May 26, 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 Investor's Conference Call organized on May 22, 2023 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2023

Dear Sir,

Please find enclosed the Transcript of Investor's Conference Call organized on May 22, 2023 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2023 for your information and records.

Please take the same on your records.

For **Share India Securities Limited**

Vikas Aggarwal
Digitally signed by Vikas Aggarwal
Date: 2023.05.26 12:01:18 +05'30'

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

Enclosed a/a

“Share India Securities Limited

Q4 FY ‘23 Earnings Conference Call”

May 22, 2023

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 AND WHOLE TIME DIRECTOR – SHARE INDIA SECURITIES LIMITED** **MR. ABHINAV GUPTA – PRESIDENT – SHARE INDIA SECURITIES LIMITED** **MR. KUNAL NANDWANI – CHIEF EXECUTIVE OFFICER – UTRADE SOLUTIONS**
MODERATOR:	**MS. VIDHI SHAH – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Share India Securities Limited Q4 FY '23 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 Ms. Vidhi Shah from Antique Stock Broking Limited. Thank you, and over to you.

Vidhi Shah: Thank you, Ranju. Good evening, everyone. We have with us the entire management team of Share India Securities represented by Mr. Kamlesh Shah, who's the Managing Director; Mr. Rajesh Gupta, who is a non-Executive Director; Mr. Sachin Gupta, who is the CEO and Whole-Time Director; and Mr. Abhinav Gupta, who's the President. We also have with us Mr. Kunal Nandwani who's the CEO of uTrade Solutions.

With this, I now hand over to Mr. Kamlesh Shah for opening remarks. Over to you, sir.

Kamlesh Shah: Yes. Thank you, Vidhi madam. Good evening, everyone. First of all, thank you to all the investors for joining this call today. Share India has 29 years of successful journey. Share India has made rapid growth over the last 5 years and blossomed into Fintech broker with strong domestic presence and sizable international operation at GIFT City.

In terms of business volumes, Share India occupies a premium position among the industry peers. We are among the top 10 in terms of turnover in all segments and capture around 5% market share of option trading with more than INR12,000 crores average daily turnover. I'm extremely happy to share the performance of the company for financial year ‘22, '23. Financial year '23 was a blockbuster year in the history of Share India in spite of industry headwinds, led by increase in the interest rates, globally on account of high inflation, regulatory reforms, and also geopolitical issues that we all are aware of.

We would like to highlight first quarter 4 performance. In quarter 4, we recorded more than INR340 crores of revenue compared to INR293 crores in quarter 4, March '22. This was highest revenue in 1 quarter. First ever quarterly profit after tax of more than INR100 crores, which gives a strong growth of 40% year-on-year basis and 15% on a quarter-on-quarter basis. EPS of INR33.09.

So overall, this was the blockbuster quarter for the year. If you see the annual figures, you will be even more pleasingly surprised, company recorded highest ever annual profit after tax of INR330 crores against INR201 crores year ‘21, '22, showing a strong growth of [00 0:03:29]. First ever annual revenue of more than INR1,000 crores. In fact, the revenue for the year is INR1,100 crores.

More than INR1,000 crores of net worth versus INR458 crores of net worth in the year '21, '22. Earnings per share also has clocked a century. It is more than INR100 crores. The 7-year CAGR is close to 77%, which is among the highest in the industry. Profit after tax margin for the year is more than 30%. EBITDA margin for the year is more than 45%. This year, 30% of our profit amounting to INR101 crores of the consolidated PAT is coming from our subsidiary, showing overall growth as a group.

We are good on capital front as well. Recently, we successfully completed [inaudible 0:04:28] of more than INR800 crores that combines shares and partly paid warrants. This was also unique in the industry, and it has benefited our shareholders the most.

Currently, we are sitting at more than INR1,000 crores of net worth is also a highlight for the year. In the year 2018, when our company got listed, we were having profit after tax of near INR15 crores and net worth of just INR73 crores. After 5 years, just 5 years, and we see fantastic growth of 2,100% in PAT and 1,295% growth in the net worth. This translates into profit after tax of INR330 crores and net worth of INR1,018 crores.

Other highlights during the year were 11 subsidiaries to cater all the financial products, market maker in this GIFT City, SGX Nifty which is going to be renamed as a Gift Nifty from 3rd of July, and it will be actively traded. It will be shifted from Singapore and actively traded at GIFT City Ahmedabad, top performing company in the listed field

We are also included in MSCI small-cap index. We are -- Along with giving back to the society with this field by sharing [inaudible 0:06:01] not only with money, but real upliftment of society by providing skill development and involvement of Share India management. Focused growth strategy for going forward with penetration of retail participation through uTrade Algos. This is, again, a unique feature of the company. And we are going to provide Algo to the retail investors. And this is one of the kinds and it will change the entire eco space of the broking industry.

