
November 03, 2023

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 Conference Call with Analyst/Investors held on October 31, 2023 to discuss Unaudited Financial Results of the Company for the quarter and half-year ended on September 30, 2023

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of Conference Call with Analyst/Investors held on October 31, 2023 to discuss Unaudited Financial Results of the Company for quarter and half-year ended on September 30, 2023.

Please take the same on your records.

Thanking You.

Yours Faithfully,

For Share India Securities Limited

Vikas Aggarwal
Company Secretary & Compliance Officer
M. No.: F5512



“Share India Securities Limited
Q2 FY '24 Results Conference Call”

October 31, 2023



MANAGEMENT: **MR. KAMLESH SHAH – MANAGING DIRECTOR – SHARE INDIA SECURITIES LIMITED**
MR. RAJESH GUPTA – DIRECTOR – SHARE INDIA SECURITIES LIMITED
MR. SACHIN GUPTA – CHIEF EXECUTIVE OFFICER -- SHARE INDIA SECURITIES LIMITED
MR. ABHINAV GUPTA – PRESIDENT – SHARE INDIA SECURITIES LIMITED
MR. SURESH ARORA – DIRECTOR – SHARE INDIA SECURITIES LIMITED
MR. KUNAL NANDWANI – DIRECTOR AND CHIEF EXECUTIVE OFFICER, UTRADE – SHARE INDIA SECURITIES LIMITED
MR. PIYUSH KEDIA – DIRECTOR, SILVERLEAF – SHARE INDIA SECURITIES LIMITED
MR. AJAY PATEL – CHIEF EXECUTIVE OFFICER – SHARE INDIA INSURANCE BROKERS -- SHARE INDIA SECURITIES LIMITED

MODERATOR: **MR. SOHAIL HALAI – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day, and welcome to the Share India Securities Q2 FY '24 Earnings Conference Call, hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sohail Halai from Antique Stock Broking. Thank you, and over to you, sir.

Sohail Halai: Thank you, Dev. Good evening, everyone, and we welcome you all to the call. We have with us the entire management team of Share India Securities Limited, represented by Mr. Kamlesh Shah, Managing Director; Mr. Rajesh Gupta, Director; Mr. Sachin Gupta, CEO; and along with other senior members from the management team.

I would also like to thank Mr. Kamlesh Shah and your team for giving us this opportunity to host the call. And now without further ado, I shall hand over the call to Mr. Kamlesh Shah for his opening remarks. Over to you, sir.

Kamlesh Shah: Thank you, Mr. Sohail. Good evening, everyone. Welcome to Share India Earnings Call to discuss the results of Q2 of Financial Year 2024. I wish you all a very happy festive season. It will be fair to say that for quarter 2 financial year, 2024, results of Share India are not less than a festival. Share India is delivering best results in the industry for the past 3 years, more than the exceptional performance, we have been able to develop sustainable business model that is able to perform in all market conditions.

Continuing our legacy for performance, Share India has recorded quarter 2 as best quarter in the history of Share India. I am happy to present the key highlights of the operational and financial performance of Q2.

First, we will deal with the consolidated number. Total revenue quarter-on-quarter basis increased by 32% from INR279 crores to INR368 crores, an increase of 53% on a year-on-year basis from INR243 crores to INR368 crores. Profit after tax quarter-on-quarter basis increased by 37% from INR82 crores to INR113 crores, an increase of 56% year-on-year basis from INR72 crores to INR113 crores. The EPS for the quarter works out to INR34.50. Net worth also has reached to INR1,218 crores.

The consolidated results show all around development in the business verticals with 30% contribution to the consolidated profit by subsidiaries is a step towards diversification and business sustainability.

Now, when we look at the stand-alone figures, it will give even a better picture. Total revenue on a quarter-on-quarter basis increased by 33% from INR208 crores to INR276 crores and increase of 59% year-on-year basis from INR124 crores to INR276 crores. Profit after tax on a stand-alone basis has increased quarter-on-quarter basis by 56% from INR51 crores to INR80 crores and 77% increase on year-on-year basis from INR45 crores last year to INR80 crores this

year. The stand-alone earnings per share works out to INR24.35. Net worth has reached INR986 crores on stand-alone basis.

