

June 19, 2018

The Deputy Manager  
Department of Corporate Services,  
BSE limited, Floor 25,  
P.J Towers, Dalal Street,  
Fort, Mumbai- 400001

Scrip Code: 540725

**Sub: DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir,

Please find attached herewith the transcript of Conference call held on Thursday, June 14, 2018 at 4:00 PM to discuss the Financial Results of the Company for H2 and FY 2017-18 and the growth path ahead.

You are requested to kindly take note the above information on your record.

Thanking You

For Share India Securities Limited

For Share India Securities Limited



Company Secretary

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

Encl: As Above

**Share India Securities Limited**  
**Conference Call**  
**June 14, 2018**

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**Moderator:**

Good evening, Ladies and gentlemen. I am Anikat the moderator for this conference call. Welcome to the first Investor and Analyst Conference Call of Share India Securities Limited, arranged by Aaryana Matascoto discuss the company H2 FY18 and financial year ended March 31st 2018 results. Share India Securities Limited a leading knowledge and technology driven stock broker is engaged in the business of equity broking investing and trading activities for the last 24 years. Share India Securities Limited was incorporated as FMS Securities Limited in July 1994 and became the 200th SME Company to get listed on the Bombay stock exchange SME platform in October 2017.

We have with us today Mr. Sachin Gupta – Chief Executive Officer of Share India Securities Limited, Mr. Vijay Rana – Chief Financial Officer and Mr. Vikas Agarwal – Company Secretary and Compliance Officer.

At this moment, all participant lines are in the listen-only mode. Later, we will conduct a question and answer session. At that time, if you have a question you may press '\*' and '1' on your touchtone telephone. Please note this conference is being recorded. I would now like to hand the floor over to Mr. Sachin Gupta. Thank you and over to you, sir.

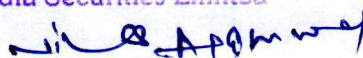
**Sachin Gupta:**

Thanks Anikat for the brief introduction about the company. Good evening everyone and thank you for joining for this conference. Share India got listed on BSE SME in October 2017 with having a view that we want to be a company which can provide all the financial needs of existing customers and to prospective customers regarding all financial needs. With this view, we started our mutual fund division around eight months back and currently we are having a team of 15 people in mutual fund division where we are having 4 senior people with us who have more than 10 years' experience in the mutual fund industry and 11 fresher from the market.

In the last eight months Share India has been able to achieve an AUM of 115 crore under its belt which is approximately 50% in equity and 50% in debt and liquid. Currently we are having a SIP of around Rs. 75 lakh monthly. Our target is around 250 crores AUM by FY20 maintaining the same 50-50 ratio. So this will give us broader vision and more sustainable model and will also add-on to our vision for the financial products in the market. We also took over an NBFC in April 2018. We invested around 5.25 CR to acquire that company. Our focus will be on providing LAS and IPO funding to our existing clients. The standard clients are purely existing customers only on retail basis and currently we are having a book of around 20 CR in our NBFC and we are targeting 60 to 70 crores by end of this financial year.

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Then moving on to our vision we also created a company called Share India Capital Services which is 100% subsidiary of Share India Securities. We recently got a license of merchant banking from SEBI and again we invested around 5.25 crores into the company and our focus is purely on the SME segment and providing the solution to the local companies who want to get listed or SME - BSE and NSE both. We are expecting to reach a market share of 7% to 8% by the end of financial year FY20. Right now in SME market we are expecting around more than 200 companies will get listed in this financial year and this number should go up by at least 30% growth in next financial year.

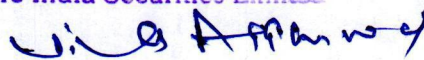
So with this ratio we are expecting to get 7% to 8% market share out of these 250 companies. And our focus is mainly on North. We believe that 70% participation on SME is from Western part of India and as we are the only merchant banker in North having full-fledged set up and we believe companies in North have lot of potential and capital market participation is lagging behind than West especially in cities like Punjab, Chandigarh, Delhi, Haryana we see lot of potentials and we are targeting the company based in North basically. And last as Anikat introduced we are technologically focus. So we have already launched our own CTCL and 25% business has been shifted to our own CTCL and by end of this calendar year by December we are expecting that we will be 100% on our own products. We will not be using any market product like NOW and any other product. We have already launched our trading Apps. Our clients are trading through the apps and that is Share India App and also web-based trading developed by the Share India in house team.