We are thankful to our stakeholders for more prominently our employees, investors, our associates, exchange partners, regulators, bankers, clients, and industry as a whole. Thank you for your trust and confidence in Share India.

I open the floor for any questions or observations by our esteemed investors. Thank you.

Moderator: The first question comes from the line of Ashwin, an individual investor. Please go ahead.

Ashwin: I have two questions. My first question is that how is the revenue categorized by the segments, the total revenue which has been generated by the company. And second part of the first question is that how strong is the client base of our company.

Kamlesh Shah: Abhinav, would you like to take this question? And Sachin Gupta you can supplement if required?

Abhinav Gupta: So thank you. Thank you for your question. To answer your first query, around 30% of our revenue came from Client around 10% came from NBFC, the technology and the insurance and the service-related businesses constituted around [13% 0:08:37] and remaining was the proprietary [inaudible 0:08:45] was around 28,000, growing rapidly since we launched our IBT platform in September, so the growth in number of customers has been tremendous. And we have just launched uTrade Algos. So going forward, you will see a significant jump as far as the number of clients are concerned. Thank you.

Ashwin: And the second question that I have, since you mentioned uTrade Algos I think you can make it to that indeed So in regard to uTrade Algos, one, what is the product match and what is the customer acquisition currently that you're see going forward that how well this platform is going to work for the country and number of customers expected in the near term and the long term.

Kamlesh Shah: Sachin Ji, would you like to comment? I think Kunal can answer your second one. Can you?

Kunal Nandwani: Sure, sure. I'll take this. So thanks for the question. I think overall, in terms of the product, we've been working on this uTrade Algos product for a number of years across Share India, uTrade and other group teams. We've launched its beta version, which is the first version in the market in April this year. By end of June, we are going fully public with this product with big bang marketing plan around it and the full product launch.

The product has gone through intensive testing in the meanwhile in the last few weeks, and it's ongoing in which we have achieved the fastest latency any Indian retail Algo platform can have. We've brought the latencies from seconds in the market down to milliseconds now, the product has some great features in which users can build their own algos, you can choose to try it out on utradealgos.com as well as they can use some of the in-built algos of uTrade, which is called uTrade originals, where you can see the performance and choose to run them and deploy them. It has many, many more features and we'll keep adding them as we go along.

By end of June, we are doing a full market-wide launch. So that's a broad product plan. There are many more features and functionalities coming as we go along. We'll keep you posted with the updates every few weeks, months and quarters and you can follow on social media as well to track all this.

In terms of the number of users, our broad target is to get 2 lakhs customers within 2 years from now. That's the target we are working towards. Yes, I hope I've answered your question.

Moderator: Next question comes from the line of Divyansh Sarda from ITI Alternate Fund Management Limited. Please go ahead.

Divyansh Sarda: Congratulations on such huge and good sets of numbers. I just wanted to know about an overall view, which the management has on the regulatory landscape, especially given the new regulations and how SEBI's intervening or like SEBI's coming in on the PMS site? And if you can just put your views on the regulatory landscape, something?

Kamlesh Shah: Sachin, would you?

Sachin Gupta: Regulator is crazier environment, where they want to bring Indian bucket more secured for the retailer and eventually, it will give confidence to all the stakeholders, all the participants in the broader market. Yes, it's a process. And once you go through this process, it's a bit painful. But if I look at the broader perspective, so it's always good to have a much more regulated system so that everyone, everyone every person is -- should have the full confidence on this entire system because eventually, they all are playing with the money.

Nobody wants that buy some misguidance or by any means someone should be able to fool you with your own money. So that whatever regulator is doing it's fine. And yes, there are a lot of new regulations that are coming in terms of like from 2nd May, they have started the pre-allocation one's people will take a bit time to adjust it. But I hope eventually to margin has to grow and things will come in line.

And again, regulators come with the mutual fund order recently, where they have included TERs. so that's a huge change in [inaudible 0:13:37] so see, broader as Abhinav Ji, said, it's a bit painful in shorter term, but in longer term, it's good for the investor confidence and for the entire ecosystem.

So I believe this particular financial year will be more on the -- more consolidations will happen, more and more regulations will come from the [inaudible 0:13:59], people would have to accommodate to the level I not see huge growth coming in this year. But the people who will consolidate their business will see big profit potential in coming years, so certainly due to this regulation lot of [inaudible 0:14:19] brokers or midsize brokers going into in the business.

