

May 20, 2022

To,
Department of Corporate Services
BSE Limited
P J Towers, Dalal Street,
Fort, Mumbai -400001
Scrip Code: 540725

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (E), Mumbai 400051
SYMBOL: SHAREINDIA

Sub: Transcript of Earning Conference Call organized on May 16, 2022 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2022

Dear Sir,

Please find enclosed the Transcript of Earning Conference Call organized on May 16, 2022 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2022 for your information and records.

Please take the same on your records.

For Share India Securities Limited

Vikas Aggarwal
Company Secretary & Compliance Officer
Membership No.: FCS 5512



“Share India Securities Limited
Q4 FY2022 Earnings Conference Call”

May 16, 2022



ANALYST:

Ms. VIDHI SHAH– ANTIQUE STOCK BROKING

MANAGEMENT:

**MR. KAMLESH SHAH - MANAGING DIRECTOR -
SHARE INDIA SECURITIES LIMITED**

**MR. RAJESH GUPTA - NON-EXECUTIVE DIRECTOR -
SHARE INDIA SECURITIES LIMITED**

**MR. SACHIN GUPTA- CHIEF EXECUTIVE OFFICER &
WHOLE TIME DIRECTOR - SHARE INDIA SECURITIES
LIMITED**

**MR. VIJAY RANA - CHIEF FINANCIAL OFFICER -
SHARE INDIA SECURITIES LIMITED**

**MR. ABINAV GUPTA - PRESIDENT - SHARE INDIA
SECURITIES LIMITED**

**MR. KUNAL NANDWANI – CHIEF EXECUTIVE
OFFICER - UTRADE SOLUTIONS**

Moderator: Ladies and gentlemen, good day and welcome to Share India Securities Limited Q4 FY2022 Earnings Conference Call hosted by Antique Stock Broking. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Ms. Vidhi Shah from Antique Stock Broking. Thank you and over to you, Madam!

Vidhi Shah: Thank you. Good evening everyone. We have with us the entire management team of Share India Securities represented by Mr. Kamlesh Shah, who is the Managing Director, Mr. Rajesh Gupta, who is the non-executive Director, Mr. Sachin Gupta, who is the CEO and Whole Time Director, Mr. Vijay Rana, who is the CFO, and Mr. Abinav Gupta, who is the President. We also have with us Mr. Kunal Nandwani who is the CEO of the uTrade Solutions. With this I shall now hand over to Mr. Kamlesh Shah for opening remarks. Over to you Sir!

Kamlesh Shah: Thank you, Vidhi, Madam. Good evening. A warm welcome to investors meet. For us the financial 2022 has been one of the best years still date where all business metrics has delivered robust growth. Sharing that focused on profitability and sustainable growth with technology at its core.

Talking about performance for quarter ended March 2022, we have achieved revenue of 293 Crores in March 2022, compared to 191 Crores in March 2021. This is highest our revenue in one quarter. Profit before tax increased to 100 Crores compared to 43 Crores. Profit after tax also increased to 75 Crores compared to 36 Crores.

Coming to key operating ratio that also have shown visible improvement; operating profit margin has increased to 37.7% compared to 39.2%. Gross profit margin has improved to 35.5% compared to 24.7%. Net profit margin has increased to 26% compared to 18.7% in March 2021 this has resulted in EPS of 23.57% but the quarter ended March 2022.

Now, coming to the annual performance review, total revenue has increased from 450 Crores to 871 Crores, an increase of 92%. Profit before tax of 266 Crores compared to 103 Crores, an increase of 157%. Profit after tax of 201 Crores compared to 81 Crores, an increase of 150% the IPL season in line we are also dealing in centuries. We will find many centuries in terms of growth and profitability achieved consistently for last three years. It compares that the century our March quarter PBT also had code mark of 100 Crores. This makes us bigger in all these three format PBT, PAT and revenue. Share India has out performed the VOC 500 in each of last three annual periods. Just to give you an idea Share India has given return off 202.45% in one year compared to 7.47 given by VOC 500.

Comparing three years period, the out of performance is glaring. Their share has given return off 1.43% compared to 48% of BSE 500. We are now 38 out of 566 companies in France on NBSC

sector. During last two years we are seeing many regulatory reforms and we have welcomed all these reforms. These reforms have led to increased activity and investor confidence in the market. Specially, I would like to mention about pledge reflex system, now this was eliminated most of the associated with the shares like in brokers account. Now, with the facility of pledge replace client can happily trade and place the margin by the way of pledge. The shares will remain in its account only and it will be utilized only when the trades to the extent of his margin requirements. Another reform was 100% upfront collection of margin, so both in cash segment as well as in F&O margin been made mandatory, not this has also worked in favour of all the stakeholders especially clients because these are to reduce the leverage whereby the risk can be volatile market conditions.

Going forward also be we feel confident when we perform better the expectation goes high. We are prepared and we have taken lot of initiative to see that be our future ready. We have one subsidiary called Focus Commodities Private Limited which has the subsidiary of Share India, we are the second new membership in this company just to cope up rising requirement are for the growth in the power plus overall business. We have very large market share in all the segments equity, equity derivatives, in equity derivatives in option segment we are commanding more than 8% to 9% market share likewise in commodity currency, gift city everywhere we have sizeable market share. We have a very unique business model. Our business model is totally opposite to various retail brokers like Zeroda, so this gives us lot of opportunities and this isolate us from the risk of the reduce.

