Angel One

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Operator: Good morning and welcome to Angel One Limited's Q1 FY27 earnings conference call. This call includes forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hitul Gudka from Angel One Limited. Thank you and over to you, Mr. Gudka.

Management: Good morning and welcome everyone. Thank you for joining us today to discuss Angel One's Q1 FY27 financial and business performance. The recording of today's earnings call and the transcripts 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; Amrish Kenge, Group CEO; and Vineet Agrawal, Group CFO. We also have the senior leadership team of Angel One along with SGA IR consultants. The leadership team will give us a brief overview of the operational and financial performance of the quarter gone by, which will be followed by a Q&A session. Please note that there may be certain forward-looking statements during the course of 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.

Management: Thank you, Hitul. Good morning everyone and thank you for joining us. When I look at India today, I see a once-in-a-generation opportunity for financial services. We are a nation of more than 1.4 billion people with nearly a billion people of working age, over a billion internet connections, world-leading digital infrastructure, and rising incomes. Yet participation in formal investing remains low relative to India's size and potential. Our opportunity lies in enabling the hundreds of millions of customers who will enter the financial ecosystem for the first time, helping them progress from access to participation and ultimately pointing them towards long-term wealth creation.

This opportunity extends well beyond the categories we operate in today as customers' financial needs evolve. They will increasingly look for integrated financial solutions across investing, wealth, credit, protection, and retirement. The platform that understands the customer best and fulfills their needs responsibly will have a significant long-term advantage. We believe technology-led financial platforms will continue to have a lasting advantage.

Every interaction on our platform generates valuable data. Every transaction, query, and decision helps us learn, adapt, and improve. In our view, the winners over the next decade will not be simply those with the largest customer base, but those with the deepest understanding of their customers and the ability to convert that understanding into relevant, trusted, and timely solutions. That is why we remain in a continuous build mode because great fintech businesses are built by compounding intelligence over time.

As our platform matures, that intelligence compounds, enabling more relevant customer experiences. This deepens engagement, strengthens trust, and expands monetization opportunities across multiple financial products. This leads to higher retention, a greater share of wallet, and ultimately stronger customer lifetime value. As we expand into new customer segments, future cohorts do not need to monetize at the same level or at the same pace as earlier ones. What matters is that customer lifetime value grows through deeper engagement and increased cross-sell adoption, while our technology platform and scale continue to lower the cost to serve.

Together, this creates a powerful flywheel: wider reach, deeper engagement, better unit economics, and sustained profitable growth. Our progress in this quarter should, therefore, be viewed in the context of this long-term strategy. We are not simply building a fintech product; we are building a long-term financial ecosystem designed to participate in India's financialization journey for decades to come, with technology, data, and the customer at its core. We believe we are still only at the beginning. With that, I will hand it over to Amrish to take you through our Q1 performance and key developments during the quarter. Thank you.

Management: Thank you, DT. Good morning everyone. As DT highlighted, India is in the early stages of a multi-decade financialization journey. For us, the opportunity is not only about acquiring users; it is about building enduring relationships, deepening engagement, and becoming the preferred platform across every stage of their financial life cycle. At Angel One, we continue to execute on this vision by strengthening our platform, expanding our product ecosystem, and embedding intelligence into every user interaction.

Every trade, SIP, loan application, portfolio review, and user query generates valuable data signals and insights. Over time, these signals create a powerful flywheel. Higher engagement leads to richer data, richer data powers smarter AI, and smarter AI enables more relevant experiences. This allows us to deepen relationships with users and compound value over time through greater engagement, retention, and wallet share.

Importantly, this model is not built around one product. It is built around the user's evolving financial journey. A user may begin their relationship with us through trading and investing, later adopt mutual funds, seek credit as their financial needs grow, and eventually require wealth management and long-term asset allocation solutions. As they evolve through various stages of their life, there is a continuous requirement for new financial products, allowing us to deepen relationships and expand monetization at minimal incremental cost to serve.

At the same time, the regulatory landscape continues to evolve. While we closely monitor these developments and remain agile in adapting to regulatory changes, our conviction in the long-term opportunity remains unchanged. Over the years, we have consistently demonstrated our ability to navigate market cycles and regulatory transitions while continuing to invest in technology, product innovation, and user experience. Our strategy is built with a long-term perspective, anchored in the structural growth of India's capital markets rather than short-term market conditions.