And how we can say the business has become [inaudible 0:14:26] for them. That's why we came with the right attitude and the idea was to raise funds. So that Share India can be one of the preferred company where they can merge their business -- so that they can think if doing business us.

So I believe this gives us an opportunity in terms of acquiring attractive businesses from the industry and once if you sustain this period, particularly this particular year, then things are going to be bright like industry is growing, economy is stable, it's gone and in itself and it is an election year, we believe India is -- we don't see INR5 trillion is target. -- toughly the way central government in executing things. So INR7 trillion, INR8 trillion is actually on for the next tenure. So why not India will -- you have a regulated environment a confidence on the investor so I am a bit conservative for this year only, but in a longer term, of time we must meet all the compassions.

Divyansh Sarda: Okay. And my second question is regarding the industry forecast which the management makes, especially in the contrast to the discount brokers versus the traditional brokers that there are a lot of traditional brokers still running in the market. So what do these discount brokers like -- someone like a huge platform like Zerodha and everyone like you guys, you are bringing the uTrade Algos, so what is the differentiation between you guys and what would -- how would you break these traditional brokers who still have, I guess, some part of the market share remaining yet?

Sachin Gupta: So I should say that sir, should we take this question?

Kamlesh Shah: Please take up the yes.

Sachin Gupta: Okay. So my point is this is -- see, Share India is basically of the traditional brokers, correct. We are never competing that traditional brokers because headroom is not there. So we are competing, as Kunal has just explained where the different products, the way the industry is doing. In last 2 to 3 years, we have seen lots of professional traders have come in the market, which is algos how they are trading, even the retailers are opting for the algo trading, either it is traditional broking or discount broking.

Both are making it unviable for these kind of clients to do algo trading because if you put any number on the turnover, let's say, be a discount broking number or a traditional booking number, it will become unviable for them, so what we are trying to do, we are -- we have built up a system under uTrade, where we are giving them our own set of algos approved by the exchange whether they can trade their own algos. It's very simple to trade.

They can use APIs to make their own algos and we will be charging only fixed monthly brokerage and the fixed product cost from the client. So it will remove the ambiguity from the mind of investors or traders that how much they will be charged if they trade through Algo. So we just want to make -- we want to create our own niche in algo trading for retail, where these days retail cannot do algo trading because of the broking structure. So what we are doing, we are coming up with the monthly fixed brokerage plan for all those algo traders.

So we believe this algo trader community will go strong and it will be like Kunal said, we are targeting 2 lakh customers in next 2 years like marketing strategies are placed. So -- and the product is like this that people can trade on Algos using -- It will be the fastest available algo platform for the retail. So we'll be very clear in terms of fixed brokerage, and we want to make it viable for this particular community. And we believe Share India will create its own name into this new particular area.

Moderator: Next question comes from the line of Vedant Pathella from Credent Asset Management. Please go ahead.

Vedant Pathella: Sir, congratulations on the great set of numbers. My first question is that for the past few years, the company has been growing at a constant rate. Do we believe that we can continue this growth trajectory for the years to come?

Kamlesh Shah: Yes. Yes. You are absolutely right. Past few years, we have seen phenomenal growth. We have created a sustainable business model. We have taken new initiatives to expand our product portfolio with focus on retail institutions, overseas and tech-based solutions. Constant is a difficult word, but we are sure to outperform the industry benchmark due to our unique business model.

So we are geared up as per the new requirements of the regulator and with the increased capital base and the management bandwidth, we are sure that we will outperform the industry. Thank you.

Vedant Pathella: Okay. Great to hear that, sir. The second question being that, how is the revenue of the company categorized within different segments? And how strong is the client base for -- currently?

Kamlesh Shah: Sachin Ji or Abhinav?

Abhinav Gupta: So I think -- so I'll just repeat the answer. -- business segment, 30% is coming from client business and around 10% comes from NBFC, around 2% to 3% comes from various service-related businesses, including insurance, technology, and capital services. and rest is proprietary trading. And as far as the number of clients are concerned, around 28,000 is the current strength of the number of clients.

Moderator: Next question comes from the line of Harshit Toshniwal from Bottoms Up Research. Please go ahead.

Harshit Toshniwal: So sir, my question is relating to that proprietary income, now obviously, I wanted to understand slightly more granular on that part of the business. How do we operate? So is it our money using our own algos which generates that income and if you can throw some color on how should we, as an investor, how should we look at the sustainability of the 70% of the top line. And if I read it correctly, when you say it's the proprietary trading income, it's basically the trading gains, which we have for that particular period?