So idea is by December this calendar year we will be having only one product for APP based trading CTCL and web based trading - one broker, one RMS in our agenda. Like we believe in coming two, three years this particular market has very good future like SEBI has already allowed us for our commodity exchanged membership which Share India has already got, membership of MCX and NCDX under his belt and expanding our base to commodity market also and like NSE and BSE India main browsers are coming with the commodity market in October. So we believe if we will be having a good in house technology it will help us in expanding our base to the tier 2 and tier 3 and deep into the Indian cities. So that is our future plans and we are expecting to grow by 20%, 30% annually which we are doing from last 4 years and that is it from my side. Now Mr. Vijay Rana CFO will take you ahead with the numbers.

**Vijay Rana:**

Thank you sir for sharing with us the development at Share India and giving us the brief of what the future holds for us. I will discuss the financials of our company for our participant and after which we can open the floor or Q&A sessions that any participant might have. So revenue for Share India in fiscal year 18 increase 25% from 1063 million to 1333 million approximately 133 crore. Fiscal year 18 was specifically a good year for market overall and specifically for Share India also because EBITDA margin increase around 460 basis point to 17.5 which is amongst the highest in the industry and historically for Share India as well.

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Our operating income specifically increased by 70% to approximately 23 odd crores which give us the idea of the significant operating leverage that the company has on a revenue increase around 25% we have been able to increase our EBITDA by 70%. Now coming to the bottom line:

PAT increase 89% to approximately 15 crore as and has given CAGR of 65% over fiscal year 15 to fiscal year 18. We believe the best for our company is yet to come as we get multiple opportunities in multiple division and do cross selling to our existing clients and help us leverage our existing client base in the Northern part of India and the future clientele that we are targeting in the western and southern part of the country.

Our growth agenda has always been to grow consistently and we have consistently maintained our return on equity on over 20%. Our return on equity has consistently growth of 20% in fiscal year 15 to approximately 29% in fiscal year 18 which is amongst the highest in the industry. We have done so by clearly maintaining a return on capital employed at above 25% and that too after taking into consideration that we have brought our IPO this year which increased our capital base significantly. Even after that the numbers that we have shown in our income statement will signify the utilization of the fund has been done in a proper and well mannered.

Share India over the years has grown by making sure of following the best practices or following the best asset liability management and it is that practice which has given a key edge over our industry standard and as now we grow it with different phase of NBFC and merchant banking and use our technology platform to grow further. We believe we were at the right place at the right time and we will be able to grow further from here on. So this is from us about the financials. We would now like to throw open the floor for any Q&A that any participant might have.

**Moderator:** We will now begin the question and answer session. The first question is from the line of D. Halder an Individual Investor. Please go ahead.

**D Halder:** I have couple of questions. First is that in your rightly prospectus a major part of our revenues was coming from share of trading equity so can you just tell me whether this year topline of 133 crores what is the perfect stage of share trading activities still is going on or still that being a main focus of business going forward?

**Management:** At the bottom-line level our client business constitutes around 40% and the other trading constitute around 60%. In terms of revenue the client proportion appears to be significantly lower because we only book brokerage that is to be done by the client and in revenue from the proprietary trading we book the entire profit/loss and everything. So that is why at a revenue level the client business constitutes around 20% to 25% and the bottom line level it constitutes around 40% to 42%.

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**D. Haldar:** I just want to understand this is just your shares trading I mean you are just trading shares as per your knowledge and experience?

**Management:** What we do is we have a proprietary desk and we have our own technology team and we do algo based trading which is into the arbitrage specifically - arbitrage products. We design our own products and we use them to trade using our own technological way as a backbone. So the revenue that has been shown in proprietary majorly from the arbitrage in the algo based trading activity – driven completely by system.