During the quarter, we recorded the highest ever EBITDA and net profit margin. The Board has approved second interim dividend of INR3 per share. "think Algo, Think Share India" is the theme behind our future business strategy. During the quarter, we had successfully rolled out launch of uTrade Algo, a product designed to empower retail investors with advantage of Algo.

Technology is a key growth driver and after successful integration of 2 large tech companies, that is Algowire and uTrade, we have recently finalized acquisition of Silverleaf Technology to give boost to our HFT and disruptive strategy-based trading platform.

We are poised to make with our expansion plan with strengthened network base, building on successful rights issue of over INR800 crores along with internal accruals. We are in process to equip best in the industry professionals on our Board of Directors and management team for seamless execution of our plans.

We are ready to shift gears for our global operations, mainly from Gift City and at subsidiary in Singapore. We see a new set of opportunities in international operations with NIFTY being actively traded from Gift City.

Going forward, we will focus on technology, consolidation, retail penetration through algos, overseas trading, merchant banking and expanding our institutional business. I thank you all for joining this call today. May God bless us all.

With these thoughts, I would like to hand over proceeding to Sachin ji, to share plans going forward. Thank you very much.

Sachin Gupta:

Yes. Good afternoon, everyone. Thanks a lot, Kamlesh sir for the detailed presentation about the current results and the future visions. So I thank, everyone, for attending this call. As Kamlesh sir explained, last quarter was the best quarter in the history of Share India. And I just want to thank all the investors for having faith in our journey and in Share India. Without their help, we may not have achieved this kind of growth or maybe these numbers. So -- and I just want to ensure that from the side of entire team, that we all are fully motivated to work hard in future to achieve more hard goal and try to encash the upfront scenario where participation is growing, and we all are seeing good growth in broking industry.

So I just want to say that we are seeing a major change in -- all the broking companies are being seen as a different sector. It has come up as a new sector. So like all our competitors, all our friends, other companies are also showing good results. Along with that, it is also beneficial for Share India.

And secondly, recently, we saw S&P report where they have projected that by 2030, India will be the third largest economy in the world. India should be the \$7.5 trillion economy by 2023. So we believe that if India is ready for this kind of change, this kind of shift in gears, so we are well positioned, having large tech partners with us and all verticals are set, our goal is that Share India

should be all weather company. With the help of tech, with the help of current verticals, we believe that we'll get major benefits in the coming next 6 years. As projected by S&P, Share India can also be 1 of the biggest beneficiary of this growth.

We just expect the kind of confidence and faith investors have shown in us, showed in us -- it will -- they will continue to do so. And Share India is pledged to work hard and showing good results in the coming future. That's it from my side. We can proceed further.

Sohail Halai: Thank you, Kamlesh sir and Sachin sir for your opening remarks. Apart from Kamlesh sir and Sachin Sir, we have other members from the management team. I'd just like to take a brief moment to introduce all of them. We have Mr. Rajesh Gupta, Director; Mr. Abhinav Gupta, President; Suresh Arora, Director; Mr. Kunal, Director, uTrade; Piyush, Director, Silverleaf; and Mr. Ajay Patel, CEO, Share India Insurance Brokers.

With this, I will request for you to open up the floor for Q&A.

Moderator: The first question is from the line of Gaurav Fushe, who is an individual investor. Gaurav's line seems to be on hold. We will move to the next question.

The next question is from the line of Deepa Goyal, who's an individual investor.

Deepa Goyal: Share India has been continuously showing good growth numbers. What is your expectation for future trajectory?

Sachin Gupta: Thanks for asking this question, ma'am. Ma'am, as I explained that we are seeing that India is going through a big change in -- like economy is growing fast and change in the behavior of the investors, and we can see the long-term investors or traders are there to stay for the longer period, so Share India is definitely going to get a big benefit out of it. And we believe that the next 5 years we should grow by the CAGR of 25% to 30% at least for the next 5 years. That's what we are expecting, and we all are working for it.

Moderator: The next question is from the line of Rahul Arukandathil from Vista Investment.

Rahul Arukandathil: Congratulations for the good results. So typically, what we have seen about the broking industry as such is that it's been a cyclical industry. However, we are also seeing that there's been a surge in the options volume lately. And every time someone says that it's steep, what I find is that the options just keeps on growing and growing.

So you have like a 5% market share in this options market. What is the trend that you have been seeing, sir, lately? - Like we know that -- Okay, I'll make my question a bit more specific.