Kamlesh Shah: Sachin, Sachin Ji you can answer.

Abhinav Gupta: Yes, yes, sure. So I'll start with it, and I think Kamlesh will answer it towards as and when required. So I'll answer your question in third part in the last part first about the sustainability of that part. I think as far as the sustainability is concerned, it's a size business. It's a scale business. So over the last few years, you've seen that pie has grown significantly in terms of the absolute amount but not in the terms of percentage amount because we believe that the Indian markets are here to stay. And as more and more participants are coming into the market, that business will continue to have traction at [inaudible 0:22:54] having some share of that business within our entire top line has been continuously increasing

You are absolutely right when you say that this is that income which is generated whatever algos used to trade off because for that period the income, it's a fair value change that treatment for that period.

Kamlesh Shah: I also want to add one thing. See, I tell you one thing, what is prop, Here Prop is not that Prop that on a -- only 10, 15 people are sitting and generating income for the company on their own trading skills. It's not like that. Our prop income is basically processed. It's just like a normal industry where there are people who are thinking about the strategies, they are back testing. They are testing those strategies. And then strategies are going live with different set of traders and then capital is required, sometimes it's our own capital, sometimes we leverage it from the banks. So there is no permanent borrowings for the company.

So it's a process, and we need to continually upgrade these strategies, and there are separate intellectual teams. They are working on that market data; they are working on the how they can improve their existing strategies and they find new strategies for the company. Then company takes certain risk on the strategies, then we deploy these strategies in the market.

So this is a complete process like a normal steel company. the buy a raw material, the process it inside and they sell it to their customers, right? So this is a kind of B2B business. So this is not a typical prop where only 15, 20 people are sitting, and they are trading on their intellectuals and earning or losing money in the market.

Harshit Toshniwal: So if I understand it correctly, sir, it is say an algo which we have designed and that is something which we are -- and it's mostly pretty related algo only, so that algo is used to trade the prop capital or maybe leverage capital and whatever returns we generate is something which is what we see as the revenue.

So -- which is I just wanted to whether my understanding is correct or not? And if it is correct, I wanted to understand that, is it also scalable. What I mean to say is, for example, today, we are at a particular scale, but that same algo, can that help us improve on scale and if you also can throw some light on the risk management part of it, that should we expect that this number is going to remain volatile over years and over quarters depending on the market conditions and so for example, the risk that a particular algo might not be working as effectively as it used to be earlier.

So I wanted to get your thoughts on those aspects. And how should we expect this number to move forward? So the 70% of the revenue and because this is a 100% margin business, if I'm not wrong, most of it will flow through towards the bottom line. So which is why I wanted to get some more color out there.

Kamlesh Shah: Who is taking the question? Abhinav?

Abhinav Gupta: Yes. So I'll start with it, and then Kamlesh sir and Sachin sir will add on it. 2 problems in your question and Number one is to the combination of algos, designing an algorithm is continuous process. It's not that we have designed on algo and that is continuously ready, we are designing algos and these are being deployed at a smaller capital. So no one algo constitute the entire subset of the Share India's trading number one.

Number two, we were not equity-based algos we were derivative-based algos. So we hardly based any treatment as in around them, the component of trading on algo, if you look at our presence is comes from derivative base strategies. So that's one. Number two, as far as the sustainability is concerned, we believe that it's a highly sustainable business, will that be?

We have been growing it continuously, as I said, at a very strong pace over the 5-year and we think we still have a lot more headroom to grow our market share, if you see even with increased share and increased site has been constant, and we believe the reason is because a lot of new participants are coming into the market who are themselves doing algo we have been a beneficiary of that because the market is in an evolving phase.

Number three, it's not 100% margin because a lot of talent pool is being added into the company. So if you look at our employee strength, we have more than 1,500 employees as a lot traders are involved it's 100% margin business, There's significant amount of employee spend that has been used over here.

Kamlesh Shah: To summarize this -- okay, Sachin Ji you can continue the rest of. I'll take that.

Sachin Gupta: Just one point. One point on scalability. I'll tell you one thing. So -- 2 things I want to add in scalability. One, this is a Capital-intensive business. The companies who have a deep pocket, that's what I said, we are adding more capital in terms of right issues we bought in. And we are seeing still -- this year, we are having more than INR1,000 crores net worth. So this gives us edge over our competitors.

So as far as scalability is concerned, that this business is surely scalable, like NSE's is extremely innovative in terms of product. As I said, SEBI is regulating market in a way that investor confidence will go up as the participation is growing in India and India is growing. So stock margin has to grow and if stock market will grow, this is -- this is a scalable business.

