogi: Right. So Prateek just to address on our current app, as Narayan mentioned, we have come to close to 4.2 play store rating, and we continue to see a healthy improvement there. So the answer to that is a lot of our strategy has been fixing the backend services, which apply by the way to both the platforms. So anything which we do for Super-App is kind of all also helping existing platform inevitably. So the robust space of that, the stability of that is also getting the benefits. So you will see a -- so as a result, customer continue to enjoy a healthy experience on the current app as well, while we have making inroads for the Super-App.

Prateek Poddar: Got it, got it. And the last part of my question on the Super-App, when you get that higher revenue, what drives it? Is it client acquisitions or higher revenue per client or ancillary revenues, or it's a mix of all the three maybe just?

Narayan Gangadhar: It's a mix of all the three driven by the user journey. What ultimately drives greater revenue in any digital business is the customer experience. And the fact that our journeys are in line with what customers' needs and expectations are. So in the super app, the entire journey is built around -- it's tuned very much to what our clients' capabilities are, their risk profiles are. And ultimately helping them onboard with the system in a much more simpler way, which obviously doesn't exist in our current app. So it's a combination of two or three things there.

Prateek Poddar: And lastly, any update on AMC?

Narayan Gangadhar: Yes. So, as we mentioned, we are already, the process is underway and, Vineet, do you want to just share some updates, the latest update on the AMC side?

Vineet Agrawal: Sure. So Prateek on the AMC, as you're aware in September last year, we made the application for the in principle approval. The process is on, SEBI is doing that due diligence and hopefully in the next few months, we should have the in principle approval in place.

Prateek Poddar: Fantastic, and all the best for the future. Thanks.

Narayan Gangadhar: Thank you.

Moderator: Does that answer your question, Mr. Prateek.

Prateek Poddar: Yes, all my questions are answered. Thanks.

Moderator: The next question is from the line of Kajal from ISec. Please go ahead.

Kajal: Hello. Hi. Congratulations on good set of numbers sir. I just wanted to once understand that we had initially started as a transformation journey, and now that we have seen that the brokerage and the total revenue is 78% around that only but the mix has changed significantly towards the F&O versus cash. So do you think almost 78% is now F&O and cash is just less than 20%. So do you think cash going ahead is going to be very, very insignificant portion of your total revenue and how do you see your revenue mix evolving?

Narayan Gangadhar: Yes. See the cash segment is -- first of all, I should say that it's a, it's obviously an important segment, like all the other segments that we have. But clearly there is a, industry trend which is buckling the whole mix as you have rightly pointed out. And honestly, when we look at the business, it's very hard for us to say whether it will stabilize at this number or what the overall mix would look like. But we do know that in terms of total number of orders and the total number of orders has gone up dramatically in this past year, as you've seen. We are focused on driving that aggregate volume up, because that is a macro level trend, which we can control -- which not control, but we can, create in device strategies to drive that versus cherry picking on which one of these individual approaches will work.

So -- and there's also future innovations planned on the product side, which will --, which, you'll see as -- which will drive up value on all of these segments actually also going forward. So it's hard to predict where the buck will land. But we can say that, it's still -- the mix will remain healthy and the overall aggregate number will be the one that we are focused on.

Kajal: And what will be the share of algo trading in our overall?

Narayan Gangadhar: So right now it's very non significant it's not even material also, because we don't have any particular algo products, if you will. We have our system generated product, which is called ARQ and that is something that, we have built in house. And, that's also not -- that doesn't technically qualify as an algo product. So answer your question, it's a very, it's close to zero at this point, the algo trading.

Kajal: ARQ form significant portion, is ARQ giving you?

Narayan Gangadhar: ARQ is a meaningful chunk of people who come and onboard on to our systems and try out. Yes, but it's not -- it's still a product in alpha, if you will. So it's still not fully baked into our main line offering. So it's something as we continue to break that journey into the Super-App, we are expecting that as a service subscription, there'll be more action coming on that side, but at this point it's kind of in a different bucket.

Kajal: And the last question is on the employee side. So you have said as always that the mix has been changing. The incremental are you seeing that pressure on the cost for getting those employees because market is good for the IT side or the engineering candidates. So how do you see that cost going up for you?