We are also prepared with new product launch. In the second quarter, we had also launch IBT product or maybe at the end of this quarter or at the beginning of third quarter we should be coming out with another products for retail investors. We are also excited at our development gift city, as per the sources or as per the discussion with NSE SGX is likely to be launched for trading in gift city from July 2022. This will open up new opportunities for us, as we are already allowing player at gift city. All this is possible because of the technology, we believe that technology is at the core for the both that we have achieved and going forward also. This associated with robust risk management system which has future ready. We have unique risk management system, which incorporates advance features like stated management whereby it can tell you in advance if the market moves back to 4% or 6% on either side now this feature will also help us to see that the risk for the price also is minimized, so, we almost two steps higher when it comes to risk management, so the management is taking all prayer as we are going further. With this, I would like to request our Director Mr. Rajesh Gupta, who is heading our NDFC Company. Over to you, Rajesh!

Rajesh Gupta:

Thank you, Sir. In the financial year 2021-2022, the loan book of the company has increased from 78 Crores to 94 Crores with percentage increase of 148 Crores. Our loan book consists of mainly two segments, one is personal loans of small figure size and the other is a SME loans. Currently, we have started our operations in Haryana also along with UP, Punjab and Delhi where we were already pretty. We have 31 branches as on today. The company has disbursed

35000 loans in financial year 2021-2022 and closed about 14000 counts successfully in this period.

Active loans as on March 31, 20202 were more than 37000. Our PAT that has grown by 134% that is from 8.41 Crores to 19.68 Crores during this period as compared to the previous year. NPA of the company gained very low that is below 1%. In the current financial year we hope to take our loan book to the tune of 300 Crores with 150 Crores in each segment that is a SME segment and retail loan segments whereby opening 15 more branches whereby expanding our operations in the two areas. That is all from my side. Now, I hand over this to Mr. Sachin Gupta to take this meeting further. Over to you, Mr. Sachin!

Sachin Gupta:

Good afternoon everyone. Thanks for joining for the investor call. As promised earlier in the earlier investor calls that Share India is looking for the diversification to the digital world, so this is affirmation journal and already started. We have launched our IBT product internally for the testing where our team and close lines has started working on it and we hope the final product should be launched as Kamlesh has explained in quarter two and we just want to wait for the final product to be launched for a quarter like final product is Algo product for the client and the dream all are having in our mind is, we want to empower retail with the Algo trading through the mobile, so we all are working day and night towards that goal and we just want to you know have a break of this quarter before launching a final product just to see that everything is working fine before the final product has been launched.

So, quarter three is the quarter we are targeting to launch our final Algo product for the client and the important part is as far as customer acquisition is concerned we do not have any large plans for the big capex as uTrade is an integral part of the company now and they have the history of 10 years and Share India has its own history, so tech team is with us, strategy team is with us, so we believe that capex size we do not have to put in a lot of money, so keeping that in mind for customer acquisition there are three, four things we are focusing on products for customers acquisition like I said Algo product will be our main product for customer acquisition and likely uTrade will help us in coming up with the fastest possible back testing results for one testing which we call simulation in our language, simulation will be available, it will be very helpful for the new comers like student, like housewife, like anyone who want their strategies in the market they can power tech with the live data so I think that will be the great feature in our product and some products like drag and drop coding system where a client can go their own strategy by a very simple manners.

Yes, we have to do some opex, there is no question about it, but again that numbers will not be so high, which will hurt our balance sheets, so idea is we do not want to burn large number of money to achieve our goals, so keeping both things in hand, keeping balance sheet performance in hand and still diversify to that little world that is our goal, so idea is to maintain our market share and maintain the current business growth, diversify to the retail market, which will give us the most sustainable model and the Share India will be a unique company I believe where the company will be having a sizable share in all the fragments in turnover and also will increase our

market share and retail and HNI business, that will be a unique positioning for a broker as far as explain the numbers, numbers are fabulous and NBSC business is doing good, so that is from my side. Thanks a lot everyone. Now, I request Vidhi, Madam to open the platform for Q&A.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Aseem from ITI Alternate Funds Management. Please go ahead.

Aseem: So, firstly congratulations on excellent set of numbers. I have two questions, first is how we are sharing our planning to level acquisition of uTrade and what are the forecast for the support from business?

Kamlesh Shah: I think first could be defined Kunal and the second part can be taken up by Mr. Sachin.