So secondly, as I told that consolidation is happening. So a lot of new set of brokers, we are in touch with, who can shift their business with us or either merge the company with us. That's another opportunity for us.

Secondly, as you see the product changes introducing new products like they recently came with the FINNIFTY 1.5 years back, and FINNIFTY now is contributing a lot to our business. This -- now they came up with the mid-cap Midcap Nifty, I believe that is going to another hit products in the coming years. And now exchange has come up with the crude or NSE has come with the crude oil and the natural gas contract.

So exchange is also very innovative in terms of new products. And it gives an edge to companies like us because, again, we have a good R&D team with us who do a lot of research on the new products and participate. So in FINNIFTY, Share India always maintaining a good market share. Even in mid-cap Nifty, we have started, in commodity, we have started. So we believe that Indian exchange is actually innovative.

So that gives us a lot of scalability thing with us. So we believe scalability of two types One, India as a whole country growing, market is growing, business is scalable, exchanges are innovative that gives us new products. Again, that gives us scalability. Third, consolidation also gives us the more seizure business. That's on scalability side, we firmly accept that.

Kamlesh Shah: Yes, yes. See, in short, I would like to summarize that ours is a unique business model, which is based on technology that is -- we are no less fintech broker. It is not just 1 or 2 strategies. We have a bunch of about 25, 30 different strategies that works differently in the market. And these strategies keep on optimizing. We keep on optimizing the strategies, we had last time also explained that we have acquired Algowire, which is our in-house tech company, and it takes care of all our software-related issues and that keeps us 2 steps ahead of the market. The market has gone into photo finished kind of things. So here, a lot of fine work has to be done. And in-house tech company gives us a lot of advantage.

Second thing, because of sheer volume that we command in the market, we are the most competitive. We are 30%, 40% competitive compared to our peers. So that also is helping a lot. And this top desk, whatever we whatever technology we developed and whatever practices we put in to use, those are available to our clients also. So that also attracts a lot of clients to be onboarded on our platform.

So this is -- and then lastly, I would like to say that we are one of the best state-of-art risk management system. So that also makes a lot of difference. It guards our client also in the volatile market. So all these factors put together takes us into commanding position. We are optimistic about the market and whatever reforms have taken place will take us even towards the consolidation. And ultimately, we will emerge as one of the leading players in the market. Thank you.

Abhinav Gupta: Yes, I'm just trying to add more points. Number one, this business doesn't contribute around 70%. This will be contributing around 60% of our total business. So I think your interpretation was wrong over there. Number two, this business will continue to grow. But within the entire ecosystem of the total revenue breakup, the percentage share of this revenue will continue to grow down even though we are very optimistic on this business, our other businesses which are more client-related uTrade algos coming into the state that business will grow much faster than these kinds of businesses.

Harshit Toshniwal: Got it. Got it. One last question, if I may ask, is on the -- so these algos which we use for our trading is the same which we also offer to our clients. If I'm not wrong. And in that case, do we have any measure of success ratio for clients in terms of their overall return using algo and to ensure that customer's stickiness, so you have around 26,000, 27,000. So our customer is obviously much more professional, say, that -- so how should we look at that churn within that portfolio? And the reason I'm asking is that because from moving from 26,000 to 2 lakhs, do you have any way to ensure that the or the customer is validated by our benefits from the Algos.

Kamlesh Shah: Sachin sir, you want to take it or should I start it. I will start it and Sachin you can take on. So we are offering free 3 years back testing facility and one month borrow testing facility. So that itself will give a lot of confidence to the clients who are going to use our algos. They will be able to take themselves and see how the algss are performing and which algo is performing and what kind of returns are generated. So instead of our saying anything, they can face themselves and choose the algo that they would like to work on. Sachin, you can take it forward.

Sachin Gupta: And secondly, I want to add one more point that we cannot offer all the strategies to do because some of the strategies have their own risk profile. So whatever strategies we are offering at first go are basically all intra-day strategies option-based where calibre position is made. So we don't want any dime for the public at large, so all these strategies are well tested and carry minimal risk for the client.

So we -- the goal is that we are not eyeing much higher returns for the retailers. We are eying more safety for them. So we definitely have offered, and Share India has a sizeable stake in all these strategies. And these all strategies are tried and tested by the Share India. And still, we have deployed huge capital on these strategies. And that's why we are offering some more of the strategies from our entire bunch.

Moderator: Next question comes from the line of Vikas Jain, an Individual Investor. Please go ahead.