Narayan Gangadhar: So, we started this transformation journey three years back, and in these past three years, we have had the advantage of honing our strategy every year. So now we have hit a point. We have hit that sweet spot where the unit economics of hiring and, the whole cost curve it's perfectly settled into our system. So there is no surprises anymore. So I don't see any of these cost fluctuations affecting us dramatically because we already have the playbook on what it takes to attract top talent in the market. What kind of structures, compensations we need to put in place and what kind of reward structure makes most sense for our business. So we have had almost now 12 months worth of bake time to kind of eliminate that uncertainty at this point. So there's no uncertainty on that side from our side.

Kajal: Thank you, sir. Thank you very much.

Narayan Gangadhar: Thank you.

Moderator: Thank you. The next question is from the line of Sahej Mittal from HDFC Securities. Please go ahead.

Sahej Mittal: Hi, sir. Good afternoon and congratulations on a great set. Sir, so most of my questions have been answered, just two questions from my side. So, what are the new investors doing and how is their trading intensity, given that now we have people moving back to offices, could we expect these kind of trends in the derivative segment to continue for the industry?

Narayan Gangadhar: Yes, so, see, I mean, now people have been going back to work almost six months now. I mean, everybody is -- those dark days of COVID are behind us touchwood. And what we have seen is that in these two or three quarters, which have preceded us especially the last two quarters, which we all agree that we have kind of been in the post era, if you will, right? While the behavior has changed, there has been no ascertainable impact on our volume or anything like that. Because as you yourself have seen from our results, there's no -- the stability and the naturalization is already up there.

So our business is already growing at a healthy metric, and I don't anticipate any further changes there. And in terms of changes in investment behavior, see, obviously because many clients are young and new, their ticket size is still the same interestingly. So they're still having the same ticket size, but obviously the approach with which they enter the market is very different. It is driven by many social based investing teams and things like that, which is not true for folks that are in their mid thirties or a little bit later in life. So there is an explicit change in behavior, and this is why I was telling the others we need to build this Super-App journey now, because clearly there is a tailwind in the market that the expectation has changed. And that is what we need to get ahead of.

Moderator: Thank you as the participant left the queue will move to the next question, which is from the line of Pranav Gupta from ASK Investment Managers. Please go ahead.

Pranav Gupta: Yes. Hi, good afternoon and congratulations on good set of numbers. I have two questions, one is for Narayan sir. So when you talk about the Super-App and how it can be a -- it will be the key driver for taking the revenue trajectory to the next level, just wanted to understand that initially when we are migrating, our existing base to the Super-App, typical given that our revenue large part of the contributor is F&O, which is a flat fee base. How do we engage with customers more? And how do we see the same set of customers do larger amount of trades which will then eventually drive revenue. I understand that when you acquire new customers, new trades will be added, but how do you engage more through the Super-App and increase the current trading volumes of the current customer base? That's the first question.

Narayan Gangadhar: Correct. So see the easiest way to drive up these numbers is by addressing customers' pain points. Now, if you look at our existing app, our existing app is super excellent in many dimensions, but an area that we are not -- that we really need to do a better job is our reporting systems. So anytime, if you introduce a constraint or if you kind of dampen that journey, obviously the user is discouraged from spending more on your platform. Why would they come and agree for a substandard journey? And this is what will change in the Super-App, because in the Super-App, we have taken a holistic approach, like on the main page itself on the Super-App, you can see your overall portfolio, you can see your asset mix, you can see what's your composition of stocks, bonds, you can see your risk profile, everything in one clean, neat package. Then there are videos and structures towards the end with cue cards that let you figure out what kind of capabilities features you want.

And I'll let Ankit add a few more to that. Ankit, just why don't you add a few sentences on how the Super-App journeys are different, and then I'll over the remainder of the question and answer about the impact to revenue. So go ahead. Go ahead, Ankit.

Ankit Rastogi: Yes. So Pranav just to follow up on that. So the fundamentals of Super-App are pretty much like the simplicity, which we are adding, which is bounded by our personalization capability, starting from the homepage, which Narayan mentioned. Even if you are in a F&O trader, probably insta trade will pop up for you earlier. Or based on your history, the recommendations will come in. Similarly, the Super-App is not just on this feature and UI and UX experience. We are building inherent improvement in our availability and reliability of our product, which is much more crucial. Any app has to be much more predictable. So this app will bring in a very predictable experience to fashion trader as well as to say a new guy where we are stuck in where to activate this guy. What should be my first trade? This is also a reflection of the entire post trade experience, which we are significant revamping in our Super-App, the transparency level, which is one of the tenants of our Super-App will be I think industry first. So and then, one more point to add. It's also the speed of the platform, which is, I think, a very key driver for an option trader, which will be significantly better. We are improving in our streaming services. We are improving in our cashing for chartings. So those are a couple of initiatives, which will be visible.