Kunal Nandwani: Sure, I will go first, Kunal here. Thanks for the question. Basically as Sachin mentioned briefly that Share India has a history of trading securities and primarily driven by Algo and technology for multiple decades and uTrade has also been building for decades the institutional grade Algo trading platform for many, many, many brokers that stock exchanges around the world so with Share India and uTrade combining joining hands and working so hard on the platform what we are essentially trying to do, what Share India is essentially trying to do is, bring the institutional grade platform to retail investors on a mobile app that is completely something which is unheard of before and unimaginable in grand scheme of things and that is what we are trying to achieve, that is the dream we have and we believe we are very close to launching it in a couple of quarters or so, it is going to a rigorous amount of testing and how we make a retail platform, which would be not used by hundreds or thousands of lines, but possibly reaching lakhs to millions of customers eventually that is a goal over the next few years, I think that the uTrade Technology and the Share the expertise of the proprietary Algo where traders trade most investors may want to protect their interests, how to use technology to automate things for them, how to automate the decision making get the lowest latency, fastest lead possible, enhance risk management, all these skills is what Share India has been in their business for a number of years and decades and so uTrade we are now making its consumer ready mobile app simply find it for the enduser, so I think that is what Share India is leveraging on the uTrade team technology into bringing this platform to the retail investor of India, which hopefully could be a great moment for the whole market that is what I can briefly say, on the forecast may be Sachin, whoever wants to take it.

Kamlesh Shah: Abinav, can you please take the question?

Abinav Gupta: Thanks for the question. I think as far as the focus is concerned has already explained by Kamlesh Sir and Kunal, we are planning to launch ready app for consumer by the Q3 of this financial year, the idea is to bring the institutional great technology to the consumer who has still been deprived in India about the Algo trading, there is a lot of enigma currently associated with Algo trading in India superficially, a lot of interest is being generated amongst millennials and

we believe that we are very uniquely positioned to get into that demands, as far as the forecasting in terms of numbers is concerned, we will initially launch our IBT platform, which we are targeting quarter two, we will launch our Algo platform by the time and during that time you intend to the sizeable chunk of customer based, and then financially the numbers for both IBT platform and Algo platforms should start coming only from the next financial year, which is financial year 2024 and we believe that in this product we will have real value for the consumer, so for the consumer and for the company as well in terms of financial numbers as well, so that is from my side, thank you.

Aseem: Thank you and lastly the broking industry had done very well and the exchange volumes have been very high, so what is your energy for when the uncertainty and uncertainty in other global level?

Kamlesh Shah: Sachin, would you like to answer or I should answer?

Sachin Gupta: Sorry, I did not hear it properly, Sir, can you please repeat your question?

Aseem: So, the broking industry has done very well recently and even the exchange volumes have been very high, so what is your industry forecast in the uncertainties that are surrounding at the global level?

Sachin Gupta: See, what we all are saying that since last three years industry has seen an unprecedented growth year-on-year basis, so especially after post-COVID we have seen participation has grown up like more than two-and-a-half times, exchange of volumes have grow by two and two to three times, so what we believe that many new regulations are coming up this year and yes, you are right global challenges are there, so there will be some challenges on the participation side maybe and we all are ready for that, I this Rajesh has already answered to that and we do not expect that market to grow with the same phase as it was growing in last three year, so we are very practical with the things we are seeing, so we need to adapt to the new margin regulations from the SIBI side and change in environment we believe that things will slow down a bit, but again there is a lot of headroom left in the market where people are looking for the innovative product, so this year at Share India level we are focusing on the innovative sites where we can bring up good product for the clients where we can see some attraction for the Share India in the market.

Kamlesh Shah: See, within last two years we have expanded our product portfolio and now we have a complete range of products available, which will give us some kind of protection against any done for in the volume in the markets, secondly the as Sachin has said recently that our new product like Algo products and everything is laid up, so that will also give us some extra headroom for expanding our volume, nothing is permanent we believe that the current factors like the interest rate hike, the inflation, the group prices as well as the war with Ukraine will come to an end, but at some point in time, so whenever the normalcy returns this will bring the volumes to the market, all economic indicators are positive like GST collections are at highest level, tax collections are at it best, debtors participation is increasing by lifts and bounds and for that matter

you take any ten-year period, the market has always grown by 15% compounded and just to simplify the query if you consider period of 2002 to 2022, in year 2002 the index is 600 and today the index is around 53000 even after the fall, so I believe that this is a market where there is a lot of new impressed, the newer investors have come in and this is quite enough fuel for us to grow further in the financial products, thank you.

Aseem: Thank you.

Moderator: Thank you. The next question is from the line of Amit Vora an Individual Investor. Please go ahead.

Amit Vora: Good evening gentlemen. First of all congrats on a great set of numbers and then your continued execution that you have been doing. I have three questions if time permits I will ask the third one, the first is if you can give the revenue break up for the segments?

Vijay Rana: So, for quarter four the PROP business did revenue for around 55%, the client dominated business would have been around 36% to 37% and rest NBFC technology insurance would have combined taken around 8% to 9% of business overall packing terms of revenue?

Amit Vora: And this is for the financial year or the quarters?

Vijay Rana: This is for quarter four since a lot of business has started coming in the beginning of the financial years, so fiscal year 2022 breakup number would be PROP business would be around 60%, the client business would be around 34% and NBFC and technology contributing another 6% to 7% of the business.

Amit Vora: Is it okay for you to give the margin percentage each segment wise what would be the margins if that is possible?

Vijay Rana: See, the breakup of margin is a very complicated endeavor in terms of buyback we need to allocate costs on the basis of the volumes that are being done on the exchange levels, but to just to give you a breakup of the IT.

Kamlesh Shah: Ballpark number will be a good enough.

