Angel One Limited

Q2 FY '24 Earnings Conference Call

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MANAGEMENT:

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Prateek Mehta *Chief Business Officer*	**Nishant Jain** *Chief Business Officer – Assisted Business*	**Prabhakar Tiwari** *Chief Growth Officer*	**Ketan Shah** *Chief Strategy Officer*	**Deepak Chandani** *Chief Data Officer*	**Saurabh Agarwal** *CXO New Business*
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Moderator: Ladies and gentlemen, good day and welcome to the Angel One Limited Q2 FY '24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Hitul Gutka from Angel One Limited. Thank you, and over to you, sir.

Hitul Gutka: Good morning and welcome, everyone. Thank you for joining us today to discuss Angel One's Q2 FY '24 financial and business performance. The recording of today's earnings call and transcript will be uploaded on our website under the Investor Relations section. The financial results, investor presentation and the press release are also available on the website.

For today's call, Angel One is represented by Dinesh Thakkar, Chairman and Managing Director; Vineet Agrawal, CFO. We also have the senior leadership team of Angel One along with SGA, our IR consultants. The leadership team will give you a brief overview of the operational and financial performance of the quarter gone by, followed by a Q&A session.

Please note, there may be certain forward-looking statements during the call, which must be viewed in aggregate with the risks that the company faces. With this brief introduction, I now invite Mr. Dinesh Thakkar for his opening remarks.

Dinesh Thakkar: Thank you, Hitul. Good morning, everyone. I'm happy to share that quarter 2 FY '24 reflects the superior execution of Angel One's robust growth strategies as we continue to gain market share across various parameters. I will take you through some of the company's key development and leave you with a summary of our plans for the next few quarters, after which Vineet will walk you through our financial performance.

Seamless and superior client experience on our digital platform is the bedrock of company's growth. To maintain this growth in digital era, we must always prioritize our clients' needs and keep current with the rapid pace of technological and product development.

During the quarter, we rolled out enhancements across the Super App, which led to further improvement in our overall NPS. I'm happy to share that we continue to innovate and offer our clients some of the industry's leading features across all offerings on our platform. We have focused especially on simplifying the onboarding process for both new to market and experienced clients, thus giving them a superior experience of our tech capabilities right from the first point of contact with our Super App.

The success of this approach is evident from our improved ranking amongst the top 10 club of free finance apps on Play Store and our third-place ranking on iPad. Since majority of our clients are digital natives hailing from Tier 2 cities and beyond, who are new to market, it is imperative we create journeys that are user-friendly, compelling and easy to follow as we handle them through their initial experience of our products. For example, through Trade Buddy within the Super App, we present a platform from which these new investors can embark on their first trading journey. This feature compiled by influencers within diverse customer cohort offers a repository of curated educational videos in regional languages, which leads to better acceptance and motivation to consume such content. Moreover, to encourage and help young people to invest systematically and build their lifetime wealth, we have deployed and released the stock SIP feature.

Over the course of the year, we will roll out several more exciting features such as market -- open interest analytics, global indices and stock discovery. This will further simplify our clients' investing and trading journey.

Our endeavor to develop a lifelong relationship with our clients through a comprehensive digital financial services playbook has reaped handsome dividends, evident in the steady uptick of unique SIP registered through our app. With over 7,25,000 unique SIP registered in quarter 2 FY '24, we continue to remain India's second largest player in terms of incremental registered SIPs.

Furthermore, we are systematically broadening our financial services offering with plans to close the financial life cycle loop our clients by distributing consumer credit products on our digital platforms in the upcoming quarters. We are currently building the platform and integrating our lending partners. We are also developing data-driven intelligence across customers' credit profile to help lenders’ underwriting process.

With such a large client pool, we have access to a large quantum of data. We are harnessing the power of data by building predictive models driven by deep learning of our clients' behavioral pattern to further elevate the client experience on our platform. These models are integrated in our system using AI/ML techniques to craft hyper-personalized journey, ultimately enhancing client's satisfaction and delight. We have developed significant pivotal strategies to augment our decision-making process based on this advanced insights and forecast, which has enabled us to adapt quickly to changing market conditions. We are investing in AI-led personalization to enhance user discovery on our Super App. We are also working towards incorporating the recommendation of Data Protection Act to the extent notified to ensure greater security and consent framework for our clients.

As mentioned in our quarter 1 FY '24 earnings call, we rolled out our brand campaign to enhance awareness of our full stack fintech platform to address all our clients' financial needs and aspirations. The reception of this platform has been a resounding success, as we have noted through our brand track exercise.

During the quarter, we onboarded Nishant Jain: as our Chief Business Officer for Assisted Business. He was pivotal in scaling up the online ordering business of Zomato and growing the merchant network of BharatPe. Nishant has also held senior leadership position at Coca-Cola and PepsiCo.

Nishant's experience in building large-scale franchisee will help formulate alliance with essential stakeholders and enhance business performance through our strategic growth of our assisted business. Here, we plan to diversify and become a multichannel business as we build an ecosystem that offers a full suite of financial products on our platform. We will leverage the new data set and our digital capabilities to empower our partners to serve a wider client base. We plan to further augment our NXT platform as we integrate more features based on data, thus enabling our partners to have a more integrated approach to growth. Through this medium, we'll be able to connect and positively influence our large-underserved segment of country's population.

I'm also happy to introduce Ravish Sinha, who has taken over the reigns as CPTO. Ravish has a remarkable track record spanning over 2 decades. He held senior leadership positions in cutting-edge technology companies such as Flipkart and Yahoo. Ravish will drive the delivery of Angel's product vision, strategy, design, engineering and cross-functional influence.

During the quarter, the Board approved our business restructuring plan, which includes the purposed move of our broking business under our direct and assisted channel to our wholly owned subsidiary, Angel Crest Limited and Angel Securities Limited, respectively. By doing this, Angel One Group will have a more focused and efficient organizational structure, and each business will have better flexibility and independence to foster growth and become a leader under their respective segments. As Angel One will be a flagship company, it will continue to house the Super App, tech infrastructure and development, product development, data analytics and other business support functions. Since all the companies are wholly owned subsidiaries, there will be no negative impact on financial performance of the company.

In quarter 2 FY '24, we moved ahead with the filing of final approval of our AMC business. We are progressing rapidly in setting up the business infrastructure and building the team and are continuously engaged with regulator on this regards.

