

February 05, 2025

To,  
**BSE Limited**  
Scrip Code: 540725

To,  
**National Stock Exchange of India Limited**  
SYMBOL: SHAREINDIA

**Sub: Transcript of Conference Call with Analyst/Investors held on January 30, 2025 to discuss Unaudited Financial Results of the Company for the quarter and nine months ended on December 31, 2024**

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Para A of Part A to Schedule III of the SEBI Listing Regulations, please find enclosed herewith the transcript of Conference Call with Analyst/Investors held on January 30, 2025 to discuss Unaudited Financial Results of the Company for quarter and nine months ended on December 31, 2024.

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 Q3 FY25 Earnings  
Conference Call”

**January 30, 2025**



**MANAGEMENT: MR. KAMLESH SHAH – MANAGING DIRECTOR, SHARE  
INDIA SECURITIES LIMITED  
MR. SACHIN GUPTA – CEO & WHOLE-TIME  
DIRECTOR, SHARE INDIA SECURITIES LIMITED  
MR. RAJESH GUPTA – DIRECTOR, SHARE INDIA  
SECURITIES LIMITED  
MR. ABHINAV GUPTA – PRESIDENT, CORPORATE  
STRATEGY, SHARE INDIA SECURITIES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Share India Securities Limited Conference Call.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Amit Sharma from Adfactors PR. Thank you and over to you.

**Amit Sharma:** Thank you Yashaswi. Good afternoon, everyone. On behalf of the entire Management, I thank all the participants present on the call and wish you a very warm welcome to our Q3 and 9M FY25 Earnings Conference Call.

To guide us through the Results today, we have with us the Senior Management Team of Share India Securities Limited represented by Mr. Kamlesh Shah - Managing Director; Mr. Sachin Gupta - CEO and Whole-Time Director; Mr. Rajesh Gupta - Director and Mr. Abhinav Gupta – President, Capital Markets.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors.

We will commence the call with opening brief by Mr. Kamlesh Shah - Managing Director, followed by the business highlights from Mr. Sachin Gupta – CEO & Whole-Time Director. After this, we will open the forum for Q&A.

With that, I would now handover the call to Mr. Shah to share his comments. Over to you, sir. Thank you.

**Kamlesh Shah:** Good evening, everyone. Quarter 3 Financial Year 2025 was a difficult quarter for the Company and the industry, still we could perform in line with our peers. The rollout of the 1st Phase of measures to strengthen equity derivative framework, standardizing exchange charges, regardless of turnover, etc., this had a sizeable impact on the turnover of the exchange. Also due to low liquidity, we witnessed unwarranted spikes in the indices which have affected our turnover. Any regulatory changes often leads to temporary disruption and the volume correction as we have witnessed during Quarter 3 Financial Year 2025, but we are optimistic that the same will be absorbed in the near future. We are monitoring all the possible impact of these changes on our business verticals and can assure you that our investment in product innovation technology mix with our expectation.

Coming to Quarter 3 Financial Year 2025 Consolidated Performance:

During Quarter 3, the Company has consolidated revenue of Rs. 342 crores compared to Rs. 453 crores showing a decline of 24% on quarter-on-quarter basis, consolidated PAT of Rs. 82 crores showing a decline of 34% on quarter-on-quarter basis. The consolidated EPS comes out to Rs. 3.66 paise per share of Rs. 2 paid up.

Coming to Standalone Performance:

During Quarter 3, the Company has a standalone revenue of Rs. 259 crores compared to Rs. 366 crore showing a decline of 29% on a quarter-on-quarter basis. Standalone profit after tax of Rs. 60 crores showing a decline of 39% on quarter-on-quarter basis. The earnings per share on a standalone basis work out to Rs. 2.67 paisa per share.

The Company is diversifying across the segment and the vertical. Recently, we completed our investment in Metropolitan Stock Exchange of India at Rs. 2 per share. We are holding approximately 5% of the equity of the exchange. This is a strategic investment. We see lot of synergy in the operations and lot of business opportunity will open up. This investment will increase our market reach and paves the way for Share India to be on the forefront of this development in India derivative market. The Board of Company has approved to venture into wealth management, and we have already applied for PMS registration, and we are in process of creating an AIF. Expanding in the wealth verticals, we will position the Company as a comprehensive financial service provider and boost stakeholder's credibility.