Vijay Rana: Yes, so I will give you a ballpark number, so the client dominated business would be doing PBT margin of around 25% to 26% and in the PROP business we would be doing somewhere around 21% to 22% some where of that shot and the rest NBFC this year has been a very good year, but we expect to do a margin of around 33% to 35% over there as well.

Amit Vora: Okay, what would be your current client strength is that you can just explain that a bit?

- Vijay Rana:** Sure. So the total number of retail clients are 17500 as of March 31, 2022, we are continuously adding new clients that is happening, we have of course the big development in this front is that in the last year we added as we have been saying for last eight quarters that we are focusing more on execution side so we added 10 SPIs last year and within this quarter itself we added 6 more SPIs.
- Amit Vora:** Great and what would be your expectations on the momentum to continue, any number that you are working with for FY2023 that 17500 should grow to?
- Vijay Rana:** So, you know the 17500 has a lot of legacy business attached to it, as everyone said that we are planning new launches in Q2 and Q3, so I think as far as retail number is concerned we expect a big jump this year as far as the total number of client is concerned, of course financially as I said earlier as well they will start making impact on the next year only I think by the time we launch our products, stabilize and start doing the marketing around it and in a critical mass it would only be next year when we would be able to see a financial impact of that growth in the number of clients.
- Kamlesh Shah:** I would like to add a few clarifications, to compare the client number we need to understand the business model that we are operating, current we are operating on B2B, there we have a very large clients like SPI, some of the brokers, large business group, HNI that is the composition our turnover is more than Zerodha we have around 9% market share in MNC option contracts, so for us number does not matter, for us the composition of clients and the kind of study what they did on our platform because of various advantage that we have like concision in transit charges, very robust techno platforms, so our business model is different I thought I will just clarify so that you know you do not compare the number of clients with other organization this has been months to years is unique.
- Amit Vora:** I understand that because that is the reason I did not compared with anybody I wanted to just understand what is our, is there an internal estimates I absolutely get that, thank you very much?
- Sachin Gupta:** We are expecting with the new lunches, we are expecting in this financial year our retail number should grow by two time 2.5 times in this financial year that number 17000 show grow to at least 35000 to 40000 number by the end of this financial, so this is our expectation, this where we are working.
- Amit Vora:** Understood, got that. One last question I will squeeze and then jump back in the queue, apologize if I am asking this because my line got disconnected in between, is there a strategy or something that we have not plan to counter this newer discount brokers in the industry?
- Kamlesh Shah:** Mr. Sachin, you can answer.
- Sachin Gupta:** Sir, as I explained in my remarks that strategy our acquisition strategy is by providing the innovative products to the client, see people these days they are doing that they buying Tata

Infosys on their own, they want some knowledge something from broker side, so what we are doing we are leveraging our expertise of sharing and explain that infusion great for us to the retailer in their hand, everyone wants to use Algo because making regular money is the main goal, people are not here to lose money, so we are trying to enable clients to use the sophisticated Algo through their mobile, so I do not think we will face any challenge from the traditional or use a discount booking in houses so one, two life technology side again as I explain that number of people approach us where they can do simulation trading like students as people who are newly entered in the market, again we will provide them with the light speed which will be simulation, a good backup where the backup results will be immediate and reliable and easy to code strategies so all these valuations we are trying to add to the client's life where we believe we can have our own share from the market, so we are not focusing on your cheap product or product for free will charge some money for that, but definitely technology will add lot of value to the client's life.

Amit Vora: One to follow up on same as, is there a budget or something that you have worked on that this is what we are going to spend irrespective of how many clients board onto the platform, but if there is a budget in the mind, are you in a position to talk about that basically I am trying to understand is there a customer acquisition cost that you have worked on or something?

Kamlesh Shah: Abinav, you want to answer that?

Abinav Gupta: Sure, so you are absolutely right, I think your second question is the derivative of your first question that how do we compete with each new edge discount brokers who are just burning money, so you know as we have already clarified in our earlier conference calls as well, we are not here to burn money of course the customer acquisition cost would be dependent on the unit economics, burning cost would not be taken on the balance sheet, we are very clear on that aspect as well, so we have allocated certain budgets internally, but with each and every year that would be reviewed by the board as and things progress what I can say about the budget in the public domain right now is that those numbers will not be high to impact the overall financial strength of the company, we believe that we did 200 Crores of PAT of this year itself, whatever opex that we have to take in terms of marketing and HR would be very minuscule in the overall grand scheme of things as far as the cost is concerned, point of note that I would like to make clear specifically is that you know a lot of capex that would have been done just for the launch of product on the creation of product has already been done within the ambit of Share India neutral combine, uTrade has been doing an Algo training platform for more than a decade, Share India has been in the terms of strategy for the major part of last one-and-a-half decade, so a lot of capex in terms of product development has already been done, has already been taken, so as far as the customer acquisition cost is concerned it would only be a very minuscule in the overall grand scheme of things.

Amit Vora: And just cost has been expensed or capitalized till now whatever you would have done?