It gives me a great pleasure to share with you that our organizational culture is being well recognized. We have now been listed amongst the top 100 best companies to work for in India, both for women and millennials, a recognition given to us by the Great Place to Work Institute. This fortifies our commitment to develop a safe and secure workplace for everyone.

I'm delighted to share with you that our operational performance in quarter 2 FY '24 has been historic. We have acquired over 2 million customers in quarter 2 FY '24, which is our lifetime best, thus growing our client base to over 17 million as of September 2023.

This growth has advanced our share of India's incremental and total demat accounts to 22% and 13.2%, respectively.

Our orders, a key revenue driver of our business, grew by robust 36% sequentially to over 338 million, again marking our lifetime best. The ADTO generated on our platform continued to be in an uptrend, growing by 30% quarter-on-quarter to nearly Rs. 30 trillion as we continue to gain market share in overall retail equity turnover by 168 bps quarter-on-quarter to 26.2%.

In H1 FY '24, we acquired over 3.4 million clients and reported nearly 587 million orders executed on our platform, which is 73% and 63%, respectively, of FY '22 performance. I hope these insights have given you a flavor of our tech-driven business model and our growth strategy to become a more Integrated Financial Service play. Vineet will now take you through our financial performance, after which, we will be happy to answer your questions. Vineet, over to you.

Vineet Agrawal: Thank you, Dineshbhai, and good morning, everyone. As highlighted by Dineshbhai, quarter 2 of FY '24 has been a very strong quarter for us as we present our historic best performance across both operational and financial parameters.

Our quarterly total gross revenues exceeded the Rs. 10 billion mark for the first-time during quarter 2 of financial year '24. This was driven by robust market conditions, coupled with amplified client activity, as seen from our historic best average daily turnovers, average daily orders, which grew by 29.7% sequentially to 5.4 million, taking our aggregate orders to 338 million in quarter 2 FY '24. Notwithstanding that there were 3, that is 5%, more trading days in quarter 2 of FY '24 when compared to FY '21 -- quarter 1 of FY '24, our gross broking revenue grew by 30.4% quarter-on-quarter to nearly Rs. 7.3 billion, accounting for about 69% of our total gross revenues for quarter 2 of FY '24.

F&O continues to drive our gross broking revenue, contributing 85% in quarter 2 of FY '24, while the share of cash and commodity segments remained stable at 11% and 4%, respectively. Since majority of our clients are under the direct channel, their share in our net broking revenues stood at approximately 78% and the balance 22% was contributed by clients acquired through our Assisted Business. As clients continue to transact on our platform, their contribution to revenues remain robust. Share of more than 2-year-old clients steadily increased to 46% in quarter 2 from 25% in quarter 2 of FY '22. The longevity of these young new-to-the-market, revenue-generating clients on the platform is further being fortified through our various initiatives, developments and offerings across the entire spectrum of Angel One's Super App platform.

It is noteworthy that we continue to witness healthy revenue progression as clients become more attuned to our platform. I would like to emphasize that our cohort level data remains exceptionally robust. The most -- recent data regarding broking revenue from clients entering their second, third and fourth years shows strong performance at 85%, 80% and 63%, respectively, of their first-year revenue. When we apply this updated behavioural data to our client set acquired in FY '22, the 3-year estimated revenue to Cost of Acquisition continues to remain very robust at 7.9x. This reinforces the strong unit economics underlying our business.

Interest income, which includes interest earned from our client funding book and from deposits with exchanges grew by approximately 25% quarter-on-quarter to Rs. 1.8 billion. This accounted for 17% of total gross revenues in quarter 2 of FY '24.

The ancillary transaction income linked to the turnover clients do on our platform stood at approximately Rs. 0.9 billion accounting for nearly 9% of quarter 2 FY '24 total gross revenues.

Finance cost was higher by 44% quarter-on-quarter to Rs. 264 million in quarter 2 of FY '24 on account of higher average borrowings for the period in line with higher client funding book. Quarter 2 of FY '24, finance cost also includes the impact of higher borrowings for substituting the underlying collateral for bank guarantees with own funds towards margins with clearing corporation pursuant to the SEBI circular, discontinuing any client funds as collaterals for bank guarantees.

Employee benefit expenses, including ESOP cost at Rs. 1.3 billion in quarter 2 of FY '24, was higher sequentially due to increase in our head count and related hiring spends. Other opex for the quarter of over Rs. 2.6 billion grew in line with our operations, driven by spends on higher client acquisition, their onetime onboarding costs, operating expenses towards tech infrastructure, demat charges, CSR and other expenses.

Our consolidated operating margin for the quarter stood at 51.3% versus 48.6% in quarter 1 of FY '24. 26% increase in depreciation and amortization costs to Rs. 112 million in quarter 2 of FY '24 was on account of the commissioning of our disaster recovery site at Chennai.

Our consolidated profit after tax from continuing operations grew 37.9% quarter-on-quarter from Rs. 2.2 billion in quarter 1 to over Rs. 3 billion in quarter 2 of FY '24.

For quarter 2 FY '24, the Board has approved a distribution of 35% of post-tax profits as second interim dividend to the shareholders, aggregating to Rs. 1.06 billion, translating to Rs. 12.7 per equity share.

Our H1 FY '24 total gross revenues and profit after tax stood at Rs. 18.6 billion and Rs. 5.3 billion, respectively, representing a growth of 30.1% and 32.9% over the corresponding period last year. Period-end cash and cash equivalent increased to Rs. 76 billion on the back of increase in client margins. Period end client funding book grew to nearly Rs. 19.5 billion, compared to Rs. 11.5 billion as of March 2023.

Consolidated networth of the company grew to Rs. 26.1 billion. As we continue to operate the business within our desired margin profile, our H1 FY '24 annualized return on average equity remains healthy at 44%.

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

Moderator: Thank you, very much sir. We will now begin the question-and-answer session. The first question is from the line of Swarnabh Mukherjee from B&K Securities. Please go ahead.

Swarnabh Mukherjee: Yes. So first of all, I'd like to congratulate all of you for the strong performance that you have reported. Now coming to questions. First question is on the assisted part of the business. So in slide six, you have given some color on how -- what is the plan, but I request you to give it a little bit more granular and in a qualitative manner so that we can understand for this part of -- the journey of the business is expected from this part.