Our financial performance this quarter reflects the resilience of this approach. Gross revenue for Q1 FY27 grew 25.4% year-on-year to 14.3 billion rupees. We maintained margins within our desired operating band, post normalization of IPL-related expenses and ESOP reversals during the period. Consolidated profit after tax increased 102.1% year-on-year to 2.3 billion rupees, underscoring the strength of our diversified business model and disciplined execution.

Today, with over 38 million registered users, we are already seeing this play out. Broking continues to be a powerful gateway product, with nearly 60% of our mutual fund clients engaging with us first through our broking services, while a meaningful proportion of mutual fund-first customers subsequently participated in broking activities. This ability to create multi-product relationships has helped us achieve our lifetime best average client funding book of 61.4 billion rupees, sustain a 22.2% turnover market share in equity derivatives, and improve our cash equity turnover market share to 17.4% while maintaining a 20.2% share of overall retail equity turnover, reflecting the strong affinity users have for the Angel One platform.

During the quarter, we continued to scale AI across both the user and operating stacks. Ask Angel has evolved into a conversational assistant powering discovery, engagement and support journeys, serving over 1.1 million users and addressing queries in finance and support. Beyond user-facing experiences, AI is embedded across user onboarding for face match, real-time signature validation, grievance and ticket automation, content generation, software development, analytics, and portfolio intelligence. In addition to enhancing user experience, AI is also enabling us to scale more efficiently by automating workflows and improving decision quality. As these capabilities continue to mature, we believe AI will increasingly become a source of both operating leverage and competitive differentiation.

Our AI-led decisioning capabilities are increasingly driving both engagement and monetization. In credit, our propensity models, probability of default scorecards, and lender approval engines enable intelligent user segmentation, richer engagement, and more relevant product matching, leading to 130% year-over-year growth in our credit distribution to 5.3 billion rupees. With only a small share of our customers having ever availed credit through the platform, we see a significant embedded monetization opportunity across our ecosystem.

The same platform advantage extends into our wealth management business, where our technology-led experience continues to gain traction. iGoinic Wealth AUM crossed 32.3 billion rupees, while the UHNI segment expanded to 263 families with an AUM of 87.3 billion rupees. Across the broader franchise, total AUM grew 33.3% to 134.4 billion rupees, dominated by recurring revenue-linked assets. Our asset management business also continues to witness momentum, with its AUM crossing 6.2 billion rupees. Over time, we believe this business will become an integral part of our broader investment ecosystem, complementing our existing offerings and strengthening customer engagement.

As we scale, security remains foundational. Trust is the currency of all fintech platforms. We continue to operate with a security-by-design approach supported by ISO 27001 certified systems, compliant in steady CSER frameworks and alignment with evolving digital privacy standards. Through multiple layers of control, governance, monitoring, encryption, and authentication, we remain focused on safeguarding the interests of all our stakeholders. We are also at the forefront of safeguarding our users from AI-driven risks in the post-deepfake era. As financial relationships deepen and AI becomes more pervasive, we believe trust, security, and responsible use of data will increasingly become competitive differentiators.

To conclude, our strategy remains robust: deepen engagement, expand product adoption, grow wallet share, and leverage intelligence to create superior user outcomes. Increasingly, we see Angel One evolving into an intelligent AI-powered fintech that accompanies users through every stage of their financial journey. Our technology capabilities are compounding, our platform moat continues to strengthen, and we believe we are exceptionally well positioned to participate in India's vast financialization opportunity for many years to come. I will now hand it over to Vineet Agrawal, our Group CFO. Thank you.

Management: Thank you, Amrish. Good morning everyone and thank you for joining us. Q1 of this financial year was another quarter of healthy execution for the company. While market activity moderated sequentially across the industry, our diversified business model once again demonstrated its resilience, enabling us to deliver healthy profitability and maintain margins while continuing to invest for long-term growth.

Consolidated gross revenue for the quarter stood at 14.3 billion rupees, growing 25.4% year-on-year, while moderating 2.3% sequentially, largely reflecting softer trading activities across the capital market. We processed 406 million orders during the quarter, with the moderation primarily driven by lower derivative volumes, broadly mirroring industry trends rather than any change in our competitive positioning.