Merchant Banking is also doing great. I am happy to share with you that the Share India Capital Services, our wholly owned subsidiary has signed an MoU with CoE for Aspiring SMEs, to support SME by providing strategic guidance, aiding access to external equity and overcoming funding challenges via SME IPO listing. We have completed 16 SME IPOs covering almost 11 sectors.

Share India Fincap, our wholly owned subsidiary for NBFC operation has successfully completed its first Non-Convertible Debenture issue. As of the 9-month Financial Year 2025, we have loan book of Rs. 253 crore and net worth more than Rs. 120 crore. We are serving our clients with 75 branches. Our recently launched Institutional Desk and MTF are also doing extremely well. We are servicing approximately 115 Institutional clients and the MTF book for 9-month ending December stands at Rs. 361 crore.

UTrade Algos, our dream project is steadily progressing towards aligning our vision of empowering retail with Algo trading. Also, Silverleaf will provide a great asset for HFT and attracting FPI, HNI etc.

To conclude, I would like to reiterate that the Company is fully committed to the vision of the Company and going ahead with focusing on retail expansion, Algo trading penetration, international operations and diversification. I thank you all for joining this call. Now, I hand over the call to Sachin ji for detail analysis of the performance. Thank you.

**Sachin Gupta:**

Thank you very much, Kamlesh, sir, and good afternoon everyone and thanks for joining for our Q3 concall. Sir, you have explained everything in very detail. As we all know, this Quarter 3 was made soft challenges and the new initiatives by the Company. The new additions that come up from the regulatory side has been implemented in December, so we can clearly see the volumes. It has impacted the volumes, the downside and industry is still trying to cope-up with the new regulations. And once investors and all the participants get adjusted to the new regulation, we believe that volume again will pick up and things will come to the normal side.

We can see what we observe and we analyze, we believe that we can see consolidation for one or two quarters, but at Share India level, we are very positive that we will be bound very strongly after the brief consolidation. As in the Quarter 2 call, on the SEBI regulations, we already give the guidance that it will take “1” or 2 quarters, maybe to get adaptive to the new regulations once all the regulations are getting adapted. Then, volumes will go up and margins will be better, and things will again be normal. Still some regulations are in the pipeline which we see in month of Feb and maybe after two months.

So, we can clearly see, as Kamlesh sir explained, the focus in last “1” or 2 years, focus is continuously shifting from core product to customer facing products. We can see the introduction of MTF. We can see the introduction of Institutional desk as we are already serving 115 institutions. We can see that we got the board approval for PMS license. We are planning to launch AIF. So, all these products are in line with the customer's demand and we are clearly focusing on the customer-side products.

We also got the Board approval for a wealth Company which is called Share India Wealth Multiplier. What we see that like retail is getting heavily directly into the equities and derivatives, in coming next few years, we can see the wealth division can pick up very strongly and especially, the new generation they are looking for the more incubated products rather than only focusing on is savings. This is one product which everyone is doing, but young generation between you can say 25 to 35 bracket they are looking for the more innovative products and slowly and gradually, distribution products will be much in demand and Share India is planning to launch the third-party distribution products through their Wealth Management Company in next financial year.

Also, along with all the things, we are also focusing on strategic investments. MSEI, as are explained is the strategic investment from our side. Here, MSEI has raised Rs. 240 odd crores and Share India is holding around 5% of the total MSEI Company. We believe that after SEBI new regulation, they spoke for one more exchange to get established and MSEI in coming years, we can see that they will launch their derivative product, and they will launch their equity segment. So, we can see that Share India will also get benefited by the growth of MSEI.

NBFC, I will just share some numbers. So, ADTO has dropped from Rs. 10,400 crores from Quarter 2 to Rs. 8,200 crores per day in Quarter 3. We have added 29 new APs and some branches from Quarter 2 to Quarter 3. We have added active clients around 8,000-10,000 from Quarter 2 to Quarter 3.