So we know that the cash volumes kind of go down in times when the market has been doing well. But like how have you seen the options data pan out during times of volatility over the last few years?

Sachin Gupta: Kamlesh sir, you want to answer this question?

Kamlesh Shah:

Yes. I mean I will start and please complement it. The main reason is now we have almost like daily settlement from Monday to Friday and intra-day business has grown by multiples. The option volume accounts for about 90% of the total volume. So going forward, with the new products being offered by the regulators and the reforms that have been placed by the regulators has put in a lot of confidence into investors.

Second thing, there are new sets of investors who have joined the market and they are tech savvy. So their participation in F&O also has been useful to grow the business. So we feel that with the new product, new opportunity -- the volume in options will go up and it will provide a lot of opportunities to the retail investor as well as the traders.

Also, going forward, we see possibility of extension of market hours beyond 3:30. There could be an evening session from 6 to 9 for which permission has been sought by NSE from the regulator. So all these factors put together will have substantial activity going on along with the volatility in the market, the volumes will remain good, and there will be a better opportunity.

Sachin Gupta:

I would like to add something here. So as sir has explained, there's a lot of innovation happening on the exchange's side and they are providing new products to trade, like daily expiry of some or other index and it is the main reason behind the surge in option volume. One more thing.

We have Mr. Suresh Arora with us, and he is expert in commodity trading and all. We are seeing a lot of innovation on commodity side from NSE, BSE, even from MCX side, and volumes are also going up. Suresh ji if you can please put some words from your side about the growth in commodity business by all the exchanges?

Suresh Arora:

Okay. So let me first explain about our status right now and Sachin had told you, in the option side or commodity side, we are already having a very good team to deal in commodities and all the funds, we have around 4% to 5% market share in MCX as well as NCDEX market. Although, we can have -- we are having around 10% market share in NCDEX market, but as you all are aware, one thing is -- commodity market is far bigger than the equity market.

And as regulator has opened the FPI and all other and many reforms, we are seeing option market and commodity market increasing -- getting more and more volumes and more and more attraction from the retail side. So as we -- as you all are aware that we have option expertise and a lot of technology side advantage with us.

So we are seeing very good attraction in this commodity segment in the coming time and both exchanges, like the big exchanges, BSE and NSE are coming with their new contracts and new innovative products to begin with. So we are seeing a very good attraction. As we all know market is very volatile and coming up, we are seeing very good attraction in this.

So as far as the volume is concerned, our strategy is such that we see as soon as FPIs will have more and more attracted to this market and the retail participation are more attracted to this market, with our expert knowledge and with our expert and good teams, we can have good command in this all segment -- some of the segment.

- Rahul Arukandathil:** Sir, one follow-up question to that. So basically, what I wanted to know is like the markets have been pretty good for a retail investor over the last 7, 8 years, barring the last month. So have you seen like an increase in option trading activity in choppy times versus normal times? Is that true? Or am I just assuming it?
- Suresh Arora:** Yes. Option are always a better tool to hedge, better tool to trade in the choppy times as you're all aware, other than the future or underlying contract, options are always good, so we see option volume will increase. And particularly, I can say, in commodities, as you see by Israel-Palestine war and the geopolitical tensions and all these things. We are seeing good volumes and good volatility. And whenever there is a good volatility or increase in volatility, options are the best tool to play.
- Rahul Arukandathil:** My last question, sir, is with regard to your subscription model, uAlgo, could you tell me a bit more about it, like how much percentage of your revenues came from uAlgo in this quarter? And how do you see the standing out over the next few quarters or years or how long if you can tell?
- Sachin Gupta:** I will just start, and then Kunal Nandwani, he is Director and CEO of uTrade, he will take it further. I just want to explain that we have launched a product around 2 months back, and we have -- it was a soft launch for -- only for our existing clients. And we have more than 1,600 clients. And right now, more than 200 clients are trading on a regular basis. So we haven't started with the marketing tools and all which we are planning to do so from the 1st of January.
- So because we were waiting for the feedback and the right changes required in the product before we are going full throttle to the industry.
- And about the subscription, 3 years' vision, I think Kunal Nandwani, can take over and explain about the product and the vision of the company on this particular product.
- Rahul Arukandathil:** I'm sorry, just one question. I think I'm a bit unclear. But this uAlgo, it's not only for Share India Securities holders, but any broker can use it like in the future? Is that what you're trying to say?
- Sachin Gupta:** Not yet. It is only for Share India and Share India clients. But in future, if you can get good -- the idea is the more the product is popular with the other intermediates, it's easy to sell, the product is more accepted in the market. But right now, we haven't even thought about sharing the product with the competitor. So again, Kunal will explain about this in detail. Kunal Nandwani can you please take over?
- Kunal Nandwani:** Okay. So I'll just reiterate a few things Sachin has said and then I'll try to address your question.
- Firstly, we launched this a few months ago, we did internal testing, live testing with our client traders and then we slowly started opening up to other rest of the market. And we've not yet started full-on sales and marketing efforts. That we are going to start in the next couple of months, as Sachin has just said.