- Abinav Gupta:** So, you can see in our total balance sheet, the total asset size is very small, so I mean when I say for the last one-and-a-half decades most of it even if you would have capitalized early would have been to expense now, so our total balance sheet size are very minuscule part is in the total tangible asset, so most of it has been explained already and just to clarify you know we talk about product and the creation a lot of it is more about intellectual investments rather than just pure play hardware investment so it is more about creating those kind of strength and those kind of teams and internally it is a more difficult to do rather than just pure play creating property plant or equipment kind of managing item.
- Amit Vora:** Right, one last question then I will just jump back in the queue, I your presentation you have mentioned in the vision and the future plans that international expansion we plan to do interest of the geographies if you can just throw some light on that?
- Kamlesh Shah:** Sachin would like to specifically supplement to it?
- Sachin Gupta:** Yes, there are two aspects of this thing, one is the expansion of gift city where we have extent to all the international market through the IFSC so we believe that that open a gate for the companies like us where we can have access to the international market from that time and we have a good presence here since the insertion of the gift city, so we believe that the kind of strategies we are using here we can take those strategies to the international world and explore the chances with the new markets and secondly we have a subsidiary called Share India Global base in Singapore, so using that entity also we are trying to explore more important is into the other markets, so in this financial year the goal is to diversify into non-core areas which the sustainability is the main part, so like we all explained about the retail side, now the second is the international market, just want to see the positives in the outside market like starting from the SNP like they have shorted their product so we are more interested in short listed product, so we will start some business in the international market very soon.
- Kamlesh Shah:** Here, I would like to add some more point gift city especially, as I mentioned earlier SJ50 is coming to India from July, now currently 60% of volume in Nifty and 75% of open interest lies at SGX, so we will have a great opportunity to bill in this product, again this is a joint venture between SG and SGX, so they will also bring in more products like then Nifty options, weekly options and kind of things, the duty of the place is that the cost of operating from gift city is lengthened compared to the cost of operating from Singapore, say for example, if we are to open to shop the cost could be ten times more than what I may spend at gift city, now again the advantage and the benefits granted by the government of India there is no STT or CTT, there is no GST, the transaction charges are minimal and there would not be taxation is waved off, there all we require is 9% net, that is 50% of the regular net to be paid, so this offers a great opportunity for us and we are operating there for a long period of time, so there we have a sizeable presence and we would like to expand our turnover from them, thank you.
- Amit Vora:** Thank you so much, Sir. That was a very well explained cushion. Thanks a lot. I will just join back in the queue.

Moderator: Thank you. Before we will proceed, we have a question from Ms. Vidhi Shah from Antique Stock Broking. I will just hand over to her first. Ms. Shah, over to you for a question!

Vidhi Shah: Thank you for the opportunity. I just had one question, you said that your acquisition thoughts will be quite low, but how do you wish to still like there what is your total channels and which is as well bare some cost right when you acquire those retail customers, so how do you plan to do that and also do you have in mind what will be a break even period after acquiring these customers?

Kamlesh Shah: Abinav would you like to answer?

Abinav Gupta: Sure, Madam as you have rightly pointed out you know initially there might be some cost associated in terms of customer acquisition cost, but as we have already explained that most of the customer acquisition cost we want to keep it low by the virtue of bringing out the product, which is more unique and based on the strength that they already has, it is not about just doing pure play broking in the street which is most of the players would be competing with, we would playing to our strength where we have knowledge of Algo we have created a product or create expertise of strategies that we have been offering for over last 15 years or so most of the customers acquisition cost we believe that would be very low in terms of the fact that we have a very unique product number one, number two is even if you listen to such forecast I mean all the consumers that we are targeting for this year is not a very high number in number, so whatever we are targeting for the entire year in comparison to the entire industry landscape that is a very small number so for year one, number three in terms of break even as I said we would be continuously reviewing the performance of every business channel we acquire, we believe that the first consumer should break even in around 12 to 18 months, but of course as we gain more traction those numbers should shorten a bit, we would completely bare business decision on unit economics and we believe that would be the way that will go forward.

Kamlesh Shah: We are the beauty of the product is, this is correct Algo base product, which is a unique product, so that also lot of interest is generated, we had before 5 to 6 months program on Zee TV where we had uncookie master class so that itself give us a lot of confidence in terms of customer acquisition because a lot of people have shown interest, this is a unique product, so the cost of acquisition is the decision for the traditional acquisition so I will just add up on that, that is it, thank you.

Vidhi Shah: Sure, Sir, basically I understand that right now we are currently having some 17000 investors customers and slowly this number can easily acquired 35000 in the next one year or so, but just looking at a larger picture if you want to plan to have a huge and strong customer is in customer base then how do strategize this going ahead let us say for example, if I say I-Sec or Zerodha their customer segment is quite huge, so we plan to become so big enough and NFCS then how do we strategize this going forward?