The Board has also given the approval for the dividend of Rs. 0.2, MTF book has gone up from Rs. 260 crores to Rs. 360 crores from Quarter 2 to Quarter 3, NBFC loan book has gone up from Rs. 195 crores to Rs. 250 crores from Quarter 2 to Quarter 3. So, these are the some, you know, bright points where we are seeing that some subsidiaries are doing really great and we believe that in the next “1” or “2” quarters, things will also stabilize from the regulatory point of view. And your Company will be strongly back on the growth trajectory, which earlier we were saying.

That is from my side.

**Moderator:** Should we begin with the question-and-answer session, sir?

**Sachin Gupta:** Yes, ma'am. That is from my side. We should begin with the Q&A session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “\*” and “1” on their touchtone telephone. If you wish to remove yourself from the question queue, you may press “\*” and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We will take our first question from the line of Ravi Shah, an Individual Investor. Please go ahead.

**Ravi Shah:** Yes. Good afternoon, sir. Am I audible?

**Moderator:** Yes, please go ahead.

**Kamlesh Shah:** Yes, please go ahead.

**Ravi Shah:** My question is related to the strategic investment. So, right now, the existing player both BSE and NSE are much more competitive. So, where do we see our investment and the growth trajectory for the Metropolitan Stock Exchange? Can you put some colors on this?

**Kamlesh Shah:** Sachinji, would you like to?

**Sachin Gupta:** I will start, sir and if you want to add anything then you can add later on.

**Kamlesh Shah:** Right.

**Sachin Gupta:** What I understood you are asking frankly, what is the growth trajectory that MSEI is seeing and what are their plans? So, I can only tell you that yes, there are some challenges on the tech side and overall because this exchange was primarily into currency before this, but they have their own index SX40 which they launched around a decade ago. Now, because they have already got the SEBI note for the launch of the weekly contract, but yes, this is on the development of the cash segment also. So, they have already tied up with some good vendor for the tech support which I cannot disclose right now because it has to come from the Company. Once that is done, so I think they are planning to start their cash market in next quarter or may be in next 4-5

months. Then, slowly and gradually, we can see that they will also introduce their derivative product for the F&O segment. So, what is happening because of the regulations that NSE and BSE can have only one expiry in a week of the benchmark index, so that gives a space for the another exchange. So, they, MSEI has already, you know, applied for the expiry of their contract on a certain day, which still is not out. So, we believe that if they get the clearance from the SEBI, there will be challenges. But once they get the clearance and this product, people will definitely love to trade on this product because the opportunities are not much which they were earlier. So, this will help in the development of the overall market. This will give traders one more product to trade. So, I believe that MSEI has a bright future and in coming years it will take some time, but in coming years we can see this exchange will also be, you know, very competitive with the current 2 exchanges. Kamlesh, you may add.

**Ravi Shah:** Just one more question. Do we see any competitiveness with respect to the cash market because in the cash market, both existing players are very much dominant?

**Sachin Gupta:** Yes, there will be. Definitely, there will be some challenges because market is big, participants are increasing as we all see. Still India has scope of growth in the participation by the retailer, especially by the young generation. So, there is a scope of third exchange and exchange management, we believe they are having some good strategy to penetrate into retail and derivative both and they are working on the strategy. The strategy, what they are thinking, how they will go into the market that they can only disclose. But we are pretty much sure that there is a scope of another exchange. And I tell you one more thing about MSEI which is in public domain that all the regional exchanges, all the companies who were listed on the regional exchanges like Calcutta Stock Exchange and Jaipur Stock Exchange and so many regional exchanges, all those companies are now listed on MSEI, but they just have to kick start their equity segment and the companies, you can see lot of companies which are not listed on NSE BSE, you can see on MSEI, the companies, which were earlier listed on the regional exchanges. So, there are multiple ways by which an exchange can penetrate and create their own market in the cash market. The only point is do India have a scope of more growth of participation? The answer is yes. So, we believe MSEI, the people sitting on the top, they are very intelligent. They understand all the things and they are formulating their strategies in a well-planned manner, and they will roll out it as soon as they solve all the initial hiccups of tech and all. So, we believe we can see in Quarter 1 FY25-26 we can see the cash market should be out. Kamlesh sir, if you want to add.