And given that you have mentioned the involvement of leading DSAs and mutual fund distributors, so are we eventually going to mold this part of business into a national distributor kind of a model? And will retail the -- our core focus areas? Or are we going to kind of move up the scale and target the HNI as well? So that is the first question.

Secondly, sir, I also wanted to understand a couple of things on the recent business performance. First of all, the strong increase in the number of orders that we are recording per day. So, what would be the reasons, if you could break it down? So apart from the fact that the overall market remains buoyant, how is activation of new customers going on? How is that resulting in -- BSE also ramping up in volume? And similar levers, if you could point out in a little bit more detail on that.

And thirdly, related to the customer acquisition, I wanted to understand the strong growth we are seeing, how would be the contribution of the AP channel related to that and directives that have come up, where we are standing on that. So, these are my questions.

Dinesh Thakkar: So Mr. Mukherjee, what I understand, your first question was on assisted channel. So, I will ask Nishant to answer that part.

Nishant Jain: Yes. Thanks for your question -- let me kind of paint a picture, which may help you kind of decipher what one is intending to do.

Today, if you look at our existing scenario, we are primarily centered around a single channel of acquisition, which is sub-brokers and primarily in the equity, F&O play. Now if one was to zoom out, what you would see is that there are limitless possibilities and a lot of opportunity for partnerships which exists if one was to kind of look at tie-ups with fintechs, various health tech players, banks.

Even if you look at certain other channels, for example, the mutual fund distributors or the PoSPs or the DSAs. If one was able to kind of provide a good product market fit and kind of cater to the niche that they exist in, perhaps there are a lot of synergies that could be built out. So the idea of assisted business is, therefore, to have a multichannel, multiproduct play and be able to eventually build a funnel through which we cross-sell our anchor-products at a certain point in time with the end objective being creating a Angel One equivalent size in the next 3 to 5 years within assisted business.

Dinesh Thakkar: Okay. Mr. Mukherjee, I was unable to get your second part of the question. Can you repeat that?

Swarnabh Mukherjee: Yes, so -- second part on the assisted business, was that once we embark on the plan and thank you, Nishant, for giving this color. So, once we embark on this plan, will it kind of center around our existing customer -- kind of customers we tap in to right now, say, younger customers and I think an increasing mix towards Tier 2, Tier 3 customers? Or shall we also kind of gravitate towards maybe more higher ticket customers and be more -- act like more a wealth outfit in the making? So that was, I think, my second part of the question on the assisted sales.

Dinesh Thakkar: Yes. So, like -- target audience that we'll be targeting -- would be much beyond broking. As Nishant said, that we would be looking at like distribution channels where we can serve lots of other products like insurance, mutual fund, lending product. And even that will include lots of kind of like wealth management kind of a like product. So overall, the kind of end market we are looking at is much beyond that what we were catering to previously.

Nishant Jain: And just to add to what Dineshji has mentioned. See, we are looking at various customer cohorts. So, the idea is not to cater to -- not to have a singular strategy for the entire spectrum. The idea is to create customer personas, create customer cohorts and be able to serve them basis what they require. And therefore, to your question, answer would be that, yes, we will be serving different other segments as well over and beyond what we currently do. And that's the whole idea of creating a wider playfield.

Swarnabh Mukherjee: Understood, this is very helpful. Thanks also on the other couple of questions.

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

Prayesh Jain: Yes, hi, good morning, everyone and congratulations on a great set of numbers. Sir, firstly, on the interest cost. You mentioned that there has -- there is some impact of the upstreaming element, then the margin trade funding book was also higher. But if I look at the interest cost, that's just gone up by Rs. 8 crores. And you had mentioned earlier that around Rs. 40 crores impact would be just for 9 months just because of upstreaming. So that itself would entail around the Rs. 12 crores, Rs. 13 crores of incremental cost for the quarter? That is my first question. Could you triangulate that for me as what -- how should we look at this interest cost for this quarter and going ahead?

Second is we've seen a very sharp ramp-up in customer acquisition in this quarter. So, what really has changed? And what kind of momentum or things should we look at going ahead? And I think the previous question was also about one of the elements which was unanswered was with regards to the volumes that came in as -- per day, per customer volumes have also been rising. So, what is the kind of trajectory that we are looking at?

And lastly, you set up a new subsidiary for wealth management. What is that exactly? And whether the distribution is going to be sitting in this company. How are you going to distribute the business of APs or online of distribution business will be -- will it be housed under this subsidiary? Or how it's going to pan out? Could you leave that out for us? Those will be my three questions.

Dinesh Thakkar: So, I will answer the rest of the questions. Interest cost, Vineet will take that later. On sharp ramp-up of retail acquisition customers and all that, that is attributed to our shifting from like old app to new Super App, which has a better journey and it has like lots of like areas where customers are able to really like and when they look at broking services, they're finding it easy to use our app and we engage with our app.

So, our -- based on that improvisation in journeys and all that, we have seen a huge kind of like ramp-up in NPS and all that, which clearly shows that people are liking our app. And there is always a referral word of mouth in our market because this market is nowadays because of social media and all that. It's easy to understand that this app is better and people refer for each other. So that is one of the reason.

And second reason would be that last quarter, as you said, that we'll be spending on our branding exercise so that people know what kind of like this shift we have done from single kind of broking app to this latest kind of like app. So that has also helped us. And plus, we had spent more this time on acquiring customers, keeping in mind unit-wise economy. But we were able to optimize our marketing, our acquisition through different, different channels. That's the reason I would say this combination of all the factors that we saw ramp up in our customer acquisition.

In terms of volumes, again, credit will go to kind of like journeys that we have built, we're are able to engage customers, we're able to monitor the customer journey. And we were able to build a good data science team, who is helping us in terms of -- giving us some content like information about customers, their profile, what they would like and how they'll get engaged more. If you look at when we introduce this SIP journey, that has helped us to our customers not only to buy one more product, but this customer is engaged for one more product. That gives us more kind of time with customer and our app.

And your question on the wealth management. Wealth Management, the total solution is not a distribution business. We would be creating lots of content solutions for HNI. And we would like to go into a ticket size, which has been challenging in the market how to serve a ticket size of Rs. 50 lakh, Rs. 1 crore and around that area. If you look at wealth management, across market, they're focused more on Rs. 5 crores to Rs. 10 crores and above.