Importantly, our revenue profile continues to become increasingly diversified. While our core trading platform remains our largest acquisition engine, contributing close to 60% of our gross revenues, the remaining 40% now comes from complementary businesses such as client funding, distribution, depository, wealth, and asset management businesses. This diversification is steadily improving the resilience and quality of our earnings profile.

Interest income remained a key contributor during the quarter, accounting for 32.6% of gross revenues and growing 2.6% sequentially to 4.7 billion rupees. This was supported by continued growth in our average client funding book to 61.4 billion rupees, while the period-end book reached a record 71.5 billion rupees, reflecting increasing client engagement and deeper adoption of our financing solutions.

Distribution income moderated sequentially due to seasonally softer insurance sales and mutual credit disbursement. While distribution currently contributes about 3% of revenues, we continue to see significant long-term opportunity across lending, insurance, wealth, and investment products as client relationships deepen.

Let me now turn to profitability. Reported consolidated EBITDA for the quarter stood at 3.6 billion rupees, translating into a reported margin of 32.7%. Sequentially, profitability was primarily influenced by four largely seasonal or time-related factors: moderation in market activity, annual employee increments and variable pay accruals, a fresh piece of grants during the quarter, and higher IPL-related brand marketing expenditure concentrated in April and May of this quarter.

These impacts were partially offset through disciplined control over acquisition and operating expenses. More importantly, adjusting for these seasonal items, our normalized EBITDA margins stood at 43.6% compared with 44.4% in the previous quarter, remaining comfortably within our guided operating range. I believe this is the more meaningful measure of the business. It demonstrates that our core franchise continues to generate strong operating leverage, even as we consciously invest for the next phase of growth.

Our new businesses, particularly wealth management, asset management, and distribution, remain in their investment phase, but we are building them with the same financial discipline that has defined our core business. We continue to balance growth investments with profitability, ensuring that these businesses scale responsibly without diluting the overall return profile of the company.

Consolidated profit after tax stood at 2.3 billion rupees, representing 102% year-on-year growth, while our trailing 12-month PAT rose to 10.3 billion rupees with an EPS of 11.4. Profitability continues to compound faster than revenues, reflecting the scalability of our platform and disciplined execution across businesses. I am also pleased to share that the Board has approved our first interim dividend for this financial year of 1 rupee per share with the record date being July 21, 2026.

Our balance sheet remains one of our strongest competitive advantages. Net worth increased to 64.2 billion rupees, while borrowings reduced meaningfully during the quarter despite continued growth in the client funding book. The temporary increase in borrowings at the end of the previous quarter was entirely related to the April 1 banking holiday and has since normalized. Equally important is the quality of our assets. 83% of our client funding exposure is below 100,000 rupees per client, while 85% of the portfolio is less than 30 years old, supported by fully collateralized client holdings and negligible delinquency.

Our capital allocation philosophy remains consistent and disciplined. We continue to deploy capital selectively into businesses where we see long-term structural opportunities, while maintaining a strong balance sheet, healthy cash generation, and prudent risk management. We are not pursuing growth at the expense of returns; every investment is evaluated through the lens of scalability, profitability, and long-term shareholder value creation.

Stepping back, I believe three things stand out from this quarter. First, our business model is becoming increasingly diversified with nearly 40% of our revenues now coming from businesses beyond core broking, making our earnings profile more balanced and resilient. Second, our core operating engine continues to demonstrate strong operating leverage, allowing us to absorb normal seasonal cost cycles while sustaining margins. And third, we are investing in the future with discipline. Our newer businesses are scaling steadily, but importantly, they are being built without compromising profitability, balance sheet strength, or capital efficiency. Taken together, these give us confidence that we remain well positioned to deliver sustainable and profitable growth over the long term. With that, I will hand it back for questions. Thank you.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Prajesh Jain with Motilal Oswal Financial Services Limited. Please go ahead.

Prajesh Jain – Motilal Oswal Financial Services Limited: Yes, hi. Good morning everyone and congratulations on a good set of numbers. Firstly, on the credit side, what has caused the slowdown? This has been dipping over the past couple of quarters. At Q3, we had about 610 million, and now it is 530 million. What is transpiring there? Credit growth in the industry seems to be very strong, but we have seen weak trends at our end. How should we think about it? Because we talk about the potential, but it is slowing down at our end. That is point number one.