**Kamlesh Shah:** Yes, even SEBI believes that there is a scope for third exchange and accordingly, they have given certain approvals. Secondly, you know, on the valuation front also, valuation at which we have entered, we have made this investment looks attractive. Third thing is the retail base is increasing and there is always a product innovation when new exchange comes, so they will bring with their own set of products and that will give wider participation. And the number of, you know, people joining the platform by the way of investment as well as for trading purpose is sizeable and all of them have very good track record. So, we believe that gradually the volume will go up and exchange will perform better. Thank you.

**Ravi Shah:** That is great, but does Share India have an executive role, or we have just the passive investment right now?

**Kamlesh Shah:** Sachin.

**Sachin Gupta:** So, sir, we cannot interfere in the functioning of the exchange at all. So, as an participants, we can only ensure participation from our side while the products are out. We cannot interfere in that working of the exchange in an independent body regulated by the SEBI. Brokers, as a broker, we don't have any active role to play in the strategy part. We can only ensure, so the question is if we may not be the investor, so we might not be very keen to participate in the products when we launch them. But they have smartly engaged Share India, one of the prominent prop brokers in India, Zerodha and Groww who are the biggest retail brokers in India. So, they try to engage, they didn't try to engage with the financial people, they try to engage with the strategic partners who can participate, and the products will be out. So, who will generate the volume? Who will push their products into the market? Only the people like Zerodha we can definitely trade, like we have full set of traders with us, so we all will help them and the product will be out. Before the product is out, we have no say and we are not part of any planning, sir.

**Ravi Shah:** Thank you very much, sir. All the best for the future. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, to ask a question, please press “\*” and “1” on your phone now. Next question is from the line of Ayushi, an Individual Investor. Please go ahead.

**Ayushi:** Hello, can I understand the reason for the.

**Moderator:** Ayushi, use the handset mode please. Your line is breaking.

**Kamlesh Shah:** Ma'am, your voice is echoing.

**Moderator:** Ayushi, please use your handset mode. There are lot of background noise as well.

**Ayushi:** Hello.

**Moderator:** Yes, Ayushi.

**Ayushi:** So, good evening, everyone. Sir, my question is the reason for the decreasing ADTO from Rs. 10,004-Rs. 8,200 crores?

**Sachin Gupta:** So, I will start and Kamlesh sir and Abhinav can definitely give their inputs on it. So, ma'am, as Kamlesh sir explained since last mid-November, December SEBI new regulations have been imposed because of which we see that the we used to have expiry on daily basis. Now, we have only two expiries in a week and that too of only the benchmark index. So, that actually dented the volumes. And because of the low volumes, we are observing lot of sharp spikes in the index where we have expiries in a week. So, both of these things are leading to the low participation



and also, the major reason is increase in the ELM. ELM is the extreme risk margin on expiry day. So, that also has made tough for the clients and traders to take larger positions. So, as I said these things will be adapted over the period of time and we believe that in a quarter or two, we have already seen in last so many years SEBI always come with a new regulation. So, what used to happen that those regulations take their own time to, people take their own time to get used to formulate their strategies. We also need to make some changes in the strategies. Now, the higher volume will not be the core strategy, maybe the better margins and low volumes can be the new strategy, we are working on this, and I think it is a matter of Quarter 1 and Quarter 2. Also the increase in STT. That was also implemented from this Quarter 3 only. So, putting all these things together, so volumes have come down and we can see this trend in maybe for 1 and 2 quarters, but after that we are very hopeful that participation is there and still new accounts opening, we are observing from Tier-2, Tier-3 cities there. So, going further, we will bounce that and we will be able to match the earlier numbers. But as of now, we need to consolidate, we need to analyze and then slowly increase back to the normal. Kamlesh sir, please if you want to add something.