But we believe that kind of like technology capabilities that we have and data science tools that we are using now, we can bring to this market kind of a like very effective product, which is effective for HNIs and Ultra HNIs and give this kind of like solution to even people who want to just invest Rs. 50 lakh and Rs. 1 crore.

So that is our target for this wealth management. We will start in a normal way, serving HNIs and all that with proper solution, but we'll move towards using technology and bringing this cost of acquiring customer with this ticket size of Rs. 50 lakh and Rs. 1 crore lower and make them profitable. So, for other businesses like for our product-based solutions, we have AMC and all that. So that will complete our approach in terms of wealth management. On interest part, I request Vineet to answer that.

Vineet Agrawal: Sure. Good morning Prayesh. On the interest increase, so when we gave a guidance of Rs. 40 crores for the nine months, it was based on the assumption that the bank guarantees for client denominated funds will scale down gradually, and that's what has happened. From 1st of May 2023 to 30th of September, the scaling down has been gradual. And therefore, the cost will not be linear. Now that the client denominated bank guarantees have completely gone, so the cost will be higher for this quarter and the quarter after that.

Prayesh Jain: So just, Vineet, further extending that point, you mentioned -- so this quarter still, even if I assume that you have a very limited portion of that Rs. 40 crores, that assume it's around Rs. 5 crores against, so the total cost has gone up by Rs. 8 crores only, where your funding book has gone up, your borrowings on the balance sheet has gone up. So somehow, I'm not able to -- unless your costs have -- your borrowing costs have gone down materially, I'm just trying to understand as to what really kind of brought that -- the increase or so less?

Vineet Agrawal: So, the funding book has not gone up for the entire quarter. It's towards the second half of the quarter that the funding book has grown. If you see the average is about Rs. 14.5-15 million or so. So, when you see the period end book, then obviously, it's Rs. 19.5 billion as compared to Rs. 11.5 billion at the start of the year. So, it's not a sudden increase that has happened at the start of the quarter and therefore, the funding is also -- the borrowing has also increased in proportion to that. What you see in the balance sheet is the period end number, it's not the average borrowing that you've seen.

Prayesh Jain: So is it fair to assume that, out of that Rs. 40 crores, what you have mentioned, a good portion of, let's assume around Rs. 35 crores, is still yet to come? Or would you want to change that number of Rs. 40 crores to a lower number?

Vineet Agrawal: No, I'll maintain that Rs. 40 crores because there is growth in business and therefore, there will be requirement of margins to be placed with the exchanges. So, we will continue to maintain that guidance of Rs. 40 crores or so for the financial year.

Prayesh Jain: And just a follow-up on the acquisition costs you've been mentioning customer acquisition costs, if I just divide the total admin cost and the number of acquisitions that made, it used to be around Rs. 1,500 per customer until for the past three quarters, it's coming at Rs. 1,250. Obviously, the base is much better because of 1.3 million was the run rate and 2.1 million is now. But is there anything else to read into it, whether the customer acquisition cost trajectory and this momentum would continue?

Vineet Agrawal: So, the admin cost is not directly for the cost of acquisition. There are other elements as well, including the operational cost towards tech infrastructure, the branding cost that we have incurred, the onboarding cost that is there. So, you cannot directly divide the number with the number of clients that we have acquired. The customer acquisition costs have not moved significantly in the same line as it was earlier. As you know, we don't disclose the numbers, so I'll leave it at that.

Prayesh Jain: Thank you so much.

Moderator: Thank you. We'll take the next question from the line of Chintan Sheth from Girik Capital. Please go ahead.

Chintan Sheth: Thank you for the opportunity. Yes. Sir, two set of questions. One is on a bit harping on the orders -- client orders and all. If you give us some colour on the trading difference between a mature client versus new client, as you already mentioned in your opening remarks that the mature, two-year older customer cohort is contributing more to our broking, net broking revenues. If you can provide color on how the mature clients trade or the order or quarterly order versus a new client, can you give some color that is, more business is coming. Obviously, intuitively, it looks like more business is coming. But how skewed it would be, that I would like to understand. And what kind of risks you foresee in terms of these orders softening down from the mature -- any thought process or any concern you have that this order might taper down in the upcoming future? That would be the question.

And second, on the cost side, you did mention that we are in line with what we are spending right now. I believe there will be some thought process in terms of number of customer onboarding at an aggregate level, either be it share or in the overall demat accounts in the country, and post which, the need for spending more towards client acquisition will start to decline.

So, any thought process around that, where the inflection point will come or the target that you have internally worked out. From that point onwards, the need for investing for client acquisition will start to taper off, if you can provide that understanding? These are the two set of questions. Thanks.

Dinesh Thakkar: Chintan, what you're looking at, very granular kind of a detail, the things that we don't provide. What we provide, it is in our presentation, Slide 11. I'll ask our revenue officer, Devender to touch upon that. But before that, let me just cover on like cost side and all that. Right now, it's very difficult to say, what impact like this thing kind of like would be seeing in cost in near future. Because what we are seeing, unit-wise economy has been very profitable. So, we try to spend based on our own kind of metrics that we have, which is a bit proprietary to us in terms of how much we should be spending.

So, when you see there is a good opportunity to acquire customers, which are profitable, we try to press that lever. So overall, I can say, looking at under penetration, this trend seems to be like -- will continue for a long time because India, if you see, hardly 3% to 3.5% people are active in this asset class.

So -- the performance of this asset has been excellent. So, I don't feel that there would be any kind of like phase where clients would not look at this market or building their wealth or creating a second income. So, I will ask Devender to touch upon whatever data I can provide in terms of client per order cohorts and all that. Devender?

Devender Kumar: Yes, hi, Chintan, from an overall point of view -- if you look at orders from mature clients and new clients point of view, so from a mature and new clients point of view, as Dineshbhai had already mentioned that, we came out with new journeys on the app with simplified usage for the active users, particularly, where you know option watchlist has come out. And also, for the new users, we have been building a new journeys, Trade Buddy is another product that we had come out. So obviously, we have improved the journey of new users and active users very robustly on the app. And that we've also used data science to customize it for different profiles of clients, which has come out really-really well in terms of the eventual order that you see on the platform. Obviously, this is also supported by two major factors, like market going to all-time high and also multiple expiry days, which provides more opportunity for active traders who participate in multiple days. So, they are also added on in terms of active participation of active users, particularly very, very strongly.