Point number two is on the broking side of the business. What kind of expectations do you have because the current trajectory for the month of July started on a quite a weak note, probably because of volatility or whatever implications the Budget or BCD would have on the overall industry. Second-order impacts would have happened on us. How do you see it playing out in the next couple of quarters and how should one read into the current weakness in the volumes?

Third would be on your wealth management business. Any color on revenues that the segment accounts for and the cost being incurred? Lastly, if I compare the top management, and particularly the AMC, we have seen a massive churn in your top management. How do you see this AMC business, in particular, going ahead, and what are the plans there?

Management: Thanks, Prajesh. We will start one by one. On the credit side, I will shortly hand it over to Saurabh, but I think you have to look at the credit business in the long term. If you see year-over-year, there is a 130% increase. I will hand it over to Saurabh to provide a bit more commentary on that.

Management: Prajesh, thanks for the question. You see, generally, disbursements in a quarter are driven by a combination of factors. Customer sentiment, lender underwriting and pricing, and customer experience on the platform are the important ones. Over the long term, all of these pan out, but in the short term, some of these can create an impact. We, however, continue to work with our lending partners to improve conversion and strengthen the customer journey, and are very confident that the actions we are taking put us in a much stronger position to improve growth going forward.

Having said that, our long-term thesis remains completely unchanged. We continue to see a very large opportunity in credit within the Angel ecosystem itself. We have a very large, engaged customer base, strong proprietary data, and significant headroom to deepen credit penetration. Our focus is actually on building a scalable, high-quality business with strong unit economics and scalable lender partnerships rather than optimizing for every single quarter's disbursements. We believe this approach will create a much larger and more durable business over the long term.

Management: Thanks, Saurabh. On the broking piece, Prajesh, I assume you are talking about the industry ADTO. We have seen 15 days of July, so it is too early to think about anything. The way we think about it is in a yearly time frame. Nothing fundamental has changed about India; if anything, we are due for big growth. I do not think there is anything to read into that. On the wealth management side, I will hand it over to Srikanth Subramanian to talk about it.

Management: Thanks, Prajesh. For us, one of the more important metrics for the wealth business is building a high-quality AUM-led business. That is why one of the key focuses we have is to have ARR-led AUM because, in this kind of market, it is easy to give into the temptation of getting AUM that is high on one-time transactional revenue. That actually puts a lot of pressure on building a long-term sustainable model.

As a team, we are focus on building a wealth management firm where not only are the assets growing at a very healthy rate, but they are growing with a significant focus on Net Management Fee (NMF) as a corresponding revenue. For us, what is also crucial is that unit economics are starting to fire. It has been about five or six meaningful quarters since we started our business, and hence we focus more on parameters such as AUM, cost-to-income economics, and unit economic metrics. These are the building blocks. We always maintain that we are working with a plan which gives us visibility on a potential break-even in about 4 years. At this point, all parameters are pointing towards that.

Management: Thanks, Srikanth. On the AMC question, I will invite Amit Majumdar to talk about it.

Management: Hi, Prajesh. On the AMC, look, for us, AMC is an important capability within our wider wealth ecosystem. Our objective is to build products that are simple, relevant, and digitally distributed while leveraging the strength of our customer base and technology platform. At this stage, our focus is on building the right foundation and strengthening our product suite, distribution capabilities, and customer experience. You should think of the AMC as an important strategic investment that complements our platform and deepens customer engagement over time. We will continue to evaluate opportunities across the spectrum, but our philosophy remains to build where we believe we can create genuine customer value and differentiate through digital distribution and technology.

Prajesh Jain - Motilal Oswal Financial Services Limited: I get that, Amit. Just two things. One, what has so far not gone right? It has been some time since we launched the AMC and we have a scale of about 6 billion rupees AUM. Second, on the credit part, what has not worked for us in the last six months? Whether it is our platform or our relationship with the banks and partners, what has caused us to go down by almost 30% from the peak?