**Kamlesh Shah:** No, I think you explained properly.

**Abhinav Gupta:** I also would like to add. Hi, this is Abhinav. I would just like to add a couple of points in addition to what Sachin sir has already said that whatever drop in ADTO that we have seen is in line with industry standard. For all the reasons that Sachin sir has already explained, our market share has remained more or less stable in comparison to on a quarter-on-quarter basis and the drop is in line with the overall industry. Having said that, we believe we will outperform the industry as a whole because we are working on a lot of new product of which MSEI is one asset, as sir has already explained and going forward, the products that are already growing in India including BSE Sensex and other commodity related product, we would be rightly positioned to capture a bigger market share in all those products. So, our ADTO growth would be faster than industry and hopefully as the market recovers from all the regulatory turbulence that has been created in two quarters, we would be rightly positioned to capture a bigger piece of the market share.

**Sachin Gupta:** Kamlesh sir, you were saying something?

**Kamlesh Shah:** No, I think it has been explained properly. Nothing more to add.

**Moderator:** Ayushi, does that answer your question?

**Ayushi:** Thank you so much.

**Moderator:** Thank you. We will take our next question from the line of Rahul, an Individual Investor. Please go ahead.

**Rahul:** Hi, good afternoon, everyone. Sir, my question related to the MTF. MTF book has increased over the last quarter or two. What could be the contribution factor?

- Kamlesh Shah:** Abhinav, you want to answer?
- Abhinav Gupta:** Sorry, could you please repeat the question, I was not able to hear please.
- Rahul:** It is related to the MTF book. It has been increasing over the last quarter or two. What would be the contribution factor?
- Abhinav Gupta:** See, essentially, it is related to two things. Multi-legged strategies so as the management of both Sachin sir and Kamlesh sir has already been explained, we have been continuously focusing on our retail-oriented products which includes an opening new branches and catering to that kind of segment which requires retail oriented product. So, a major reason is that we have been able to grow our MTF book because we have been targeting those clients specifically who engage in retail trading. Also, what has happened in the last quarter, we have been able to activate a lot of customers and add a lot of new clientele for uTrade Algos as a product and once you engage with a customer, you need to offer a 360-degree bouquet of services to them of which MTF is one. So, going forward, we are very aggressive on our MTF book in our target subject to market conditions and we really believe that going forward in a long-term scenario, MTF as a revenue source would be a great line item in the Share India's income statement.
- Rahul:** Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, to ask a question, please press "\*" and "1" on your phone. Next question is from the line of Akash Sharma, an Individual Investor. Please go ahead.
- Akash Sharma:** Yes. Hi, sir. Sir, I have a few questions. The first one is that we have recently started portfolio management services, right post SEBI approval, so how do we envision it contributing to company's overall growth and revenue streams once operational?
- Sachin Gupta:** So, I just want to clarify that we said we got the board approval to apply for the PMS license. So, we have applied to SEBI for the license, and we believe that the next 2 months or 3 months we will get the SEBI clearance. And once we get the SEBI clearance, we are in talks with some fund managers who are very well established and have experience of not less than a decade. So, once we will get the license, we will finalize the final strategy, and we will roll out the payment which is in Quarter 1 or next financial year.
- Akash Sharma:** So, we are yet to hire a portfolio manager, right?
- Sachin Gupta:** Yes, we are in talks.
- Abhinav Gupta:** And to answer your strategy, as we have already mentioned that as even in the opening remarks that we want to focus on wealth management and third-party distribution product which also includes our internal in-house product. PMS is just the starting point of the entire strategy, though individually PMS might not be able to contribute a very big of deal, but it is a starting

step in whatever the AMC and wealth management distribution activities that we want to do going forward as in Company at a strategic level.

**Sachin Gupta:** We can see the clear shift in the planning and thinking process of the Company that companies continuously bringing many products which are retail focused starting from the uTrade Algos, then MTF, then Institutional desk, PMS and wealth distribution, third party products distribution, all these things. So, we are continuously trying to introduce new products and we are actually executing it very well and slowly and gradually if we look at the broader side in next few years, we can see all these different verticals will start giving us very good revenues and give us more stability and Share India will be far more safer Company than the other competitors.

**Akash Sharma:** And sir, do we have capital commitments yet or we are still in the process?

**Sachin Gupta:** Capital commitment for what?

**Abhinav Gupta:** We are still in the process of starting, as we said, we have only got the board approval, but the capital commitment for PMS is in the process, right now.