We've seen just by people being interested and trying to use the platform, more than 10,000 sign-ups for the platform for early access. And many of them are regularly using and periodically using. But the main sales and marketing efforts starts in the next couple of months, and then we'll see how that goes.

Our target broad vision is, number one, trying to address your question first, initially, we are going with a very deep Algo and broker integration with Share India with an offering that will be truly unique and highly differentiated in the market, and we believe that deeper integration brings a lot of value to the customer. As an example, the risk checks at Algo level and order level, margin checks, proper multi-leg trading, et cetera, is done better if the broker and the algo platforms are deeply linked which is not the case in the market as of now with any other alternates that are out there.

So we have gone with that. That deeper indication has taken up some time, and now we are ready to release the product to the market. The initial plan is to go with Share India plus uTrade as a combined offering to the Share India broker customers only. So whoever wants uTrade Algos will come to Share India and open a demat account there.

It's not unheard of that people have multiple demat accounts for different reasons. They may go at 1 broker for mutual funds, 1 broker for equities, 1 broker for options and maybe for algos and option algos they come to uTrade Algo plus Share India. And then in time, maybe they experience the other products with us. But that is a thought process so far, though we are open to how the future evolves, initially, we are going with a deeper uTrade Algo and Share India integration only.

Our broad vision remains -- target remains that within the next 3 years, we want to have at least 2 lakh paid subscribers. That is a broad high-level target we are working towards, rest the time and the market should tell. That's a quick answer to your question.

Rahul Arukandathil:

But is this only for options or is Algo also for cash?

Kunal Nandwani:

So it is a multi-asset platform. Initially, because the most of the trading demand and algo usage and relevance of that is in option, so we have initially optimized their product and performance for options and futures and mainly derivatives algos. But we have equities available, we have commodities available and many more assets and exchanges would come soon. But initially, the focus has been options. Very soon, you would be able to trade equities with Algos as well. It will be multi-asset, completely multi-asset, multi-exchange.

Moderator:

The next question is from the line of Sarvesh Mutha from Antique Stock Broking.

Sarvesh Mutha:

Sir, my question was regarding average daily turnover -- so when we -- last our market peaked in October 2021, and the ADTO peaked out in the next quarter in Q4 and we still haven't reached that level again, even though NIFTY has already crossed those levels.

So how much of the ADTOs do you think are market linked?

Sachin Gupta:

Okay. Again, I will start and I would like. So I would like Abhinav to take this question, but I will just give it a start.

So I tell you one thing, ADTO is not only market linked. ADTO is also linked with many other factors like lot size. So recently exchange has reduced the lot size. So a client is used to trade in a number of lots. They don't see the quantity exactly. So lot size has been reduced by 40%. So ADTO -- that's also one of the fundamental reasons why ADTOs are not able to catch up those levels.

Secondly, option premium has gone down, another reason people are not able to trade so frequently which they were able to trade and some other reasons also. So about your question, Abhinav, can you please takeover.

Abhinav Gupta:

Yes. So you are absolutely right when you say that ADTO sort of peaked out. But if you recall our earlier con calls as well, we have been continuously maintaining that we are focusing on strategy, which are low turnover based and higher productivity based and impact of the same can be viewed from our PAT margin and the bottom line percentage output as well.

So we have been very clear that we want to focus on the strategies which elementarily don't rely on the turnover business, but also has a certain amount of productivity attached to them. And hence, having said that, we have been able to maintain our market share at around 5%.

Going forward, we do believe our new products do come into the plane, we would be at the right place and be able to expand our market share in those new products. But as of right now, we believe that in the current setup, the ADTOs will stabilize at the current year.