Management: I will pick up the AMC piece first and then let Saurabh explain the credit part. AMC all along has been a passive-only approach for us at the start. Passive businesses take a long time to mature. We started this about 15 months ago, which is not too long. Passive grows as content and education grow, and it is largely sold as DIY on digital platforms. The first 15 months have been to ensure we roll out the right products. Today, we have the products we need; most of the important ones were rolled out in the last quarter of the last fiscal. This takes time to build. While we are building the passive segment, we also recognize the length and breadth of the product suite available for us to exploit. We are looking at how to further expand this portfolio beyond what we are currently doing. It is very early to comment on the performance now, but we are confident that over the next three or four quarters, we will have far greater visibility on our strategy. On credit, Saurabh will answer.

Management: Prajesh, to expand on what I said earlier, I think there are two or three things which could have gone better. In general, lenders keep calibrating their risk and pricing on our base over time. Quarter-over-quarter, some of these do impact our disbursements. Secondly, since we work with lenders who work with tech partners for underwriting and KYC, some friction in those parts of the funnel also impacts us in the short term. Some of these have been identified and are in the process of being corrected. We do not see any mid-term blip in credit growth. In the long term, we are very bullish on it.

Management: Prajesh, I wouldn't read too much into the quarterly figures. It is a very long-term business; you will see it grow.

Operator: Thank you. Next question comes from the line of Swarna Mukharji with 361 Capital. Please go ahead.

Swarna Mukharji – 361 Capital: Hi, thank you for the opportunity. Just two or three questions. First, on the industry volume side, I wanted to understand how you are seeing broking volumes at the current run rate. In the first 15 days of July, how are we seeing volumes, particularly on the derivative side? Do you see any second-order impact of the RBI circular on your numbers? Although I understand we do not do proprietary trading, if there is any potential spillover effect, could you highlight that? Secondly, on the MTF run rates, how are those looking in the first 15 days of July? Thirdly, on the cost front, our employee expense trend is flattish despite increments. How should we think about the employee count? Has it degrown over this period? Lastly, on customer acquisition cost (CAC), you mentioned it has been lower this quarter. Does that mean the per-client cost is lower, or is it a function of a lower number of customers acquired?

Management: Thanks, Swarna. On the first two questions, we only talk about the quarter after it is done. We do not comment on the middle of the quarter. We continue to monitor our market shares, but I wouldn't want to talk about individual days. Vineet, do you want to talk about the RBI circular?

Management: We are not seeing any kind of liquidity issue regarding the funding position. This is transient and will even out over time.

Management: Vineet, could you also address the employee cost and count?

Management: Swarna, if you recall our conversation in April, I mentioned that we would be more or less flat regarding our employee cost vis-a-vis the last financial year. In the last financial year, we were at about 11 billion rupees for the entire year, including stock options. My sense is that we will be in a similar range this year. It is a bit early to give you a complete sense, but we are looking at about 11 billion rupees as employee cost for the year.

Management: Across the board, as we grow, we want to drive the business efficiently. On CAC, we do not comment on the per-client figure itself. Overall, you may see some changes in total acquisition cost depending on how rich the market is for acquiring customers.

Swarna Mukharji – 361 Capital: Just to clarify, was the comment about total acquisition cost or the unit cost of acquiring one customer?

Management: Swarna, it was at a total acquisition cost level.

Swarna Mukharji – 361 Capital: Understood. Thank you so much and all the best.

Operator: Thank you. Next question comes from the line of Raman KB with Sequent Investments. Please go ahead.

Raman KB – Sequent Investments: I have two questions. One, your distribution revenue has declined over the past two quarters as a percentage of gross revenue. Is there any headwind we are facing in the distribution business? Second, our client funding book has grown substantially quarter-on-quarter. What is the risk of this client funding book if the market doesn't perform or takes a downtown dive in the next two quarters?

Management: Hi, Raman. On distribution revenue, quarterly fluctuations are due to the insurance business. March tends to be very strong in that business, so I wouldn't read too much into it. We have great momentum there and believe it will rise. On the client funding book (MTF), there is very limited risk because we have exchange-prescribed margins and often go over and above them. Vineet, do you want to comment on the risk?

Management: The risk management system remains a strong backbone for any broking entity, especially for client funding activities. We have a very strong framework. In the past, when markets have been flattish or seen sharp declines, we haven't seen issues. Overall penetration among our client base is currently low, so we see a long-term strong growth opportunity in the client funding segment.