**Akash Sharma:** And lastly, sir, any details on the 18 months right issue you conducted last year?

**Abhinav Gupta:** Sorry.

**Akash Sharma:** A few more details on the right issue that we conducted last year like how the funds are being utilized and?

**Abhinav Gupta:** All these right issue was done in May 2023, all the funds was supposed to come by September 24 and you can see in September 24 all the warrants that were to be exercised were exercised. And the entire money has flown into the balance sheet in September itself, so no update on that chapter in this quarter.

**Kamlesh Shah:** Here, I would like to add, because of the right issue and timely decision to strengthen the capital base has helped us a lot in planning our various new initiatives and this will come as a great strength for the Company. As of December, we have net worth on consolidated basis around Rs. 2,300 crore and by the end of the year possibly will be crossing Rs. 2,500 crores of net worth. So, that is a good sign which will help us to take new initiative as well as, you know, it will expand our product portfolio and the retail expansion plus all the new things that have been discussed like wealth management and other things. So, this will help us a lot in future. The right issue is highly successful and almost fully it was subscribed by the investors. Thank you.

**Akash Sharma:** Thank you, sir. That is it from my side.

**Moderator:** Thank you. We will take our next question from the line of Aditya Bhatia from Electrum Capital. Please go ahead.

**Aditya Bhatia:** Hi, Am I audible?

**Moderator:** Yes, go ahead.

**Aditya Bhatia:** Just a question, we have been talking about wealth management for last few quarters. What exactly would, what is our go-to-market strategy? What is the process so far? If we could get some more details on what that is going to look like and what it looks like right now in terms of our book, etc?

**Sachin Gupta:** So, I will start and Abhinav and Kamlesh sir can add. So, it can be one thing. So, last quarter as we explained that wealth is one product for that I think it should be in the kitty of Share India and as India is growing wealth demand is going up. Earlier Mutual Fund as if it was basic product that people used to looked up to and now people are asking for PMS, AIF and many innovative products. And now wealth demand is coming from, wealth used to be the Ultra HNI product, not it is going to bit higher retail and some HNIs. So, we believe in the next 5 years wealth distribution is going to be the very good division for us and for the entire market also as market is growing. So, here we are planning to take a top-down approach. We are discussing with some good people who have experience of at least two decades in the wealth division and again, as I said things take its own time or negotiations takes its own time. So, we believe that will roll out or will finalize all these things and we roll out the wealth Company or wealth products by quarter 1, later part of Quarter 1 or maybe Quarter 2 of next financial year. So, wealth is a product which has its own gestation period. So, maybe "1" or 2 years will take off slowly, we will take some time to push it really hard. But the team is very important. The core part here is the team because their knowledge will help us get the new funds and everything. So, we are scrutinizing the right people and again as I said, in PMS, we are in touch with good fund managers, same in wealth, we are discussing with 2-3 bright people and we hope we will close them by the end of this financial year and they will be with us maybe Quarter 1 later, part of Quarter 2 of next financial year. Then only, we can comment on the size. Operations have not yet started, so this is the status of wealth. Kamlesh sir and Abhinav, you can add.

**Kamlesh Shah:** See, the idea is to remain relevant. So, whatever exercise we do, we try to be relevant. You know, that is targeting sizeable market share. And here again, you know, we have a lot of strength. We have the best people in our independent Board of Directors, and you know, we are evaluating all the options that are available and ultimately based on the input of all the directors and the board, we will be able to structure it properly so that whatever we do will generate lot of confidence among the stakeholders and the investors. Thank you.

**Abhinav Gupta:** Also, you know, just to give a little bit of flavor to what Sachin sir and Kamlesh sir has said that we internally bifurcated wealth management into two segments, one was HNI and Ultra HNI and there was Affluent and Emerging Affluent. We believe that as the HNI and Ultra HNI segment in wealth will grow, it will become a more high-touch point business while the affluent and emerging affluent would be a more digital oriented in nature. So, right now, our focus is to on the first part of it, which is the Ultra HNI, HNI segment because we believe that they would require a lot of specialized products and a lot of customized services that would be required by

brokers like us to offer them. Having said that, yes, as Sachin sir said that once the team is in place and the operations are kick started, only then we would be able to provide you a lot more clarity on that sort of numbers in terms of revenue and the P&L that it would bring it to our equation. But we have been very consistently maintaining our stands that we have to grow our retail business in parity. Wealth management is one part of it, the entire equation. What we believe is that going forward we want to be more client centric and do businesses which are more client centric in nature.