Sachin Gupta:

Abhinav can you also elaborate about change in ADTOs, especially in commodity side?

Abhinav Gupta:

So ADTO for the -- specifically for Share India has been continuously increasing. Exchange data, as Mr. Suresh Sir has already explained, it's still a very niche market that you will hear in terms of the overall scheme of things. For us, currently, MCX and NCDEX combined do around INR2,000 crores of in ADTO and INR11,400 crores ADTO of the overall company. So going forward, we do believe commodity would be a very big element. But as of right now, because MCX and NCDEX in both NSE are coming with new products on a daily basis. So that's when we would start seeing the material impact in the ADTO numbers from these segments as well.

Sarvesh Mutha:

Okay, okay. My next question would be when you had elaborated that you could see timing increases for the exchanges Okay. So even if it goes to, say, 5:00 p.m., do you have any data wherein how are the volumes spread out throughout the day? Whether they are like very heavy at market open and market close and would see a similar case even if the timing increases? So that the increase in volumes wouldn't be that much even if market timing is increased?

Abhinav Gupta:

So I'll just start with that. I mean, then -- I mean, Sachin sir and Kamlesh sir can add to it. So honestly speaking, we do have international references where there are expiries -- sorry there are market timings which are more than 8 hours a day. But having said that, we are still waiting for the clarity to come from exchange on what kind of the behavior market is expected to make,

whether there'll be 2 settlement in a single day. What kind of product would be available in the second half in case the second half trading do comes in.

And on basis that we would be able to have a reasonable assumption. But before that, it would be just a shot in the dark from our end.

Sachin Gupta: Kamlesh sir, if you want to add something?

Kamlesh Shah: See, it is not about the volume. It is about the opportunity being made available to the investors to participate in the market because many investors do have a regular job or the business. So many of them are not being able to participate in the market during the market hours. So that is one thing.

Second thing, the market is highly volatile in view of the international event. So we are Indian resident investor had no other choice but to bear the brunt. So now with the extended market hours at least they will be able to hedge their position and protect their portfolio. And going forward, this will also help as it is commodity market is working up to 12 midnight, so equity derivatives in the evening may add value to certain investors.

The second thing is the evening session would get merged with the next-day settlement. So that also will reduce the concern about the settlement of the -- settlement part of it. So it could be easier, and we will see how it works. This is first time this kind of experiment is proposed. So let's see how it works.

If it works well, then some more segment could be added or the market hours could be extended. As it is as per the SEBI guidelines, we can have permission up to 11:55 in the night for derivative and equity market -- for derivative market, sorry.

Sarvesh Mutha: So within the commodities, you must be having a volume split wherein how much volume is there for a morning session and how much is there in evening session? As if equity derivatives are also started in the evening session, would that cannibalize your commodity trading?

Kamlesh Shah: See commodity trading happens mainly in the international commodities. So the commodity trading will happen only in the evening. That is after 6 o'clock. When European market is open and the U.S. market is opening. So I mean, this cannot be compared 1 to 1 with the equity market.

Moderator: The next question is from the line of Ananya Swaminathan from Kojin Finvest.

Ananya Swaminathan: Congratulations on good set of numbers, sir. So our share of subsidiary companies have been increasing continuously in consolidated entity. Could you please highlight the breakup of various divisions in overall numbers?

Sachin Gupta: Abhinav can you do so, please?

Abhinav Gupta: Yes, sir. So I'll just start and then Mr. Kamlesh Shah can add on to it. So currently, we do a PAT of around INR112 crores in the consolidated entity of which stand-alone does around INR80 crores, around INR13 crores would be coming from the NBFC division and remaining would be

primarily based in Share India Algo plat and a small amount would be coming from merchant banking and insurance booking divisions. I would just like Kamlesh sir add on it anything that is required.

Kamlesh Shah: From business sustainability point of view, we thought that our presence should be there in all the business verticals in the financial services part. So we have about 11 subsidiaries, which contribute to the business of the Share India, and all of these have started in last 2 to 3 years.

So the growth has been phenomenal. And luckily, with the growth of the market and with the kind of management bandwidth we have, we have been able to develop all these segments and the subsidiaries very well. And each of the subsidiary is putting positive contribution for the consolidated account.