Kamlesh Shah: I will add something and then Abinav you can carry on, since my idea is that like being a responsible company we need to stuck a balance between customer acquisition and profitability so for the customer acquisition purpose we cannot burn our money it will be very negative for the company, it will be very negative for the shareholders, so what the broader idea is we will strike a balance between the profitability and the customer acquisition cost that is why I said the number like 35000 or 40000 hardly 2 times or 2.5 times because we do not want to go very aggressive in the customers acquisition thing, we just want to keep on tracking the performance of the product of that new business line, so the idea is we need to go through, we do not want to go into that 50 lakhs or one Crore number so early, so we want to go slow, we want to grow organically and yes, it will not be that low that the people will not see any growth in retail business, so idea is that Share India should be a sustainable company, see what we believe, we believe in the next five years or seven years should belong to India as a whole so larger expect we believe India is growing like anything, so next decade particular belongs for India so public participation will grow drastically from here maybe a little bit bump because of the regulation issues or because of the market, but in larger aspect market will grow, so we believe that kind of demerge account we have around 10 Crores it should go to 25 Crores in the next five years, so Share India why to miss on that size where a huge participation is coming so far that we need to take some cost on the balance sheet, but equally we do not want to burn so much money that it takes us into the negative growth so we will keep the balance and will go as organically as we the track the growth of that position, so do not want to burn lot of money with that, so that is the whole idea, Abinav Gupta you can continue with this.

Abinav Gupta: So, as Kamlesh explained, I mean you beautifully explained know we believe that India story is not only for a year or two it is for a decade so, so we are very consistent in our belief internally as well that the good business is up built for decades and they are not very shortsighted in their number of approach or anything to begin with, it is very easy to burn money and acquire customers, but it has been our history and we very strongly believe internally that we will do unit economic positive business throughout our life cycle and what we are trying to build here and even the names that you have mentioned like I-Sec or Zerodha or any other company those businesses have not started in a year or two, they have not got that kind of custom traction in a year or two, I mean the initial period was tough we have launched more than a decade back and it is only by the time that you reach that scale and find that you will start seeing a big size number of customer segment in that respect, so we believe that we will be the market player of size in few years, but whatever new products that we are trying to launch is not from a very short perspective it is from a decade long story perspective for India.

Vidhi Shah: Thank you.

Kunal Nandwani: I had a couple of points here, I want to based on this question and one of the previous ones, I want to give an analogy, which will hopefully help you understand this better, so we are looking at the broking industry perspective of Zerodha and ICICI Securities maybe when some funded companies like grower up stocks and others, but the way to look at it is slightly different maybe

and I am trying to explain, so think about Affle has a smartphone company versus android, of course android companies may have a bigger market share and might be selling more, but it is a commoditized order, there is no differentiation because there is no focus on as much product as others it just copy and marketing in grand sale offering I am just simplifying, but Affle sales even by selling maybe focusing on 5% of the market or a smaller percent of the market they are able to price it better, they are able to target the customers who are benefiting from the product from a premium product that is sort of a way to think about us versus the others hopefully and our market remove for the Algo trading driven by regulations and regulatory support and outlined an adoption and the current market dip is likely to help, so there is a market last one two years all retail investors many of them will come to the market, but only buy and broadly facing simply foot, there were many buying stuff and just holding and making money, but now that the markets are going to go up and down with volatility they do need Algo products to get some and generate some return and not just hold on to one side so they do help from a technology perspective, Algo perspective, etc., so sort of what we are seeing and hopefully expecting in the next few years starting now and soon is yield their offer for the phone industry from 2007 Smartphone industry came about the Nokia and Motorola got knocked off and such new world came with Apple , Samsung that is how we are also to a casting and seeing that there will be a Algo trading driven technology, driven industry where hopefully we will do well and our focus may not be necessarily in getting millions and millions of customers, but even if you get a few lakhs customers over a period of time and we are able to have some model in which they can pay as well while benefiting from the products and getting decent returns of their expectation that from the market that is how we should think about it, it is not a one-to-one comparison in charge as much, so I hope I try to simplify things, I hope it make something better, thank you.

- Vidhi Shah:** Yes, thanks for your better explanation, thank you.
- Moderator:** We have some more questions in queue. We will take the next question from the line of Arpan Mundra from Wilson Financial Services. Please go ahead.
- Arpan Mundra:** Sir, congratulations on your numbers. Sir, my question is that are you planning on hiring more traders and could you tell us how much capital do you allocate for trader?
- Kamlesh Shah:** Hiring a trainer is 29% as the demand come, so the things is like this we keep on doing some R&D on strategy side as the requirement come from the team leader then we keep on having the traders and as far as the capital allocation is concerned that depends on the kind of strategy the new traders are required for, so this is a very regular percent, so capital allocation happens on the periodical basis as now we all know that we all are going through a big change from the regulation side, so we are a little bit slow on the hiring side, but in a month or two once the things will stabilize, we will definitely go for the more hiring and allocation will happen as per the strategy requirement, it is a dynamic process, it is not fixed like this much capital will be allocated to a trader it is a balance process.

Arpan Mundra: Thank you Sir. Sir, another question is that do you have any projections up until when the proprietary trading will be biggest revenue contributor for the company?

Kamlesh Shah: Sorry, I did not get you, I did not understand the question, can you please repeat your question?

Arpan Mundra: Yes, do you have any internal projections up until when you think that the proprietary trading will be the biggest revenue contributor, so you were talking about diversification right, so up until when the proprietary trading will be the biggest revenue contributor?