**D. Haldar:** So going forward you have this kind of same percentage wise division or do you think it will change towards the other activities?

**Management:** As Sachin Gupta shared with you our vision of the company over a period of time we believe that significant portion of growth - the incremental growth will definitely come from the client side of the business. It will be more towards the ancillary businesses and hence we have taken an NBFC to our pool and gone into the merchant banking activity. We have taken huge strides into the mutual fund distribution line of our business and we believe that incremental growth from Share India will consistently come from client base activity which will be well diversified in terms of broking, distribution, funding, advisory and other activities.

**D. Haldar:** This NBFC who might think that you have bought it and I think your colleague was telling everybody that you are going to focus only on your existing client and are you going to also spread that company of an independent NBFC company to detail clients do you have ideal plans for that or it is just for your existing clients?

**Management:** Sorry to cut you off, but your line is not completely audible we are not able to understand your question. Can you please repeat your question?

**D. Haldar:** I was asking the NBFC company that you have got into the other subsidiary, are you going to come in the market only with the NBFC products or is it specifically for your existing clients only. What I mean to say are you trying to grow NBFC company lending to retail clients and housing finance or is it just exclusive products for your existing clients?

**Management:** As you said we have just acquired the company in April. So we do not have a vast experience running in NBFC company although we have a separate team who is handling the operations. So for now we are taking baby steps into this. So for now we are focusing on the existing clients and the products we have experienced in that is LAS and IPO funding which is the basic requirement from the customer from the stock market. So we just want to focus on these products. So like I already said we have a book of around 20 crores and we are expecting to touch 50 to 70 crore book by end of this financial. We just want to just establish ourselves into the particular NBFC business. Once this will be done then we are looking for other NBFC products is affordable for us. We can definitely do that but right now we are focusing on our core business. So like I said lack in IPO funding, but once we do that it also enhances our brokerage part with our existing customers. So it is a two way process like we also get

interest income and it also boost our brokerage income. So currently our focus is purely on the products related to the stock market.

**D. Haldar:** My last question is about the company called Anisha Impax, we have been acquiring this shares of Anisha Impax more than once, can you explain the rationale on what is that company about that you are acquiring shares and for the application in the stock exchange list?

**Management:** Anisha Impax is a listed company and we have an investment of around 3 crore into that company. It is mainly from a non-strategic point of view that we believe that we had a great investment prospect. It just brought out an open issue in January and we believe the new management that is coming has a great vision for the company and it is only from that prospective that we have invested in the business. So we believe that in near future the prospects are high and we just invested the money into that company from a non strategic purpose.

**D. Haldia:** Do the promoters of Share India personally know Anisha Impax or is it just a fundamental call?

**Management:** Though promoter know about the company It is a call from our research team that we genuinely believe that it has a great potentials and it was available to us at a very low price than what we believe our actual sale value of the stock should be and we are confident in our research and our valuations because of the new management that was coming in. We know what their vision is - it is just that the story is just unfolding into that company as well and it will take its own time. As far as the company is concerned our investment in the books is around 3 crore into that company and it is mainly from a non-strategic investment point of view.

**Management:** As everybody knows that Share India is a broking company see our management call is that in next two to three years we just want to change the perception of the industry towards Share India. After two years people will not remember Share India as a broking company but as a company who provides all the financial services into this market. We are not competing with pure brokers like Zerodha and everybody. We will turn this company into a company who provides all the financial products to the client. Right now, we are only selling Equity products to the clients. So in next two to three years we are also aspiring for an insurance company in near future means we have already taken a strategic call that we will acquire the insurance company and get license from IRDA.

So insurance, mutual funds, NBFCs merchant banking all financial products will come into our basket and we will provide this to the clients. So we believe that India is still virgin with all this kind of financial products like mutual fund definitely can grow by 20 CAGR in next three to four years. So we believe we can take our market share on these kinds of growth. So Share India will not be only a stock broker but will become a financial company in next two to three years.

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**Moderator:**

The next question is from the line of Jitendra Gupta from Money Control. Please go ahead.