But if you look at from a mature and new clients point of view, we see this impact has come equally on both fronts. We have seen equal impact on mature users, which is very high active users, as well as new users, who are starting to come into the market and start experiencing different financial equity services in that itself. So, these are the two prime reasons that we have seen within the system which has helped in terms of growing the orders.

Chintan Sheth: So repeat orders, I believe, will be based on the income they generate from trades, right? And given market is also supporting to some extent, the kind of ordering we are seeing right now looks like to follow through to continue. But what are -- from the Angel's point of view, the kind of information and the kind of future you are providing – whether, if you can give us how profitable this newer or mature cohorts independently? Whether they are making money, which brings them back to the trading activities -- is it what we are seeing currently? Or anything different you are reading there?

Dinesh Thakkar: See, Chintan, let me take this question one second. This market, ups and down is not a new phenomena from the day stock market was incorporated. If you look at like already, we share that kind of a data, what kind of repeat business we get on year one, year two, year three. So, we had to look at cohort-wise revenue, whether it continues or not. Whether we look at dot.com bubble era or we look at global financial crisis era. We have seen market really going to a zone where investors, traders lost money. And because they come to the market with limited risk capital. Because they are earning -- they are generating kind of like revenue. So, they are kind of like engaged in the market. Not that they just do trade, they make loss and they shy away from the market.

So based on kind of the historical trend, we have analysed that trend in this digital era is far better in terms of repeat order because when they download an app, app stays with them. So, whenever they see an opportunity in the market, then may feel that, okay, when they enter, that an opportunity was not good and they made some losses. But they go back to nowadays, like social media, try to see what's the right approach, where they went wrong, do some back testing. And again, they are active in the market.

Chintan Sheth: Correct. Okay. So, the behaviour has changed, which -- and the kind of ease of accessing the trading data and app through an app is helping them to come back in the market...

Dinesh Thakkar: Access to market, access to information, access to experts like what we have built TradeBuddy and all that, talking to community and trying to evolve -- understand. So, all said and done, market has done good performance. They have realized, it is their mistakes. So, they have to improvise on that. This generation that way is very -- like proactive in terms of gaining knowledge and all that.

Chintan Sheth: Got it. I will join back in the queue. Thanks for the information.

Moderator: Thank you. We'll take the next question from the line of Bhuvnesh Garg from Investec Capital. Please go ahead.

Bhuvnesh Garg: Yes, hi. Thank you for the opportunity. And congratulations for a very good set of numbers. Sir, a couple of questions on your new businesses. Firstly, on the lending products distribution. I just want to understand that, what would be your role in the partnership that you had mentioned in the presentation that through AI and ML models you would be creating profiles of your customer? And just want to understand, what would be your role in that partnership and what type of products that you will be offering through lending platform? So, yes, that's my first question.

Dinesh Thakkar: Yes, sure. So, Saurabh handles -- heads our this new business division. So, I will ask Saurabh to answer this.

Saurabh Agarwal: Hi, Bhuvnesh. In terms of the product that we'll be offering, to begin with, it will be consumer personal loans, unsecured consumer personal loans, and the kind of partnership that we'll be having with the lending banks or NBFCs will largely be in the capacity of a distributor. But we don't want to intend to just be a vanilla distributor. We want to give all the intelligence that we can to our lending partners to help them underwrite better, to help them collect better, so that their portfolio performance increases and which, in effect, will mean, we can also benefit from better commissions from them over time.

Bhuvnesh Garg: Okay. Got it. And sir, any particular targets we have in this lending space in terms of AUM or in terms of revenue that we want to reach over the next three years?

Management: So actually, we can't give out that number, but we have very steep aspirations with respect to the credit business. We'll be -- we'll start slow to ensure that we have delivered the best experience to our customers and scale significantly post that. There is tremendous potential to grow the retail credit business in India.

Bhuvnesh Garg: Got it. And sir, second question is on our wealth management business. If I heard it correctly, you said that, you will be targeting customers in Rs. 1 crore to Rs. 10 crores tickets, it seems. Is that correct, sir?

Dinesh Thakkar: Let me just add that see, today, if you look at wealth management business now, like it is mostly focused on HNI and ultra HNI and average ticket size is Rs. 5 crores and above. So, we'll start our journey because the expertise lies with people who are managing fund at this ticket size. But we believe Angel has a unique capability -- So what I was trying to say that this wealth management piece currently is served for only HNI, ultra HNI in a very effective way, what we call, where they are able to handle wealth in a right perspective. But if you look at India, India is market where actually we must be able to give similar kinds of solution and wisdom to lower ticket size, like Rs. 50 lakh, Rs. 1 crore, kind of a ticket size.

So, we would like to use the same kind of solutions what is provided by good wealth managers, use our technological capabilities, use data science, so that we are able to have an access at a lower cost, give solution at a lower cost. So, plan would be start as a proper traditional wealth management business but try to use our technology and data science people so that we are able to serve a lower ticket size, middle belly which is growing at a rapid speed.

Bhuvnesh Garg: Got it, understood. And sir any particular targets we have for wealth management over the next three years?

Dinesh Thakkar: No, I think we are expecting that we'll make kind of like more announcements by last quarter of this financial year. Until now, we have just formulated our ideas and what we want to do, but we have to really get into the market to create a proper content strategy and how to go about go to market and all that. Okay, so you can expect some announcement from us maybe by the last quarter of this financial year.

Bhuvnesh Garg: Got it, thank you sir and wish you all the best.

Dinesh Thakkar: Thank you.

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

Sanketh Godha: Yes. Thank you for the opportunity. Sir, first question is on some data keeping questions. Basically, given the other opex it has grown significantly year-on-year in the current year. Sir, just if you can give how much was...

Dinesh Thakkar: Sanket, I was unable to understand you. Your voice is getting cracked in. Please, can you repeat it?

Sanketh Godha: Yes. The question I was asking, sir, was that given we have seen a strong growth in other opex in the current year, just wondering, large -- we believe the large part of the growth could be driven by advertisement expenses. Can you just highlight how much we have spent on those advertisements? And then how sustainable it is going ahead? That's point number one.