As Mr. Abhinav told you, around 30% of the profit is contributed by the subsidiaries, which is a healthy number. And going forward, there is a lot of value creation also coming out of the subsidiaries as all these subsidiaries are eligible for listing once they have matured business profile.

Sachin Gupta: I would like to add one thing. We have Mr. Rajesh Gupta with us. He is heading our NBFC business, and NBFC is showing really good growth in the last couple of years. And we have a very ambitious plan especially for the NBFC division in the next 3 to 5 years. And Mr. Rajesh you can also explain about the NBFC business, and we are progressing and according to him, where we will see the same division in the next 3 years.

Ananya Swaminathan: Okay. Got it. So Share India has been continuously showing good growth numbers. What is your expectation for future?

Sachin Gupta: Ma'am, as I explained earlier, we believe that in the current scenario, the way India is growing, the way overall economy is growing and as the stock market participation is getting matured. And we have different verticals like NBFC, Insurance, Merchant Banking, some tech companies, we believe that with the help of all these new things, we should achieve 25% to 30%. This is just an expectation, 25% to 30% CAGR for next 5 years.

Ananya Swaminathan: Okay sir. And one more question. Recently, BSE has been used for Sensex expiry. Did it have any impact on our business?

Sachin Gupta: Yes, it has a positive impact on our business. Volumes are growing up, and a lot of clients have started trading in BSE and going further, Sensex will be one of the favored -- one of the good products in the industry. So these kind of innovations and BSE coming in is healthy for the overall industry. So we believe it will be very positive for us.

Ananya Swaminathan: One last question?

Sachin Gupta: Madam sorry to interrupt, but this also offers better utilization of your working capital. Because normally on Friday, the market used to be done. With the introduction of Sensex on Friday and

Bankex on Monday, there will be additional volumes and we'll be able to generate better revenue out of the capital deployed by us.

Ananya Swaminathan: Okay, sir. And one last question. Could you please share an update on insurance broking subsidies? What are current business metrics? And what are your future plans?

Sachin Gupta: Yes, we have Mr. Ajay Patel, our CEO, with us. Ajay ji, if you can please answer this question.

Ajay Patel: So we've been operating in the market for about 3.5, 4 years. Our focus, again, has been in terms of providing an end-to-end solution to our customers in terms of all types of insurance. So be it commercial, be it retail, we are there. In terms of product mix, if I have to say, our commercial insurance, which typically comprises of our asset insurance comprises about 23% of our total book. Employee benefits is about 18%. Life insurance is about 22%. Marine is about 17%.

So if you see about 17% of our book is more of a sustainable business, renewed, wherein we will have a very high persistency. Motor insurance typically wherein we see high turnover, that's about 10% of our total book. So the kind of book which we have developed over a period of time is something wherein we have long-term relationship with the client. And that would enable us to, one, strengthen the book. At the same time, show our expertise in terms of the claims because our focus is more in terms of claims settlement rather than focusing in terms of the premium per se. So that's 1 strategy.

The second strategy also is in terms of focusing on the Tier 3, Tier 4 markets. So we have gone into small pockets, which are -- which have got some heavy industries, and we have seen some sizable amount of success in the last couple of years, and we would continue to do so. That's the broad-based strategy for us.

Simultaneously, we're also developing our digital platform, which is PolicySquare. We already have some of the products which are there. We are working very closely with the tech team in terms of developing AI because probably in the next 4, 5 years of time you will see a sea change in terms of the way insurance is being marketed in the country and across the world.

So that those investments have already started off, and you will see that we would be among the leaders in terms of distribution of insurance products.

Moderator: The next question is from the line of Tanmay from PCR Capital.

Tanmay: My question is for Rajesh sir. What is the current book size of Share India fin cap?

Rajesh Gupta: Current book size of Share India fin cap is INR200 crores.

Tanmay: Okay, sir. And also can you give you a brief number about the total branches, customers and NPAs of NBFC.

Rajesh Gupta: Okay. We have at present 55 branches spread over 5 states: Punjab, Haryana, UP, Bihar and recently we have added Madhya Pradesh. Total number of customers as on 30th September was

67,000 and NPA are very low. It is to the tune of 0.75% only, which are quite healthier in comparison to other NBFC.

Tanmay: So my second question was the company recently merged with Silverleaf. Can you please give a brief profile of Silverleaf? What kind of strategies does the merger drive?