**Jitendra Gupta:**

Just wanted to understand what is the strategy for the next two years considering that the broking business which is highly volatile and margins are sinking, so how do you build a organization which is operating in space which is already crowded and margins are shrinking, so how do you build a sustainable growth model going forward let say for the next two years, three years, five years so if you can guide us you know it would be really helpful.

**Management:**

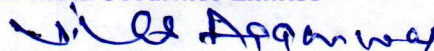
I will just take on this question initially and try to answer it more from a number prospective and then if you have further queries Sachin Gupta will take that. So as you rightly pointed out the industry is highly volatile the margins are currently squeezing and we ourselves understand that from fiscal year if you underline the number in little bit more detail from fiscal year 15 to fiscal year 17 even our operating margins were shrinking even as market was making new heights. So with that prospective we realize that we need to diversify our business into multiple domains and not be depended into the broking industry only. So now that we have acquired in NBFC we have got a merchant banking license we have started our own mutual fund distribution. What it gives us is the significant leg up from the operating leverage perspective. So now we have multiple cross selling opportunities to our existing client. When you have one client and we were already had a touch point in terms of the fact that we were doing the broking for him, he is much more comfortable with us doing the entire NBFC, financial planning with us not from the prospective of only broking but coming to us for any kind of financial need that we might have.

So now the value chain that we are offering to a client has extended significantly and hence it gives us the significant cushion in terms of maintaining our EBITDA margin specifically and the best part of it is that every business that we are entering into now will be EBITDA and by that I mean that you know the value and the unit economics are being set in such a way that the incremental business directly goes to the bottom line so which again gives us a significant leg up in terms of a profitability margins and margins overall. And thirdly I think I missed out a point that we have also got the PMS license and we have started PMS activity so which also gives us a high margin products that we will enter into from now on. So the idea is not to restrict ourselves into completely broking but enter into the multiple parts of the financial planning so that we have cushion in terms of margins so that when there is a cyclical downturn in one industry the entire company is taken care of by some other products and the burden is shared by other products in the going forward period.

And secondly, we have consistently increase our focus on technology as well so what it helps us is that we are able to maintain single RMS for all the clients and for all the different trading segments which gives us the ability to offer cross segment margins. So his engagement with us even in a down turn increases significantly and hence the broking part of the revenue sees a much less cyclical volatility and then it will for any other players only focus on the equity or derivative part of it.

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**Management:**

Like he said we also preempted that only into the broking business. It does not give us a good sustainable margins. So with that view we started with the first division and in terms of numbers we believe from zero we should get at least 1.25 crores PBT from only mutual fund division in this year only and I also said that we acquired an NBFC and we have a book of 20 crores and it can evenly stand close to 50 crores. We believe 2.5 crore PBT will also come from NBFC business and merchant banking. Assume like around 300 companies should get listed in FY20 from all over India where we should get at least 7% to 8% market share. So we believe if we count all these ancillary services we should get at least 20% to 30% revenue from ancillary business which give us a sustainable model and we are also processing on insurance business.

See insurance and mutual funds are kind of business which does not goes down as the market goes down. So one thing is this gives the sustainability.

Another thing is we believe in coming future technology will be a decider between the successful and less successful I will tell you why because in America and other developed countries what happens that people do not trade on the perceptions only and they trade on some logic and they trade on some technical analysis or some fundamental analysis basis. So we are developing in house products why we are moving to all in house CTCL because we want to develop this which gives us technology leverage. Now we are developing a product on which even individual client normally through mobile or laptop can choose different technical parameters and trade on the basis of that parameters. So this gives them a semi-algo kind of thing on the laptop. We believe these kinds of products will help us making our company more sustainable and it can give us a growth.

**Moderator:**

As there are no further questions from the participants. I now hand the conference over to the management for closing comments. Over to you sir.

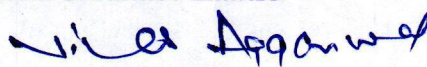
**Management:**

On behalf of Share India, we would like to thank all the participant who attended our conference and we thank you for your continuous support and making this call a success and we will seek your support in the coming future as well.

**Moderator:**

Thank you. On behalf of Aryana Madasco that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

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