Raman KB – Sequent Investments: Understood. My final question is on the AMC business. It has grown substantially since launch. What's your long-term vision? Is there an internal target of reaching 100 billion rupees AUM?

Management: Raman, we have set targets for ourselves. While the AMC has primarily been passive until now, we are looking at ways to expand beyond that. We have expectations for the AMC over the next few years, but we cannot state specified numbers as they are in the works. You will hear more over the next couple of quarters.

Operator: Thank you. Next question comes from the line of Neeraj Toshniwal with UBPS. Please go ahead.

Neeraj Toshniwal – UBPS: On the NSE active client base, we see some decline, and client acquisition has been a little slower. Given July activity seems muted, how should one think about this trajectory and our target for the full year?

Management: The active client base tends to be a 12-month metric. Depending on what has happened during those 12 months, that metric will move month to month. We continue to focus on acquiring a good client base and monitoring which segments we want to acquire. We continue to acquire at a high market share. These things are also dependent on market conditions. As you see more IPOs and more interest in the Nifty, which has been quite flat, you will see more investors come back. We continue to be quite strong in the rankings and think you will see a rise in the future.

Neeraj Toshniwal – UBPS: Regarding the overall aspiration for 40-45% profit margins, that stays even with the wealth run rate this quarter?

Management: There is no change in that. When we give you guidance, we talk about the standalone margin. For the consolidated business, after adjustments for IPO and other seasonal expenses, you have to look at it on an adjusted basis. That 45-50% margin guidance remains intact.

Neeraj Toshniwal – UBPS: Lastly, on the distribution part, as you mentioned it will pick up, any specific seasonality? Q4 seems higher, but are we doing anything different to improve it?

Management: Neeraj, there is definite seasonality, especially in insurance. On lending, we are starting from a very small base compared to where we want to go, so you will see momentum. A very small number of our customers have ever taken loans from us. We don't think of lending quarter-over-quarter; it's important to grow it responsibly. We have seven partners, all of whom are growing.

Operator: Thank you. Next question comes from the line of Nitesh Jain with Invesco. Please go ahead.

Nitesh Jain – Invesco: My first question is on wealth management for the existing clients of the Angel One platform. Our AUC of stocks is very high at 1.7 lakh crore rupees, but mutual fund assets are quite low at around 20,000 crores. How do you plan to increase engagement for mutual funds? Secondly, how do you see monetization of that stock AUC in terms of advisory or anything else?

Management: We are seeing momentum in mutual funds; it is an important business for creating wealth for our investors. We look internally at the number of active SIPs and our share of that. We are seeing value on that front. You will see more momentum coming from using AI to help people get their questions answered. We are also improving the UX/UI to make usability even better. In our assisted business, we have a focus on mutual fund distributors, so you will see value there as well.

Nitesh Jain – Invesco: Do you plan to offer stock advisory to help clients manage their investments better?

Management: Not at this time. We have Registered Investment Advisors (RAs) and provide calls, but we have no specific plans for a standalone stock advisory product. We have iGoinic Wealth management, where participants can have a full solution set.

Nitesh Jain – Invesco: In terms of the Authorized Person (AP) channel, what is the count of active APs as of June? Secondly, we had plans to scale up loan, mutual fund, and insurance distribution in that channel. What is the status of that?

Management: The count of APs should be around 9,800 to 10,000 at this point.

Management: That is a natural progression. We are making our APs more salient regarding their capabilities and their ability to offer multiple products. We have a clear vision for multi-product selling GTM on the back of our existing APs. We are also looking at restarting acquisition on the mutual fund distributor side. You will find a multi-channel, multi-product play as we move forward.

Nitesh Jain – Invesco: Do you plan to originate small DSAs on the platform for loan distribution?

Management: No, not at this point.

Nitesh Jain – Invesco: Last question on wealth management. What is the contribution of wealth management in terms of revenue and cost for the quarter?

Management: We are not disclosing specific revenue for the wealth management or AMC businesses separately yet as they are in a nascent stage. Regarding cost, it is in line with our plans. Overall, the operating margin decrement is about 400 basis points for both the AMC and wealth businesses put together. On an adjusted basis, we are seeing about a 44% operating margin for the consolidated business, which includes the burn for these new segments.

Nitesh Jain – Invesco: So a 400 basis point burn from wealth and AMC for the quarter.