Kamlesh Shah: Okay up till when it would be the biggest contributor, so I understood it, if you look our project, the trend of volumes that we have been doing and we are giving in our presentations, the client based turnovers has been continuously increasing, so you know here I just to give you a perspective, a year back the exchange level turn over breakup for client and PROP was almost 50:50 and we have closed this year with a client base turnover with almost 67% for the whole year and before March month it was 80%, so it has been continuously increasing, but one thing that you need to realize is that is in a client base business for you only get the broking parts and the proprietary you get the entire trade revenue that you do on the exchange, so the proprietary that weighs becomes a very big chunk, so in a broking you get only very small component of the income of the total exchange turnover wherein the PROP that exchange level turnover directly goes on to the P&L of course the cost also goes as well so as a affect these parted the year when we were doing client business revenue break up of around 20% to 22% and we have closed it with 30%, the quarter four was around 35% are we believe even with only the broking component being a very small part of the entire scheme of things we believe that in another two years or so PROP will become a very small part of the entire field even while growing it appears that it was growing, will become a small part of the entire piece of the strategy of Share India.

Moderator: Thank you. We will take the next question from the line of Bhavik from Crisil. Please go ahead.

Bhavik: Congratulations for a really good set of numbers. So, my question is as we have decided to fore into the retail segment in a couple of quarters, so what I wanted to know is what are we doing exactly to grow ourselves on the digital space like for example, sharing the security is not a household name that every person has heard of this room, so what are we doing like for example, Zerodha they are all households, so we do not have like a Youtube channel you know which is very prominent, or even an Instagram page, so are also looking to probably grow ourselves on that space so that it is easy for us to acquire customers?

Kamlesh Shah: First of all you know there will be a comparison between trading. Trading is our strength and strategy-based trading is we are playing towards strength, as a trading is our strength and we have mastered that technique even the retail expansion is focused mainly on the Algo products, so first of all I thought that to clarify that we are not in a rat race and we are insulated, so we are specialized product for which will be a special demand, now is this volatile market conditions for last two years there has been when they do before June days, so people have make money in whichever stock demand is listed, but this is not really showed, so wherever there is a volatile

markets then the Algo will protect strategical trading will help them to earn steady income, the purpose of introducing Algo retail investor was to see that they do not get into speculation they are something like 10% to 12% on the margin, which effectively comes to around 15% to 20% on the HR cash deployed and this will make their money safe and also insulate them from the risk of the market, so this a unique product, which will have a unique kind of customer to find the profile of customer also would be significantly different from the kind of customers you have in discount book so let me clarify this and to add to this I will request Sachin to add some point if I missed any.

Sachin Gupta:

Yes, sure, Sir. Sir, as you said yes, you are right Share India is not a regular household name, but as we explain that whatever the clients we have that on legacy business so like we are about to launch our retail product in quarter two and second product in quarter three, so the idea is definitely a huge marketing strategies in place where YouTube channel all our activities website everything will be done in a channeled manner and hope so everything paid off well by at this financial year you will see that when we will have a final call for the FY2023 numbers you will see that Share India will be a known name in the major circles of India, so we have a detailed strategy in place, execution will start in next quarter or two.

Kunal Nandwani:

I would just like to add on a couple of points you know I fully appreciate that you are talking about social media, we industry the importance of social media in today's digital world, we have started the process of digital transformation, but digital transformation is a journey which essentially involves building pillars, creating the structures in place wherein you can create those products and everything and then building still upon it, so we are currently in stage one, it is only when this complete the stage 1 wherein we have a Instagram channel, but will create a kind of content that we want to push through it, we have a YouTube channel, but we create the channel content to push through it, it is only once we have done that that you will start realizing the work that is being going on internally and behind the scenes, but having said that we do not want to compete directly head on head to that the household names that you have just mentioned, our strategy is very simple that we might not be the biggest market player when it comes to the retail, we would be a player who would command a premium and who would have a proper unit economics in place before they go to the market.

Bhavik:

That is really helpful, also my only suggestion was I completely understand the points venture, so we have six months to rule out the product I was only hoping that possibly in the next six months we can grow up online presence so that it is only easier for us to acquire the customers when we enter into the retail segment, I not only about the competition with any of the discount brokers, but I think that we should also doe something on the online space.

Kamlesh Shah:

Sir, point well taken, so we do have a YouTube channel, if you see that there is some activity that is already going on, we do have an Instagram page, we have started these endeavour almost six months back, but we do not want to push through it much before it so the digital transformation the way it happens is you launch a product, stabilize the product and then you go full bang on the marketing, we do not go full bang on the marketing right now and create an online presence and

then realize that the product is not working, so the marketing part of it will follow the products and not be given out.

Bhavik: Thank you.

Moderator: Thank you. We will take the next question from the line of Anand Agrawal from Balaji Investments. Please go ahead.

Anand Agrawal: Thank you so much for giving me an opportunity. I mean most of the questions have been answered, but just want to one thing how would you differentiate the business model of Share India and you are substituting uTrade if you compare it with the NGL one?