**Aditya Bhatia:** All right, so this is still ahead and with the focus on HNI, I am guessing we will be doing a lot of RM additions, is that right?

**Kamlesh Shah:** Yes.

**Aditya Bhatia:** Okay, and coming to the PMS and AIF side of the business, assuming, we get the licenses etc., what would the employee cost structure look like going forward, let us say, one year from now on compared to where we are today?

**Abhinav Gupta:** So, honestly speaking, you know, in my current structure it would not be very much of an expense if you see on quarter-on-quarter basis, I do around Rs. 100 crores of employee expense approximately give or take something. In the beginning part of it, as Sachin sir has already explained that both these products will have their own gestation period. So, we don't see too much of initial employees cost just jumping onto the balance sheet into that scope. But yes, we would be able to provide you a clarity as and when the teams are hired and a lot more things are announced in the public domain in terms of numbers, but on a base of around Rs. 100 crores of employee expense on every quarter, I don't see this number jumping very significantly in a short-term basis.

**Aditya Bhatia:** Okay, That answers my questions. Thank you so much.

**Moderator:** Thank you. We will take our next question from the line of Sana, an Individual Investor. Please go ahead.

**Sana:** Hello. Good afternoon ma'am and thank you for the opportunity.

**Sachin Gupta:** Good afternoon.

**Sana:** Can you please share insights on specific strategies you are implementing to enhance technology with the retail sector and also what are the future plans for acquiring and retaining retail customers?

**Sachin Gupta:** I think Abhinav can answer the question, but I will just give you some insight and Abhinav will start. So, ma'am, as we said that we are not planning to go on the discount booking side, so rest we are focusing trying to give the retailers, give our clients the full bouquet of products starting from MTF, from PMS, wealth products, Mutual funds and corporate, everything. We just want

our investors or clients, to be more financially aware they should have the bouquet of different products, insurance and everything from one Company. So, this is what we are trying to do. So, we believe next 2-3 years, MTF will be the one product which is the most retail favorable product and along with that investment products like PMS and third-party wealth products will also add on to the customer acquisition policy. So, the idea is in next 3 years, we should be focusing totally on the customer acquisition part by offering them the new bouquet of products. So, this is how we are planning to go ahead and in our vertical, in our segment of financial world, there we can offer multiple services to one client, like if we are dealing with some Company in merchant banking space, we can offer them the insurance also, we can offer them the investment products also, so cross selling opportunities are lot. So, if you look at the bird's eye view, so if we are able to create all this products and with all the products we are discussing, so we are able to give a lot of cross products to one customer and that will add lot of value to the Company, then the cost of selling those products will be down and it will add value to the customer side. This is from my side and Abhinav can also answer the tech part. That is what technology we are planning to use for the retail piece.

**Abhinav Gupta:**

Sure. So, I would like to answer it from both from a tech and strategy perspective. So, from a tech perspective, as you say that we have been constantly working on it and we believe that technology is the main ingredient in the entire retail centric nature that we were planning for last 3 years for Share India and healthy acquisition of uTrade and Algowire that happened. So, most of our tech pieces that we have currently build are by the virtue of our acquisition of uTrade and Algowire and now with Silverleaf coming into the play as well, we would have some addition of tech talent over there as well. So, the critical advantage that I want to highlight is that the most of our tech pieces that we have built are not vendor dependent, are completely in-house in nature, which gives us not only flexibility in terms of customization, but reduces our time to market and go to market very significantly, that's number 1. And in terms of retaining client, as Sachin sir said that we see this business in two ways. One, we are very clear that it would be a mix of brick and mortar strategy where we would have high-touch businesses and we would offer clients a 360 degree sort of services where they are not only broking with us, but are doing multiple party products with us. In this strategy, uTrade Algo would also help us in terms of customer acquisition, but it is sort because it is a sort of unique product that is available with us, which sort of becomes a hero product and sort of helps us acquire the customer and once customer is there, we can then cater to a lot more services that we offer as a group. Also, we see this business in terms of what we offer via the strength of the balance sheet and via the strength of the services. MTF is a product that we believe that we can really get about the strength of a balance sheet because it requires funding from our side. And once you know this business grows, we can look at outsourcing this business to third-party NBFC and sort of becoming a distribution partner for them. And also all the third-party products will add on to the Fee & Commission business of the entire ecosystem.