Management: Yes, given that this quarter was different in terms of seasonal spends like the IPL, the burn is about 400 basis points.

Operator: Thank you. Next question comes from the line of Dipanjan Ghosh from Citi. Please go ahead.

Dipanjan Ghosh – Citi: Hi, good morning everyone. Looking at your annual report, it seems there has been a 15-20% decline in the employee count in FY26. How does your employee base look over the next two to three years? On one side, you are investing in new businesses, while on the other, you might be rationalizing the base on the platform side. Second, on wealth franchising, the UHNI segment is the biggest contributor to AUM. Looking at the ticket size, you would be competing with incumbent wealth companies. What is the strategy for client and RM acquisition? Are these RMs coming from existing banks with client lists they can tap into? Lastly, you mentioned wanting to build a franchise around recurring revenues. But globally, access to exotic deals and one-off transactions is often a key driver of acquiring new clients. How does your product strategy shape up as AUM scales?

Management: Regarding employee count, as I mentioned, we continue to drive the business efficiently. We are always looking for talent that results in growth. Over the next few years, the world will change with AI and new tools. You will definitely see employee productivity increase. We are focused on running the business more efficiently across capital, people, and other resources. Srikanth, can you address the wealth and AUM questions?

Management: Dipanjan, regarding how we are building this franchise. We are building a full-service suite. We cater to most customer cohorts, split between the UHNI (net worth of 50 crores and above) and the wealth-tech segment (1 crore to 50 crore net worth). For the first group, the leadership team having two decades of experience has attracted high-quality talent and clients. While initially UHNIs have higher AUM, we expect the distribution between UHNI and the wealth-tech segment to become more equal over time.

The UHN business is high-touch and domain-led. We use automation behind the scenes to keep RMs productive and have demonstrated superior unit economics compared to traditional norms. The second business is built more granularly. We use an omni-channel approach where technology and RMs put the power of choice in customers' hands. We do not differentiate between segment-specific service superiority; technology allows us to service one-to-many and one-to-one efficiently.

Regarding acquisition, the UHN segment relies on RMs and strong referrals. For the other segment, having high-quality products like international experiences, research, and domain expertise helps. While you cannot rely only on asset allocation, you must have access to exclusive products like private, unlisted, or international equities. We have enough products to grab investor attention without compromising our focus on recurring revenue.

Dipanjan Ghosh – Citi: Just a follow-up. Five years from now, would it be fair to say that customers new to Angel One would form the bulk of the AUM for the iGoinic Wealth suite?

Management: It will be an important pivot. We have strong customer acquisition through Angel One and a strong domain platform at iGoinic. The combination should play out well. However, we are also seeing strong organic acquisition and references in the UHN segment. It's difficult to hypothesize, but it would certainly be one of the stronger pillars.

Operator: Thank you. Next question comes from the line of Pawan Kumar with Edelweiss. Please go ahead.

Pawan Kumar – Edelweiss: Can you give an update on the progress of Loan Against Securities (LAS) via your own NBFC? On the personal loan side, have there been any changes to the partners you are working with? Thirdly, the employee count has gone down from 4,139 in FY25 to about 3,300. Which divisions saw the reduction? Fourth, cash realization seems to have shot up this quarter to close to 19 rupees. Is this driven by ticket sizes or other reasons?

Management: We have a pilot going on for LAS. Saurabh, you want to talk about LAS and personal loan partners?

Management: Hi, Pawan. We spent time building the infrastructure for the LAS business and are in a closed user group (CUG) mode right now. As we gain more experience, we will open up the entire base; in the next two or three quarters, you should see that business becoming significant. On the Personal Loan (PL) side, we work with seven lenders currently, including banks, large NBFCs, and a couple of fintechs. We offload partners who do not scale with us and add new ones.

Management: On the employee count, we do not break out specific functions, but we continue to become more efficient. On cash realization, a few factors are at play. In November, we made a small pricing change which had an impact. Sequential growth is due to changes in ticket sizes (orders greater than 20,000 rupees versus less than 20,000 rupees). Also, in our assisted business, we started a value-added plan with better realization that has been doing extremely well. Customers are willing to pay more for the right features and service.

Pawan Kumar – Edelweiss: Do you see further scope for increase in cash realization from assisted execution?