On data keeping, I have two more questions. One is if you can break down that Rs. 8 crores expense increase in the interest -- can we safely assume it is largely because of the changes with respect to upstreaming of the client money or bank guarantee not available. And lastly, given the Chairman has spoken about instantaneous settlement, I just wanted to understand the impact on us -- is the float income or what kind of float income we earn on the client money which could potentially disappear if instantaneous settlement gets implemented. That's on data keeping. I have a couple of questions on authorized channel -- assisted channel. Maybe after you answer this, I can ask that one.

Dinesh Thakkar: Vineet, can you take all these three questions?

Vineet Agrawal: Yes. So, about the cost that we've incurred on branding, we don't disclose that, Sanketh. So, it's built in the other expenses. As I said, majority of the expenses – increase in the expenses towards other expenses has been because of the growth in the client acquisition from 1.3 million to 2.1 million, plus the onboarding cost. And there is the cost that we've incurred for the branding campaigns that we have run during the quarter. That's on the other expenses part.

On the interest, again, I mean, I'm sorry, I can't disclose much details beyond the data that we've shared. But as I said, the increase in the margin requirement will go up with the client denominated margins, bank guarantees getting abolished from 30th of September. So, there will be this incremental cost on the borrowing and the BGs for the next two quarters. We've given a guidance for Rs. 40 crores during the nine months until 31st of March, and we maintain that.

Sanketh Godha: And lastly, Vineet, the float income on client money?

Vineet Agrawal: Well, that's something which will pan out in the future. Right now, we have already shared a lot of information about the kind of income that we generate from clients' margins, etcetera. But as and when the instant settlement gets implemented, we'll see how the margins move and then we'll be able to give a guidance on that.

Sanketh Godha: Okay. Perfect. Sir, the last -- the second question which I had was on the authorized channel or assisted channel model. Given we have been incrementally focusing on this business, and to the extent I understand this is a pass-through model. Suppose if you are earning Rs. 100 by distributing a loan or a mutual fund or any product on financial or on insurance in that sense. So, if you're earning Rs. 100, probably you need to pay Rs. 90 or Rs. 95 to the authorized person and Rs. 5 is what you might retain. So, I just wanted to understand how exactly you are going to build this model. And if I look at this model in silo, then is it safe to assume that the EBITDA margins of this business will be invariably lower compared to what you do in the direct business model right now.

Dinesh Thakkar: Sanketh, I think you have to look at this model in a different way because when we talk about margins and all that, we don't take the cost. So that cost is taken by our assisted channel business partner and all that. So that way this model is very profitable and very kind of helpful in terms of cyclical times and all that, as all costs taken by our business partner. So, what we bring on the table is like affiliation with good manufacturers. And because of scale, we are able to negotiate a better price.

Second, we are able to use that kind of like solutions that we have and we can customize to the level where our business partner will be able to serve their customers better using our AI-ML tool and data science that we apply in our platform. So, we bring in a lot more than just kind of like giving an access to some manufacturers. But when it comes to managing customers' asset portfolios, distribution, understanding, being more intelligent in terms of understanding asset allocation, that is where our USP comes in. That is where a platform like NXT and this are used. So that this – some of this kind of assisted business partner is able to acquire more customers at a lower price. He is able to get more kind of like creative material in terms of communicating with the customer and acquiring more. And when it comes to serving also, we are able to tell in what are the products in the market and how each and every individual's portfolio is performing. So that's a huge kind of support, which kind of like channel partner gets. Nishant, if you want to add anything on this?

Sanketh Godha: Sir, just a follow up on that given in our broking business, to the extent I understand it is 70-30 sharing. So, do you expect that 70-30 sharing to operate in these other products also? Or it will be different meaningfully from what we experience in broking business?

Dinesh Thakkar: So, every business model is derived by what kind of an investment we are doing and what is an ROE to that? So, what we look at any business where there's a huge opportunity of deploying our kind of like opex or capex which generates reasonable, good, decent kind of like returns and it is scalable, so we would like to focus on that. Margin is not that important. So, 70-30, it can be 50-50. It can be 90-10. But what is important is that, what is the scale of that business and what we're bringing on the table, and what kind of returns we'll get on investments we are doing. So, I think because all these businesses does not require huge capital. So ultimately it boils to business which is more sustainable. Because when we acquire these business partners, they are in the market for -- like we have seen our business partners being in the market for like 10-10, 20-20 years. And plus whatever margins we share with them, ratio is such that we both are profitable.

So, in that sense, it is not less profitable. It is kind of a thing which is required to gain more market share in whichever business we get into, to have a kind of like a diversity in terms of acquiring customers from whichever channel, they want to use our service. So, objective of being into assisted business, the thing is much wider than just looking at margins. So, I believe that India is still like there are digital natives. There are people who want assistance. And those who want assistance is also a big market. Combined with technology platform, what we can do now, it can create our unique USP. Yes, Nishant.

Nishant Jain: Yes. So just building on what you just said, Sir. See I mean, there is a role that channel plays and the role that is acquiring customers and bringing them on to our fold is primarily what they are focused around. And what the role that we as service providers play would be kind of creating those products, creating those customizations to be able to cater to that specific need. And therefore, both the parties involved are adding value, and therefore, they are being reimbursed or they are able to charge for the value that they create. I think, I would like to look at it from this perspective and not from a margin sharing perspective.

Sanketh Godha: Got it. Got it. Perfect. And last one...

Nishant Jain: I can give you a specific example for that matter to kind of help you internalize this point. Let's say, as far as the lending model is concerned, and let's say, if I was to tomorrow tie-in with the DSAs of the world, and I play the role of a LSP, a loan service provider. Now in a scenario where I help them identify a specific cohort where we are able to charge a specific rate of interest. And therefore, creating enough lubrication in the system for them to be able to charge their DSA fee, which they, in any case, would be getting, and on top of which I am able to add value by that specific cohort and fulfilment of those journeys. And therefore, I am able to bring in my margin. It could be in form of LSP fee or it could be in form of upfront onboarding fee. So, these are different value adds that one is creating. And the overall proposition, therefore, becomes more robust.

Sanketh Godha: Got it. Got it, sir. Perfect. And lastly, given you have raised on the lending point. Just wanted to check that if the loan market you want to get into, whether ultimately, you will even start the payment aggregator model where the throughput through your channel will be significant. And therefore, the personal loan disbursement thing can be meaningful. Or you want to be a pure DSA or an aggregator of the DSAs kind of a model?