**Sana:**

Okay, and sir, one more question I have. Is there, like other specific microeconomic or regulatory factors you are monitoring that could affect your business performance?

**Sachin Gupta:**

Kamlesh sir, can you comment on it?

- Kamlesh Shah:** Sorry.
- Sachin Gupta:** Can you please comment on it?
- Kamlesh Shah:** What was the question exactly? Hello.
- Kamlesh Shah:** Can you repeat the question, please.
- Moderator:** Sana, can you repeat the question, please.
- Sana:** Ya, so, my question is like, are there any specific macroeconomic or regulatory factors you are monitoring that could affect your business performance?
- Kamlesh Shah:** See, we have witnessed a lot of regulatory changes in last quarter, and some more are likely to be implemented from 1st of April. Now, otherwise things are looking stable. Once the impact of regulatory measures are known, then we can module our business accordingly and ultimately what is good for the industry is good for all the stakeholders. So, whatever measures so far has been taken by SEBI seems to have benefited the investors and the investor base has grown. And we will definitely get benefited with the confidence that the investors are having in the market. Currently, you know, in the last one year, the FIIs has sold close to Rs. 4 lakh crores of equities whereas the equal amount has been pumped in by the retail investor basically. So, this has made our market more stable. The base is expanding, and the fabric of the market also is improving. Many new young people are participating into the market and overall, we see that with the government initiative and the budget, which is likely to come day after tomorrow, so that all will give boost to the capital market. And we are fully prepared to take new challenges, and we are best placed to see that we convert them into the opportunities. Thank you.
- Sana:** That is it from my side. Thank you and all the best.
- Moderator:** Thank you. We will take our next question from the line of Prashant Galphade from ISJ Securities. Please go ahead.
- Prashant Galphade:** Hello. Thank you for the opportunity, sir.
- Moderator:** Prashant, use your handset mode, please. Your voice is not very clear.
- Prashant Galphade:** Hello.
- Moderator:** Yes, Prashant.
- Prashant Galphade:** Thank you for the opportunity. Sorry, if this question has already been addressed. I just joined the call late. I have only one question. I just wanted to understand the reason behind the decline in our broking and trading business.

**Kamlesh Shah:** This is more or less in line with the fall in the market turnover and some of the international factors that is, you know, destabilize the market in the last quarter. That was challenging for all the intermediaries, and we have no exception. The measures taken by the regulator has played out as well as the STT has been increased, so all of this had severe impact on the performance of all the broking industry and steadily, I think in next quarter or two, things will get stabilized and thereafter, we will be coming out with new strategies in line with the market requirements. See, we keep on improving upon our strategies based on the market conditions and volume and volatility. So, these are the main factors for us. And with the kind of automation that we have, we have 3 technology companies in our wealth as a subsidiary. So, we are far ahead in the terms of technology and digitization, and we believe that the future belongs to the technology where we have invested quite a lot amount of money and that will pay us rich dividend that will also see that we outperform our peers. Thank you.

**Prashat Galphade:** Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Kamlesh Shah for closing comments. Over to you.

**Kamlesh Shah:** Thank you, ma'am. I would like to thank all the participants for spending their time, especially during the market hours and also asking some very good questions, which will give us food for the thought, and this will help us to further strengthen our belief in the market as well as to create right atmosphere and right strategies to tackle the market. So, I would like to once again thank all the participants for their valuable contribution, their trust on the Company and their support for the Company. Thank you very much.

**Moderator:** Thank you, sir. On behalf of Share India Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.