Kamlesh Shah: So I'll just give you the basic start and we have Mr. Piyush Kedia: with us from the Silverleaf, he can explain the future plans.

Sachin Gupta: So as Kamlesh sir has explained earlier, Share India management has a reason of making it all-weather company. And as we all know, stock market business is considered to be very volatile, but we just want to make it a more sustainable business. And that's why we are focusing on different, different verticals, not concentrating on one set of vertical only.

So like uTrade is looking after the retail piece of the company. Insurance, NBFC, you have just talked to Mr. Rajesh. And same reason we were having for international business. So Silverleaf is, they are experts in HFT trading basically in India right now. So they will bring in the HFT tech stack with them and Share India will soon start, once the formalities are done, soon start HFT business in India, we'll try to expand our base.

Secondly, within in the next 5 years, we should be trading in multiple international exchanges with the same tech stack. And it will give us more sustainability and different revenue stream to the company. So that's the whole goal of acquiring that particular company. And Mr. Piyush Kedia: is one of the founders of Silverleaf, he is with us. Piyush If you can please explain about Silverleaf and the future plans.

Piyush Kedia: Okay. So at Silverleaf actually we make use of statistical methods to back test on historical data, and we come up with high frequency trading strategy. With this acquisition, the synergies that are created -- that have been created are; one, our existing operations scaled up, we get access to more trading capital, Share India is a much bigger organization, we get to scale up currently the strategies that we're running currently.

Our backtesting technology with Share India's trading prowess will combine to create more value than individually we are doing right now. Being a small entity for us right now, operation-wise -- because of operating leverage right now because as a small entity, we, like say, for example, opening up a new exchange for us is a lot of effort, but on sharing their platform, new exchanges and international geographies can all be added much faster.

And then lastly, Talent acquisition, we see that with Share India size and our technology, we'll be able to add top notch talent under our platform and scale that much faster using that talent.

Sachin Gupta: I hope that answers your question?

Tanmay: Sir. Yes, sure, sure, sir. My last question was that will the acquisition also help in company's international expansion?

Sachin Gupta: Yes, sir. As I explained and Piyush also elaborated that the kind of stack they have, they -- it was very difficult for Siliverleaf alone to expand to international exchanges and same goes with the Share India. So combining together Siliverleaf coming into our fold, so we believe that our joint strength is that -- our financial strength, our legal and their tech stack, combining both things we are focusing to expand our business to different exchanges, international changes.

In next 5 years, you will see that Share India will be operating in multiple international exchanges. So that's our primary goal of doing HFT strategies in India and international also.

Moderator: We take the next question from the line of Akshada Deo from Vivog Commercial Limited.

Akshada Deo: Congratulations on a very good set of numbers. So what I wanted to know was, you have INR1,400 crores of cash on your balance sheet right now. Are you having any plans for using the same?

Sachin Gupta: Sorry? Abhinav, can you please answer this?

Abhinav Gupta: Yes. So ma'am, as you understand that we are a financial company, so most of the cash that you see from a broking entity comes from the client reserves, is essentially people who have deposited money with us in order to trade with exchange. So as of right now, our net worth is around -- consolidated net worth is around INR1,200 crores. And right now, there is no plan to use cash because that is all being used for the operational activities.

Sachin Gupta: I would add something more so as to get better clarity. We are required to place margin with the exchange and for creating margin, we are required to deposit 50% of our contribution. That is the margin to be provided by the broker. So for availing INR100 of facility, we required to place INR50 of margin.

So the cash which you can see are all placed either with the banks or with the clearing corporation so that we get better leverage and we get bank guarantee and intra-day facility, which help us to expand our business activity and to take care of our intra-day requirement as well as the end of the day requirement.

Moderator: The next question is from the line of Raj Tater from X.

Raj Tater: The -- most of the online brokerage companies, their main source of revenue is fees income or commission income whereas at Share India, our main source of revenue that is in the P&L is net gain on fair value changes. What does it mean?

Sachin Gupta: Abhinav, please answer this?

Abhinav Gupta: Yes. So as we have already been saying that we do have a proprietary trading arms within the company ambit and that's where we specialized earlier, it is now that we have expanded into multiple ultra HNI, [FPI] and other institutional stack retail category. So the proprietary trading element in terms of revenue constitutes around 70% of the revenue. And in terms of bottom line, that constitutes around 50% of the bottom line.