Vikas Jain: Congratulations for a good set of numbers, sir. I'm a new retail investor in your company. Sir, I wanted to know that what are the core focus area for the company for next 5 years? All the energy capital, what are dedicated to that core focus area. I wanted to know.

Kamlesh Shah: Sachin Ji, Sachin Ji...

Sachin Gupta: So sir, I want to tell you one thing that we have -- okay. So the idea is to keep a strong grip on the current business and diversify individual verticals. So I will tell you one unique thing about Share India is that around 30 people from the promoter family, Mumbai, Delhi, they all are working for Share India, and we don't have any other vested interest apart from Share India. So Share India has an NBFC and some of the people are working in the NBFC, they are into microfinance and other businesses. So we are -- and this is growing good. We are very hopeful with future growth of NBFC in next 5 years.

Insurance business is growing good. And this year -- this particular year, FY '23, insurance has done, we have done more than INR40 crores of premium in this financial year, and this was only third year for the company.

Secondly, Merchant Banking Division, you will see huge change in the Merchant Banking Division, like Share India is focused on SME, particularly because number of IPO's number of companies coming for the listing are much, much higher than the main board. So we are eying that Merchant Banking Division can definitely show us good results.

And we have uTrade with us and uTrade is primarily focusing on retail -- providing the retail algos to the Indian people. So we believe that all these verticals will show positive results in coming years and Share India diversifying into retail.

We are also -- soon in the industry 3 to 4 months, Share India will be setting up an office, especially for institutional clients, setting up a huge desk in Mumbai and that will also show results in coming years. So diversifying into retail, institutional desk, merchant banking and NBFC still holding on to the core business. So I believe next 5 years, we can see at least last as we are growing --there is some noise in the background.

Yes. So since last 8 years, we are growing at 77% of CAGR like base is big now and a new set of challenges, we believe, if not 77%, at least we should grow between 25% to 35% CAGR in the next 5 years that is our goal and next five years investor will see Share India will be having a separate set of verticals and all verticals will be resulting into good profit numbers for the company. So if we make us much more sustainable company than the otherwise brokers are.

Kamlesh Shah: As a new investor, I would like to welcome you to the Share India family. I hope you had a good experience after acquiring shares of Share India. If you also would like to say something about your investment and your experience of the company that will also help us to further refine our thought process and to see that, I mean, this will help the interest of all the stakeholders. So it is a question from my side to you.

Moderator: Since there is no reply from the line of the Mr. Vikas.

Vikas Jain: Yes. Sir, my experience for investing in your company last 6 months, it was quite good. And I really admire that I find this company to invest first, and I'm also using Share India for investing as well. There I find some deferred latency in Saturday or Sunday, when something that, the app is showing some error in prices? If you can do something in that movement of prices and like some wrong pricing was showing in your app.

Kamlesh Shah: Kunal, you would like to clarify?

Kunal Nandwani: I think you talked about some other app, that's not So, Abhinav, you please look into this matter. I think it's not uTrade. It is for some other apps, correct?

Abhinav Gupta: I look into its opportunity using sharing?

Vikas Jain: Because I am personally using Share India app.

Kamlesh Shah: That is good to know. We will look into this and finally, I would like to ask since you acquired shares for more than 6 months, you must have participated in the right issue also. So how was the experience in the rights issue?

Vikas Jain: Yes, sir, yes. It was good. I got the right entitlement.

Moderator: Next question comes from the line of Rahul, an individual investor. Please go ahead.

Rahul: Many congratulations on the achievement of the good set of number. So my question is I think the company loan book size in NBFC and what are the future holds for Share India in that

Kamlesh Shah: I didn't get the question. Sachin Ji if you get.

Sachin Gupta: I think the question is about NBFC that is related to NBFC,

Kamlesh Shah: Regarding the NBFC, Rajesh Ji can throw light on that.

Rajesh Gupta: Sure. At around INR127 crores in March '23. The clients of almost 63,000 and 45 branches across 5 states. As you look at future growth, we are expecting to open 25 more branches with almost with that, we're looking at access clients of more than 1 lakh and we're expecting to close the portfolio at around INR200 crores.

Moderator: Next question comes from the line of Raghav, an individual investor. Please go ahead.

Raghav: I'm Raghav. I am an individual investor, and I need to ask a question. Company has seen significant increase in margin. What are the reasons for the sale? And are they sustainable?

Kamlesh Shah: Sachin Ji?