Nishant Jain: Well, this is a wider question, and I would request Dineshji to respond on this.

Dinesh Thakkar: Yes. So, we would always sound like to be a distributor of this product. We see a big opportunity in lending. If you look at lending market currently, know, so like what is missing is last mile kind of like approach to end customer who are into remote areas and all that. And when you look at digital native young people, they want to consume everything on digital platform. So, we would not like to underwrite risk and all that where we don't have some competency. Our competency lies in creating an access to the market, creating a huge distribution network and co-sharing that kind of like revenues with our manufacturers who are expert on risk management and collection and all that.

Nishant Jain: In regards to your payment aggregator question, see, I mean, there are different signals that different companies use for underwriting purposes. Now, given that we are not necessarily into the underwriting part. I'm not sure if that is the signal we are using. I mean, payment aggregators using the transaction is able to underwrite the customer who's actually intending to borrow. So, the perspective changes.

Sanketh Godha: Got it, got it. Perfect. Thank you very much. That's it from my side.

Moderator: Thank you. We'll take the next question from the line of Hardik Jain from White Stone Financial Advisors Private Limited. Please go ahead.

Hardik Jain: Yes. Good afternoon, sir. Thank you for the opportunity. Sir this expiry changes happened, I think, from the 1st of September. So, if you can just give us the understanding how the volumes have moved up in the month of September versus August because I think now it has become a regular feature, and it will give us some kind of assessment how the volumes can move in this quarter also. So, this is my first question.

And sir, in terms of ancillary revenue, you said Rs. 90 crores is the kind of refund that we get because of our turnover. So, I just want to understand, isn't it required by the regulation to charge on an actual basis to the client the turnover charges. So that is my second question.

Secondly, sir, you have also mentioned that earlier, we were not able to give Sensex futures and options on our system, which has started, which you mentioned in the presentation. So, when did it start? Did it contribute something to the revenue in this quarter or it started after the quarter? So yes, these were my few questions.

Dinesh Thakkar: Yes. So, on expiry, we would not be able to comment much on that because this all changes which happened has been factored in our quarterly results. So, you have to take some informed decision based on numbers that we have shared.

And on charging or the thing rate to customers, we charge as per slabs. And like that is where there, that is kind of like whatever is like applicable to different-different traders based on that volume, we charge that. So, it is in line with regulation. And third, SEBI -- sorry, BSE, we started just last week. Still, it is not fully rolled out. The impact of BSE is not fully seen in our this quarter results.

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

Sarvesh Gupta: Good afternoon, Sir. Thanks a lot for taking my questions. I think most of them are already answered. Congratulations for a very good product. Nevertheless, one question that I had in my mind was on this unique SIP registered. So, this is certainly reaching a very significant sort of a scale. So, at the moment, have you had any sort of discussions with the AMCs or thought any -- you have some thoughts about how to monetize this thing? And also, given that you are also going to launch your own AMCs, do you see any play between these two? And how do you see any monetization overall to come up in this sort of a segment?

Dinesh Thakkar: Yes. Sarvesh, thank you for your question. And see, if you look at like our discussion, like since few quarters, we were focused on Super App. And we strongly believe individual who comes on our platform, he should get everything which that person needs to achieve his financial goals and all that.

The first step was like after broking to introduce some other kind of asset class, where we see some traction. The positive thing is that we were able to see people like more services on the same platform. That's the reason we just launched in April.

In six months, we are number two in terms of unique SIP register. So that clearly shows that people who are on one app, they are ready to buy multiple services, multiple products provided we are able to give a right journey. So that is where our uniqueness in terms of building a Super App, building an engine which is more guided by data science and AI/ML tool is very effective in terms of understanding what the customer wants and serving it at the right time.

So, we don't look at earnings from every transaction. What we look at that customer should be engaged on our app. If that person is engaged, today or tomorrow, they're going to consume more services on our platform. Some products can give us good revenue, some products may give less revenue. But overall, what is important, what is cost of acquisition and what is the lifetime value of this customer.

So, we believe until now, none of the industry has really focused on lifetime value, which is much beyond what we can imagine. So, because we are acquiring customer who is at the age of 25, 26. If you look at their lifetime value, it will be much beyond than what we have currently projecting. So today, if you look at like we have given numbers on that our cost of acquisition to until now in three years, we're able to recover almost 8x from our cohort. But if you are able to add few more services create more engagement, more stickiness, we believe that this parameter would have a positive impact. So that is where our focus is.

Now your question on our own AMC. Yes, we believe our AMC would be totally on passively managed fund. I believe that passively managed fund is the right product for young individuals who are starting their journey. One, because ETF is an easy product, diversified product and it's easy to divide it into SIPs and invest regularly. So definitely being into passively managed fund, what is going to help us is our distribution network, which is huge. So that way, there is a synergy, there is a kind of like advantage position that we have, and we are going to leverage that.

Moderator: Thank you. We'll take the next question from the line of Varij Bangur from PICO Capital. Please go ahead.

Varij Bangur: Sir, I just wanted to ask on one thing. From July 1, I think the lot size of bank nifty has reduced from 25 to 15. So is there an impact of that also because a same trader would have to put in more number of orders for the same value that he's going to trade. And from that sense, would it be structural going forward as well? Because that number would remain the same, right, from July, August, September to the coming months now?

Dinesh Thakkar: Bhavin, can you take this question?

Bhavin Parekh: Yes, sir. So, see, the Bank Nifty contracts has definitely changed from 25 to 15. But it has got actually added in the number of trades that we have been reporting until now. So obviously, there are a set of customers who would want to actually trade a particular quantity, for them, the number of orders would have gone accordingly.

But to see whether this impact has actually caused the rise of orders would be -- we will not be able to mention on that particular thing. But yes, there are certain customers who place orders based on number of lots. There are certain customers who place based on the number of quantity that they want to take.

Moderator: Thank you. We'll take the next question from the line of Pallavi Deshpande from Sameeksha Capital. Please go ahead.

Pallavi Deshpande: I just wanted to understand on the ESOP cost, if we factored in these, we've had these new hiring. So, what would be the cost we can factor in for the year?

Dinesh Thakkar: Vineet, can you take this question?

Vineet Agrawal: Sure. So, on the ESOP cost, the guidance remains the same. Overall, for the year, we had estimated the cost to be about Rs. 80 crores. The cost for new ESOPs that we have granted and expect to grant will be in the range of about Rs. 55 crores, Rs. 60 crores. So, we maintained that same guidance.