- Moderator:** The next question is from the line of Vikas Jain, who's an individual investor.
- Vikas Jain:** Congratulations, sir, for a good set of numbers. Sir, my question is, what is the current level of debt in the company?
- Sachin Gupta:** Current level of debt -- okay, so the -- we have -- mainly we have facilities in terms of bank guarantees and intraday facilities from the banks. Cash debt -- if you can see that our parent company or the group, it should not be more than INR170 crores INR175 crores. That includes some deposits from the loan from the directors also. Apart from directors, we are having more than INR100 crores of debt in the company.
- Abhinav, can you please -- do you want to elaborate?
- Abhinav Gupta:** Yes, in case, I mean that is a requirement. So as I said, we are a financial company. So as sir as already explained, we do have banking limits in terms of guarantees. And as on date, there might be certain bank guarantees or OD facilities that might be open and hence, you might be able to see a number on the balance sheet.
- Overall scenario, as we have already declared to exchange the most of debt capital that we have should not be more than 100 capital, excluding the entire promoter funding and any other current payable to the extent of the client deposits that are with us in our balance sheet.
- Moderator:** The next question is from the line of Abhishek from Shree Capital.
- Abhishek:** My question is like our company is continuously doing acquisition to strengthen the tech stack. What is your view on consolidation in broking industry? Are there any plan in current pipeline?
- Sachin Gupta:** Kamlesh sir, do you want to answer this?
- Kamlesh Shah:** Yes. I mean this is a continuous process through organically and inorganically both. Because we require different talent for different business verticals, and to acquire specific talent, the one which we just before sometimes discussed about Silverleaf. So like while we get a lot of opportunities and considering the size of the business is the volume and the business platform that we have available, it makes sense for us to acquire a company. For last 4, 5 years, there is a trend of consolidation in the industry.
- Now the definition of beautiful has changed that big is beautiful because big firms will have a lot of advantage in terms of technology, the financial capability and the management bandwidth. So all this requires a larger organization and acquisition in many cases works to the advantage thereby from day 1, we can start getting benefit of the new stream of business.
- So this will be a continuous focus and as I explained to you, we will grow organically as well as inorganically. Thank you.
- Moderator:** The next question is from the line of Bhavik who is an individual Investor.

- Bhavik:** Yes. Congratulations for a very good set of numbers. So my question is regarding the launch of uTrade application. So currently, I believe that we've launched a web application. So do you have any plans to even launch a mobile application so that we can reach out to larger audience? Because the current format mimics the usage.
- Sachin Gupta:** Kunal, you want to answer it?
- Kunal Nandwani:** yes. Yes. So am I audible? Yes, So the mobile app is coming later in November. So you will have the both IOS and Android apps. And you would be able to use them to create, subscribe, deploy algos and do a variety of things, everything possible. So they're coming in November. The apps are done.
- Sachin Gupta:** So I just want to add one thing. So uTrade Algos is a very innovative platform. So we are adding a lot of things like you said, rightly you said it's only on web. App is coming in a month's time. And uTrade team is tirelessly working day night to make it more customer-friendly and user-friendly products.
- And you will see in next 2, 3 months, it will be a far better product than what it was launched and upgrading a product based on the feedback of the customer is a continuous process. And uTrade has a bandwidth of take that kind of challenge and keep on upgrading the product in the coming time.
- So we believe that this particular product will be one of its kind in India, and it can change the way people trade or way people do Algo trading in India.
- Moderator:** Thank you very much. We'll have to take that as the last question. I would now like to hand the conference back to the management team for closing comments.
- Abhinav Gupta:** Yes. So this is Abhinav. Thanks a lot, everyone, for attending the call. I hope to see you soon in the next quarter.
- Sachin Gupta:** Kamlesh sir, any comments on your side?
- Kamlesh Shah:** No. Thank you, I mean, for attending in large numbers. And thank you for your trust and confidence in the management of Share India. We will try to do our best and evolve as a unique fintech company in the industry. Thank you.
- Sohail Halai:** Thank you, Kamlesh sir and the team for giving us this opportunity to host your calls and best of lucks. So now we can close the call.
- Moderator:** Sure. Thank you very much. On behalf of Antique Stock Broking Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen, you may now disconnect your lines.