Narayan Gangadhar: Right. So, the main, the meta point here is generally people -- the question to ask is are people spending the most that they can on our platform? Are we realizing a 100% or 150% of the revenue potential from every client? And the answer to that question is on our current platform the answer is no, we are not because the fact -- and why are we not realizing that revenue potential. Because in our current app, there are many journeys which are not as fully baked or as fully mature as we want them to be. So naturally when we move to the Super-App, obviously the volume will go up because the journeys have been fully baked.

Now, it's hard for me to predict whether you're going to see it all in just one quarter, or will it take us, you know, the three quarters or so till the whole flow becomes normalized. And I think that kind of variance is to be expected from any tech business. So we are giving ourselves also that time so that we can avoid any false start and not shoot ourselves in the foot before doing any big migration like this, right. It has to be done in a very thoughtful way. So, yes.

Devender Kumar: Narayan can I add something?

Narayan Gangadhar: Yes, please. Go ahead.

Devender Kumar: Yes. So, just to answer this in a more fullsome way, what happens is there are different types of clients there are first timers coming in. There are traders coming in, and also when a client comes in, they have a life cycle, they start slow, they will switch different products over a period of time. Now, what has happened in ABMA obviously we have been delivering the same services through multiple platforms like WhatsApp know through notifications, through the system itself. But when we are building the Super-App, what we are making sure is that the platform itself in a real time basis morph to give that services on a realtime to our client and to the different set of clients like the first timers, the traders, and also the based on the life cycle, which stage of the life they are. And also Super-App allows us to build multiple services. Like, we are trying to go live with mutual fund, eventually insurance and other subsidy services, which are a seamless experience for a client. And we believe that in today's platform, this is done in a much more communication oriented way. This will move seamless into real time processing with Super-App, where you can use this mix at the right time, at the right place, which will allow customer to have a great experience and actually show the confidence of using and experience services to the optimum level, with the bouquet services we are coming up with as well.

Pranav Gupta: Right. I understand this. And I understand when you say that, you know, the customer journey when it improves and when it becomes more seamless, a customer will engage. We probably engage more, just wanted to understand how do we even, how do we even monitor this? Just as an example, if you use the example that you said, where that there is a reporting system or the reporting system is sort of lacking the current app, and it will be much better than the Super-App. Just wanted to understand how do we monitor if the customer has moved their business or part of their business elsewhere?

Narayan Gangadhar: Correct. Correct. See, obviously we have not -- we don't see -- we have not seen clients who have departed from our systems. Our bounce rate is very low. It's not even -- it's less than 5% or something it's not even meaningful. Which means that once people come to our platform, they're staying on the platform, but that is not the same as somebody who's staying on our platform and spending the most that they can. So our problem is that they're not spending the most that they can because we ourselves are seeing drops in those journeys. So our product flows have detailed metrics behind them. And we have studied this behavior over a period of time. So we know that these are the frustrating points for the clients, and this is customer feedback that we have gotten from surveys and stuff. So we have 360 degree view and our own insight to actually improving the journey. And that's what gives us the confidence that this data based approach, this data science based approach will actually lead us to the right end state.

Pranav Gupta: Okay. So, if I understand this correctly and just to close the loop on this, what you're saying is that when a customer is -- when we see a customer drop off in the middle of a journey that is how we understand that the customer is not spending as much as they could have on the app because the journey is lacking somewhere is that the right understanding?

Narayan Gangadhar: Absolutely. Very much like if you go to Amazon.com and if you are -- let's say, if you get stuck updating your profile page odds are, you're not going to go back there, again It's going to frustrate you.

Pranav Gupta: You will not be able to quantify this, but this is a qualitative way of understanding that the customer is not spending as much as they could.

Narayan Gangadhar: Exactly. Exactly. And this is what we have spent a lot of time studying Ankit and his product teams have lots and lots of data about each and every journey where we know where the customer is frustrated, what has gone wrong? What can we do better? And the synthesis of whatever we have understood is there in the Super-App. That is really what, how we have built it.