Sachin Gupta: Sir, see marketing -- margin increase, see, we are into a service industry. And technically, how service industry works. So margins are extremely less at the start. So once you started scaling up beyond a point, if your cost doesn't increase with your revenue due. So what's happening is that in last 5 years, Share India has seen a humongous growth. And with that growth cost hasn't gone up, so because of that, we are seeing that Share India margins are really good.

And we believe that as tech is taking over most of the things, so this year, we are -- as I explained that we are into more regulatory thing, and we are experimenting our hands into launching our retail and then insurance and merchant banking, so this year we are focusing more on creating new verticals, where we will put more cost, we'll put more effort and you may see that some stagnation in the margins this particular year. But I believe in coming years, as the scalability is there, we believe these margins are definitely going to go up only. There is no chance that margins will come down because we are not a much cost-heavy company.

Moderator: Next question comes from the line of Bhavik, an Individual Investor? Please go ahead.

Bhavik: First of all, congratulations for a really good set of numbers. So I have a few questions to ask. So firstly, my question is that I see that on a stand-alone basis, like we have grown considerably quarter-on-quarter, but on a consolidated basis, our growth has not been as much as on stand-alone basis. So I see that our NBFC growth has been quite stagnant over the last one year, so please throw some light on the subsidiaries performance because I see a huge deviation between the standalone and the consolidated performance.

Kamlesh Shah: See, all these subsidiaries are at lesson stage. All the subsidiaries have basically been operating for the last 3, 4 years. And Share India as a stand-alone company, as a broking company, has been operating for the last 29 years. So there will be definitely some difference in the performance.

But let me tell you I don't know whether you've observed or not from the stand-alone numbers and the consolidated numbers, the consolidated numbers are INR330 crores of that of which INR101 crores has been contributed by the subsidiaries, which are -- you can say, almost like a child. So they are child to us and there is a lot of growth potential in those companies.

As Sachin ji also mentioned earlier, the different verticals where we are working like insurance broking, NBFC, merchant banking, the distribution business and all the subsidiaries, all the subsidiaries are taking good shape and they are contributing significantly. 30% contribution amounting to INR101 crores of that is sizable, according to us. And all these companies hold bright future as all these are serving the financial service industry.

So the financial service industry has a very good scope of growth in future. So we believe that all these companies will add value, they keep on making the company more sustainable in years to come. And lot of value unlocking happening out of these companies as the Share India itself is a listed company, all these subsidiaries are automatically eligible to be listed.

So in long term, as they develop their business and as they get more and more capital and the scalability is achieved, I mean, just now Sachin mentioned, that initial stage, you spend more, you earn less, but as you grow and as you arrive the scalability, the profitability will further improve. We believe that even today, the profitability or the contribution by the subsidiary is significant compared to any other peers in the industry, but still we feel that going forward, they will provide a sustainable business model and will further improve growth in the top line as well as bottom line.

Abhinav Gupta: If I would like to add.

Kamlesh Shah: Yes, Abhinav, continue.

Abhinav Gupta: So I think your observation notable with quarter 4 because if you look on a year-on-year basis, last year, if I am not wrong, stand-alone consecrated around 75% of the bottom line. And this year, it has contributed around 66%, 67%. So I think it might be happening that because of the last Q4, stand-alone has performed better.

Bhavik: Right. Yes. Actually, my question was regarding Q4 because in Q3, we did a stand-alone PAT of close to INR55 crores and INR92 crores PAT on a consolidated basis. But by this quarter, the breakup is INR85 crores on a stand-alone and INR106 crores on consolidated. So if you have huge debt when it comes to like the consolidated performance, specifically this quarter.

Abhinav Gupta: Yes. So -- even in a consolidated business, there is a mix of total [inaudible 0:50:39] businesses. But how we look at it from an annual perspective instead of a quarterly perspective, and that's the way internally we analyse now.

Bhavik: Okay. My second question is, as the company is planning to raise INR800 crores and INR200 crores has already been raised through the rights issue. So I wanted to understand like how the company is planning to use the funds.

Sachin Gupta: See, this capital rising exercise is a unique in the way we offer every 50 shares, we've done on bank share, and we have done 17 warrants. Now the volumes were partly paid and there are only INR175 has been paid by the investors. So the balance will be collected in 18 months period. So what we have done is that if one go, we are planning for the capital requirement of the next 2 to 3 years.

And as per the requirement of the company, we'll be getting the funds converted -- the warrants will be converted into the equity, and that much more capital would be available at appropriate time. So it doesn't dilute our earnings also and we get capital as for the requirement in the market conditions and the future growth prospects of the company. So this is one of the unique and visionary.