Pallavi Deshpande: And secondly, on the ad spend. I think you mentioned that -- will that be ramping-up now as the -- given the new business is coming in the loan business and AMC? Do we see a ramp-up, further ramp-up in then from the current run rate?

Saurabh Agarwal: So, for the lending business and other distribution businesses, we are actually not spending money to acquire those customers. We already have a large enough customer base internally who we could cross-sell and create a large enough portfolio there. So, in terms of spending money to acquire customers this year and hence, brand spend increasing, that won't happen.

Moderator: Thank you. The next question is from the line of Bhuvnesh Garg from Investec Capital. Please go ahead.

Bhuvnesh Garg: Thank you for the follow-up. Sir, just a data keeping question. Firstly, if you can provide the interest rate that we charge on our MTF book. And secondly, if you can provide the breakup of our interest income into our MTF income and then FD interest income? Yes, these two questions.

Dinesh Thakkar: Vineet, please take this question.

Vineet Agrawal: Yes. We charge 18% annual for the MTF lending that we do. And of the total interest income that we have reported, almost 65% is from the fixed deposits and margins that we place with the exchanges and about 35% is from the margin trading.

Moderator: Thank you. The next question is from the line of Rucheeta Sharad Kadge from iWealth Management LLP. Please go ahead.

Rucheeta Kadge: Congratulations on a good set of numbers. So, I wanted to ask, sir, when do we see this AMC, the lending and the wealth management business starting up? Sorry, if I'm repeating the question, I must have missed it. So, if you could just give a little clarity on that.

Dinesh Thakkar: No, sure. No problem. On AMC and lending, I will ask Saurabh and Vineet to take this question. On wealth management, it's too early to comment anything on when it will start. So right now, we are at kind of a conceptualizing stage. So maybe you will hear more about this wealth management in next quarter in detail.

On AMC, Vineet, can you just elaborate. And on lending, later on then, Saurabh can add.

Vineet Agrawal: On the AMC business, we've already filed the application for final approval early August. We are in the process of building up the business infrastructure and the tech infrastructure and creating partnerships with key vendors. We expect SEBI to conduct an on-site inspection once we are ready with the entire infrastructure and the team in place.

And thereafter, usually it takes about between one quarter to two quarters for SEBI to give their final approval. So most likely, we should be able to -- we endeavor to get our final approval either in the fourth quarter or early first quarter of the next financial year.

Saurabh Agarwal: On the credit business side, most likely before the end of this fiscal we should be able to go live.

Moderator: Thank you. The next question is from the line of Sumit Jankar, an individual investor. Please go ahead.

Sumit Jankar: My question is related to ARPC. Can you provide the numbers for this quarter and previous quarter?

Dinesh Thakkar: I'm not sure. Devender, do we provide ARPC?

Devender Kumar: We do not provide this information and this is internal information. So, we don't provide any such information.

Sumit Jankar: Okay. Sir, I have one more question related to derivative market share. As I can see, the derivative market share is all-time high. So, can you mention some reasons which helped you to gain 26.20% market share in this quarter, which is up by almost 200 basis points as compared to previous quarter?

Dinesh Thakkar: Devender?

Devender Kumar: I think, as mentioned earlier, we had a number of new product journey improvements that we have done on the product front, which is helping the active users to engage in a much more wholesome way, which has now started contributing in the right way in terms of participation. That has been the major impact now where we have made Sensibull free, we have got basket orders, we have got options watchlist. So, we have got multiple product journeys improvement that we have done which is causing easier usage by users who are active users particularly. So that is what is majorly helping the overall movement of the derivative market share as well as a result.

Sumit Jankar: Okay. I have one general question, just to ask, as you have good market share in derivative. Recently, five months, six months back ago, the SEBI made a report on derivatives profit and loss for the retail customers. It said that 89% client make loss and so can you tell, derivatives is a zero-sum game? So, it is it that the remaining 10% of our earnings, the losses made about 90%. Or is it that the DIIs, FIIs or banks who are also trading in derivatives, they are receiving the profit? What is your take on this?

Dinesh Thakkar: Sumit, it's a good observation. I think report does not give detail about if nine are losing. As you said, it's a zero-sum game, minus expenses. Where the other part is going? It can be going to people who are into kind of like arbitrage business or FIIs who're hedging. But I think this report is not clearly mentioning that side. So, I would not be -- like we would not be the right person to answer this. You have to check with regulator on that.

Moderator: Thank you. The next question is from the line of Hardik Jain from Whitestone Financial Advisors Private Limited. Please go ahead.

Hardik Jain: Just one bookkeeping question. Sir, how much cash would we have on our books other than the client margin as our own cash?

Dinesh Thakkar: Vineet?

Vineet Agrawal: Today, we deploy about Rs. 1,500 crores, Rs. 1,600 crores of our own cash other than the money that is there in long-term investments and assets. So, this is money that we deploy for margins and for the other working capital requirements.

Moderator: Thank you. The next question is from the line of Pallavi Deshpande from Sameeksha Capital. Please go ahead.

Pallavi Deshpande: Yes. So just wanted to understand on the loan business. Would we be then targeting, since we said it a cross-sell, more of the Tier 2, Tier 3 customers and that would be the need to ask them?

Dinesh Thakkar: Saurabh?

Saurabh Agarwal: What is the question, please? Can you just repeat the question?

Pallavi Deshpande: The loan business, for the loan business, since you mentioned it's going to be more initially the cross-sell. So, does that implies that we will be having more Tier 2, Tier 3 and Tier 4 kind of customers for that?

Saurabh Agarwal: So, since we are not acquiring customers for lending, we are cross-selling to our current base. So, whatever the composition is of the base that will be the composition of our lending business as well.

Pallavi Deshpande: Right. So that's an area pretty much ignored by the current fintech players. So, I mean, in terms of credit...

Saurabh Agarwal: That is where the opportunity lies, right? One, market itself is under-penetrated and more-and-more lenders and issuers want to enter that market. And since we have a very highly engaged base in those same geographies, we have a very high potential to capture that market.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Dinesh Thakkar for closing comments. Over to you, Sir.

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

Moderator: Thank you, sir, and the members of the management. Ladies and gentlemen, on behalf of Angel One Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.