Abinav Gupta: Sir, as we explained, what was the reason when we join hands with uTrade and the technology company so vis-à-vis very simple in the next 10 years should belong to India and the company who have a right technology behind their back will be able to adapt the new changes in the market, so next 10 years will be like broking entities or broking business will be a tech based business rather than it is an additional broking business, so we have now uTrade behind us and Algo behind us both are our subsidiaries now and extremely efficient and experienced people are running these companies, so whatever the changes or new challenges are coming so we are able to adapt and counter those challenges with the help of the technology, so what we are building, we are building a product which should bring a lot of change in the attitude of the retail investors in India where they do need to come up with you know like buying the Tata or selling the Infosys or whatever they will be able to use the strategies to arm their bread and butter so that is a change we will bring which we see, look at the combination the company who is having a 25 years of experience in trading and the company who was having more than a decade experience of developing products they both are together, they are under one roof now, so when we bring up the product having expertise of both the separate companies then the product can change the attitude of the Indian investor so we believe that will differentiate are from other and as a trader we know the importance of importance of simulation, importance of easily system so we are bringing all the things on the table, which were our pinpoint, so one those things will be available to the larger public they will be able to use the things from their mobile phone that will change the attitude of the people, so I think that technology, new product having the last trading experience will be a different sitting point for Share iniad that is my point, if any one want to add?

Kunal Nandwani: I will just add on, you know with lot of questions that are coming in, I will just like to say that you might not see in the foreseeable future Share India may come to the maximum number of accounts that are opened in a month, so whenever you see all accounts are opened, Share India might be a very small player, but as I said we are focusing more from a very long-term perspective, we are bringing out product, which are premium in nature. which helps customers solve a pinpoint and which are not pure play vanilla heads on competing with other protein products is what our strategy is and not being a pure play normal service broker.

Anand Agrawal: Well explained, two more question from my side, one is that I mean we are seeing from last two years since the infection of COVID as we are seeing the deeper market correction how do you see the business going is there any effect on that that the top line growth or kind of that will have will get affected due to this scenario sir accommodation you want to answer this question?

Kunal Nandwani: Sir, definitely as we explained that the kind of growth we were seeing was unprecedented markets have doubled in terms of customers participation and more than three times in terms of turnover in last two years, this was unprecedented this kind of growth cannot continue so things have to consolidate at some point, two reasons, one new regulations on the TV, which need some time to get adapted, second definitely some market volatility, so things will get slow down a bit larger a spread we believe that participation will keep on growing, but definitely the percentage of growth will go down, so that is why as we said that we do not want to be a single product company if you see the product for that actually I see why Share India is a favorite broker for the HNIs because will provide them the sophisticated technology they require, the services they require, so we are seeing a great growth from the large HNI customers SPIs as that has been ramping up and secondly Abhinav, third retail, now again the technology for the retail NBFC insurance, so Share India is overall a bouquet of different for us so we believe that yes, there will be some slowness in the growth of the overall industry, but yes, growth will be there, but that growth will be for the time being eventually once the things will be adapted like Sir, had explained us broadly Indian economy is doing good, so we should see the growth will be on track in quarter three or quarter four.

Kamlesh Shah: See here I would like to add that the power of retail investors we are experiencing for the first time, and no one would have expected the growth of the net account 4 Crores to 10 Crores as of today and going forward all the experts believe that in another five years this number can go to 25 Crores they will selling by FII from April 2021 up to now of almost 2.5 lakhs Crores, that has been entirely absorbed by retail investors, now there are new investors who are joining the market to include outside, they include student in higher education, the good IT professionals who are working from home and they also include some businessmen who do not have any means to deploy the extra from that they have all of them have done to share market, the number is growing and it will grow fast, there are no other instrument, which could be the equity instrument, so the confidence is increasing now you know we are reaching tier 3, tier 4 cities and penetration is deep down the line, the only thing that has change is consolidation just happen in the industry, there is change in the way we do business, there have been a lot of regulatory reform which makes the market and the investor at the same place, so all these measures taken by the regulator in last two years has generated lot of confidence among the investors and I believe that what our current situation is that is a temporary situation, we are almost come out of the COVID data, so according to me there will be larger number of people who will be participating and with the new products on technology that we have their reach out become you know far reaching so in fact the year in 1970 belong to Japan, 1980 belong to USA, 1990 belong to China, I think 2020 onwards it is belonging to India. India is specifically a lot of interest is being

generated amongst all the international players and we feel that the temporary issues, which are surfacing we will be able to come out of it as it is the financial parameters are showing robust growth prospects for India and I believe there will be a reasonable opportunity and ultimately it is a game of photo finish, if you do it is a competitive world I agree, so when you are little better than the competitors you would definitely gain much more than the others so we have positioned ourselves and we have prepared ourselves, and we have taken initiatives to see that we maintain the good momentum that has been created in last three years, the exact amount of growth is difficult to predict, but we are prepared, we are ready, thank you.

Moderator: Thank you. Sir, that was the last question. I would now like to hand the conference back to Mr. Sachin Gupta for closing comments.

Sachin Gupta: Thanks all the investors, everyone for joining for this conference call. I would like to thank everyone like shareholders, our staff members, our vendors everyone for their continuous support and tireless work. So, your support, your belief on us is our motivation and which keeps us going and we promise that Share India will keep on working very hard and will be coming up with the innovative products and try to make Share India more sustainable company rather than depending more on the market performance, so like you all know the fourth quarter was the best quarter ever we saw in our history and we believe that we will be delivering same kind of growth in the coming years. I hope everyone will be supporting us like this and all thanks to our shareholders and that is from my side. Thank you very much everyone.

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