Secondly, this has created a lot of value for our shareholders also. The warrants which we've got -- the conversion price is INR700 per warrant, of which they will pay 25% now. So they have just paid INR175, INR525 will be paid later on. But in terms of appreciation, they'll get the full appreciation as you may get it on the equity shares. So this is a unique of taking capital as per the requirement and creating value to the investors also.

Kamlesh Shah: I want to add something here. As you also asked that how the company is going to use these funds. As I explained that company's focus is to enter into a retail business. So 1 thing. So as we all know, the SEBI has already restricted leveraging in the market. So only one product is left, that is MTF, Margin Trading Funding. So MTF is one product which entire retail sector look forward to. So every broker who is aspiring to start the retail business, we should have MTF products with us. So MTF, we need to fund it on our own funds. So there is no refunding off against the MTF.

So one, Share India will use these funds for the MTF book, and I think which is far easier to create a lot of demand here for this product in the market and it will help us in our retail ambitions, one.

Two, the way we are aggressively pushing towards retail customer acquisition and institutional debt. So let us suppose, if a customer comes with INR100 of capital, so we need to put at least INR25 from our own sources to make sure that clients can trade effortlessly, flawlessly. So like it's trying to come with INR100 INR25 of capital is required from the broker.

So we believe that in coming 2 to 3 years, a lot of new customers, retailers and HNIs will come in. And this particular INR500, INR800 crores will help us in swapping that capital to service those clients. So MTF and retail so this entire asset going to help in developing our retail business or the insti-debt.

So as I said, company is focusing on diversifying into new verticals. So with the vision of these 2 things, we have launched this right issue thing. And we believe the time we will receive the funds. This company will have a strong base for the retail.

Bhavik: Okay. I just have one last question. So as you Sachin sir indicated that we will be launching the uTrade product by June, so basically, and the fee would be basically on a monthly basis. So have you like decided any fees that we would be charging the customers for using the uTrade algo product?

Sachin Gupta: Not exactly yet because there are not many things we are still discussing on like a number of packages or number of services they will opt for. And the main goal is make it viable for the smaller traders who again will have to make it viable for even person who are coming with a INR5 lakh of capital for Algo Trading. Only then we'll be able to penetrate deeply into the retail market. So we are still deliberating on the offering.

We believe in next -- by the time we launch next 15 days, we'll close the pricing thing, and we'll accordingly publish on the website, then everybody comes to know about the pricing. So I'll tell you very simple example, for my -- for all the investors here in the call, so I just don't want to name it because like a person who is having a INR10 lakh of capital and he wants to use the Algo Trading, so in Algo Trading, there are multiple legs we have to fire at one go to create a position, right?

Let us know someone is firing 3 legs at one go, so he is paying typically INR20 per leg. So this is more of market standard price for the slot booking. If they are paying INR60 to create a algo, create a position and unbinding, again, he is paying INR60, so INR120, they are paying for creating an unwinding a position. So is they trade only 10 times in a day where algo trades 100 times a day, so they are paying INR1,200 for a day, correct?

And for a month, they are paying INR24,000. So this is what is a -- out of INR10 lakh, they are saying 2.4% just as a brokerage. Over and about they are paying to SKT, exchange charges and all these things. So nobody can earn money using algo reading if they put any number on the turnover side.

So here, we are coming as a disruptive model. We want to make it viable for even the person who has come up with the INR5 lakh of the capital. So we are deliberating on the pricing issues. In the next 15 days, we'll close it and publish it on the website.

Moderator: Thank you. Ladies and gentlemen, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Kamlesh Shah: Sachin ji?

Sachin Gupta: On the behalf of the entire management of Share India, I would like to thank all the investors, all the stakeholders for believing us, for having faith in Share India, and last year was fabulous for the entire company, and it gave us extremely strong footing, and it gave us a mental strength that and also believe that we need to achieve more. So company is extremely performance hungry, and we want to make this company a more sustainable and financial conglomerate rather than only a booking company, where we have a tech company with us.

You cannot find many brokers who have such a strong tech teams like uTrade and Algowire behind us. And third, in next year's company will be into retail instead. So we'll try to close the vertical and by these kind of numbers by faith of our investors, we were able to achieve that right issue, which was like it was really tough and still we think about the space under could right issue of the company like in broking. You cannot find much of the companies who may have achieved it. Just because of the investor's faith in the company, we were able to do that.

And we believe that, and we assure on behalf of the management and faith investors have put on us, will deliver and we might consolidate. But in longer term, Share India we'll be working only for the investors, and goal is to achieve the bigger heights in the coming year. Thanks a lot, everyone.

Moderator: Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.