Pranav Gupta: Right, just a second question and a more broader question. If you look at overall industry ADTOs, obviously largely driven by the F&O or derivative segment, and if you look at it over the last two years, it is almost more than quadrupled. Like one of the participants also asked earlier, how do we understand the sustainability of this trading volume or trading that is happening currently? And how should we look at it over a more medium to long term, maybe right now we are seeing elevated volumes because of various reasons. How do we extrapolate this to the medium and the long term?

Narayan Gangadhar: Yes. So actually this question, Dinesh, has written a beautiful slide on this. So I would actually love for him to answer this because he's the best person. Dinesh, are you on the line?

Dinesh Thakkar: Yes. So my line dropped, can you just repeat that question please?

Pranav Gupta: So the question is that, over the last couple of years, we have seen ADTO for the industry grow significantly and especially driven by the F&O segment. Now this has been driven because of multiple reason over the past two years, how should we look at the sustainability of this and how should we extrapolate this for the industry as a whole over the medium to long term, because in the short term, maybe this will sustain. But how should we look at it over the long term?

Dinesh Thakkar: See, what I believe is that, we haven't even scratched the surface. We are just right now just capturing land grabbing and getting customer in our fold. But if you look at optimal kind of like investment, what the person has to do in equity market, I don't think we have reached there. Currently, we are -- like most of the customers are in the age group or 25 to 28. So they have just started their vocation they've started their earning phase. So right now there is nibbling in equity but I think serious phase of investment will start -- is yet to come. So I don't believe what we saw is really a peak. I would say what we saw is just a beginning.

If we talk about market penetration, that Angel is able to cover 98% of pin code. But if I look at the wallet share that we are able to get in our market is very minimum. So that's the reason we are actually looking forward to Super-App content building journey so that we are able to increase lifetime value of customers that are onboarded. So my answer would be yet we haven't seen the best in this industry in terms of wallet share, getting into our market, looking at like macro picture where inflation rate is so low. There's no other option for a youth to get into our market. So overall, I feel that still that we are yet to see an increase wallet share. Today, we are just talking about market penetration of demat account that we are able to open.

Pranav Gupta: So just one small follow up and that will be my last question wanted to understand from you that again, over this last couple of years, a lot of the market has also been -- a lot of the new investors that you spoke about have also made a lot of money, because of the runup that we have seen. Do we believe that the customers will remain sticky or will continue to do the volume that they're doing currently if you see a slump or a elongated slump not a short term slump for a month or two, but elongated slump, do you believe that these customers will still remain in the fold and continue to trade at the level that they are today?

Dinesh Thakkar: See, we share a slide of this, on like impact of, market volatility on number of trades now that we are into flat fee broking models. So if you look at the number of trade, even in times of like Lehman Brother crisis or when India was facing big challenges because of high inflation, we never saw a drop in the number of trades. So that is maybe, like true for in traditional broker where a ticket size of an order goes smaller, but for a player like us, customer who are active, they remain active. What they do in bad market is they reduce that ticket size instead of trading 1 lakh per order, they may trade maybe 50,000 per order. So overall I don't see any kind of trend going down in terms of number of order, even though market has been cyclical, worst case was Lehman Brother crisis, we will not see decline in number of trade on NSE.

So overall I believe, as I said, we are right now acquiring a new set of customers who have no other option, but to put serious money in equity. Right now they're just nimbling I think this ADTO and participation from per investor is going to increase from here.

Moderator: Thank you. Ladies and Gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Dinesh Thakkar for closing comments.

Dinesh Thakkar: Thank you everyone for joining us today on this earning call. India is on the path of achieving long term sustainable growth. And this growth will become a reality in an inclusive and proliferated capital market characterized by significant penetration of equity. As highlighted earlier, new age India is gradually understanding the benefit of arbitrage in returns between low risk asset and equities. According to a study done by Deloitte access of smartphone will increase significantly over the next five years. Growth of smartphone in rural India will be 2.4x, that of urban India. These are the realities of future growth of FinTech companies like us, and the extent to which we prepare for the presentation of the comprehensive financial product suite for the potential clients will position us ahead of the competition by catering to an evolving need of this untapped market.

We will spare no effort in helping investors achieve their goal, while also improving their overall investment journey. We have successfully demonstrated the implementation of our digital strategy over the past three years and plan to augment the same as we move forward to achieve our goal of attending a leadership portion in retail broking industry in India. I am certain this goal is not too far away. I wish to thank you all for your continued support and confidence in Angel One. For further queries, please do reach out to Hitul Gutka, our Head IR or SGA our Investor Relations advisors. I wish you all a good day, stay safe and stay strong. Thank you.

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