Management: It is hard to predict because of the mix, so I wouldn't bake in further increases there. It can change quarter to quarter.

Operator: Thank you. Next question comes from the line of Ritika Tua with Bandhan AMC. Please go ahead.

Ritika Tua – Bandhan AMC: I want to understand the opportunity on the US equity side. How would we position ourselves regarding pricing or product differentiation?

Management: US equities is an interesting opportunity. We have certain offerings but are looking to upgrade them. We obtained a GIFT City license for that. We cannot talk about pricing yet as we haven't launched the upgraded product, but it's an important segment for us.

Ritika Tua – Bandhan AMC: For current offerings, how profitable are they? Also, what are the allowable limits for the customer base?

Management: The limits are the LRS limits prescribed by the RBI, which is 250,000 dollars per year cumulatively.

Operator: Thank you. Next question comes from the line of Deepak Lalwani with Unify Capital. Please go ahead.

Deepak Lalwani – Unify Capital: On client acquisition, we have seen some moderation this quarter. Is that a deliberate approach to control costs or are we seeing challenges on the ground as competitors become more active?

Management: Look at the industry data; CDSL client acquisition overall has been softer the last few months. We monitor which segments are available and the cost relative to LTV. This is not to reduce costs; we are biased toward growth. When markets are flattish and there are fewer IPOs, new first-time investors might not be as excited. Long-term, equities are very underpenetrated in India.

Deepak Lalwani – Unify Capital: The client acquisition cost appears high even excluding the lumpy IPL cost. Is there a structural increase in cost or will we return to older levels?

Management: IPL costs are branding costs, not acquisition costs. During IPL, market activity is high and acquisition costs tend to creep up, but they usually come back down. It depends on whether market conditions are exciting enough for new investors.

Deepak Lalwani – Unify Capital: Regarding the wealth division, what exactly is our right-to-win in the UHNI segment where assets are mostly ARR-led? How much more juice is left in the productivity of RMs?

Management: Wealth is not a winner-take-all market; there is room for 8 to 10 high-quality players even at the top of the pyramid. Our right-to-win is the integration of relationship talent, domain talent, and tech talent. The market is expanding due to a "triple multiplier": assets appreciating, new customers entering, and current investors increasing their investments as disposable income grows.

We use technology to keep productivity high. If we do the foundational parts right—suitable products, ethically aligned talent, and tech-driven cost control—the scale opportunity is abundant. We have unique offerings in global markets, commodities, and multi-asset discretionary formats.

Deepak Lalwani – Unify Capital: You mentioned a break-even period of three to five years. Is this revenue-led or cost-led? Also, we used to speak about a 3% burn in these ventures; now it is 4%. Can you give an absolute quantum for this burn?

Management: Consolidated burn was about 4% this quarter because of seasonality and IPL costs. Overall, for the full year, we expect it to be in the range of 3 to 3.5%. This business should incrementally break even in three to four years. If we see opportunities to accelerate growth, we will do so, but we are building it with long-term sustainability in mind.

Operator: Thank you. Next question comes from the line of Subhash with Value Investments. Please go ahead.

Subhash – Value Investments: My question is about a restriction in your app called the "restricted basket" where certain stocks cannot be bought or sold. This restriction is not from SEBI; it is unique to Angel One. I have had to move my SME segment shares to other brokers because of this. Why does this restricted basket exist when no other major app has it? Customers are losing money and moving away because they cannot sell stocks in their portfolio.

Management: Subhash, first of all, thank you for the feedback. I am extremely sorry you have been unable to reach our support regarding this. I take it very seriously. Please write to me at CEO@angelone.in and I will personally look into it. Regarding the restriction, we have our own risk management policies on top of SEBI's requirements, including risk surveillance. We are continuously reviewing all securities and rules. Let's connect offline today so we can follow up on your specific case. We want to do the right thing for the customer and the ecosystem while staying compliant.

Subhash – Value Investments: Most of my investment is in Angel One and I'd like to keep everything in one account. I will definitely connect via email.

Management: I appreciate that. We will connect with you offline.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Amrish Kenge for closing comments.

Management: Thank you once again for joining us today. As always, it has been a pleasure to discuss our results. If you need any further information, feel free to reach out to Hitul Gudka, our Head of Investor Relations, or to SGA IR advisors. Have a wonderful day. Thank you.

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