

**Date: June 01, 2021**

To,  
Deputy Manager,  
Department of Corporate Services,  
BSE limited, Floor 25,  
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

**Subject: Transcript of Earning Conference Call organized on May 26, 2021 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2021**

Dear Sir,

Please find attached the Transcript of Earning Conference Call organized on May 26, 2021 to discuss Financial Results for the Quarter and Financial Year ended March 31, 2021 for your information and records.

**For Share India Securities Limited**

**Sd/-**

**Vikas Aggarwal**

**Company Secretary & Compliance Officer**

**M.No:- FCS 5512**

**Contact :- 9971199700**



## “Share India Securities Limited Q4 & FY 2021 Results Earning Conference Call”

**May 26, 2021**

### **MANAGEMENT:**

Mr. Kamlesh Shah- Managing Director

Mr. Sachin Gupta- Chief Executive Officer and Whole-Time Director

Mr. Rajesh Gupta- Director

Mr. Parveen Gupta- Chairman and Managing Director

Mr. Abhinav Gupta- President (Merchant Banking Division)

Mr. Ajay Patel- Principal Officer and Chief Executive Officer (Insurance Broking Division)

## Transcript

### Conference Call of Share India Securities Limited

**Event Date / Time** : 26<sup>th</sup> May 2021, 04:00 PM IST

**Event Duration** : 53 min 27 sec

#### **Presentation Session**

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**Moderator:** Ladies and gentlemen, good day and welcome to Share India Securities Limited Q4 and FY21 earnings conference call hosted by Hem Securities 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 \* and then 0 on your touchstone phones. Please note that this conference is being recorded. I would now like to handover the floor to Ms. Astha Jain from Hem Securities Limited. Thank you and over to you ma'am.

**Astha Jain:** Thank you Kritika. Good afternoon ladies and gentlemen. Thank you for joining the Share India Securities Limited Q4 and FY21 earnings conference call. Today we have with us Mr. Kamlesh Shah, Managing Director, Share India Securities Limited, along with Mr. Sachin Gupta, CEO, Share India Securities Limited to discuss the financial results and to answer all your queries. I take this opportunity to congratulate management on this impressive financial performance. So, without any further ado, I will hand over the call to Mr. Abhinav Gupta, President of Share India Securities Limited for his initial comments, which will be followed by Q&A session. Over to you sir.

**Abhinav Gupta:** Thank you Astha. Good afternoon everyone. On behalf of Share India, I would like to welcome all of you for our quarter four and fiscal year 2021 earnings concall. Share India, as all of you know is a tech based financial conglomerate, which provides customized tech solutions to its clients. Led by technology, we were able to maintain our market share and delivery to market base here, as well as continue our growth momentum in other sectors. To give more details on our annual account, I would now like to handover to Mr. Kamlesh Shah. Over to you sir. Thank you.

**Kamlesh Shah:** Thanks Abhinav and Astha madam. Good evening and Happy Buddha Jayanti. Lord Buddha gave us a message of peace, much needed element in our life today. On behalf of Share India, I welcome you all to review performance of your company. I hope you and your family are safe and healthy in this COVID pandemic.

We have delivered another outstanding quarter by achieving highest ever quarterly profits and revenue in the history of the company. And the same can be said of the financial year 2020-2021. Most of our businesses have performed well with equity and allied business leading the way. This year we surpassed many milestones in terms of hundreds. More than 100 crores in profit before tax, 100% growth in revenue, 100% growth in profitability and EPS, 100% growth in volume on exchange platforms, 100%

synergy of operations post acquisition of Total Securities Limited, 100% market operations even in the lockdown period. Although entire year was under the shadow of COVID-19, our business and operational resilience announced by in-house technology in digital capability enabled us to support our clients in seamless manner. The top management is thankful to employees for extraordinary efforts to support our clients during the unprecedented year. Our quarterly revenue witnessed growth of 117% and PAT grew by 114%. Year on year basis, for entire financial year 2020-2021, our revenue growth was 98% and profit after tax growth was 100%, from 40 crores to 80.75 crores. Our yearly EPS works out to 25.31 compared to 12.81 in the previous year. Dividend payout for the year, including proposed final dividend of 5% is 20%.

We are among the top one thousand companies as per market capitalization as on 31<sup>st</sup> March 2021. Currently, we have market capitalization in excess of Rs.1500 crores. We attribute the extraordinary performance mainly to two major reasons. Firstly, state of our technology and digitization of operations, helping us to well manage balance between work from home and office. Secondly, merger with Total Securities and synergy benefits. This provided strong growth momentum for all our business verticals. Broking industry as a whole is upward re-rating. I consider employees of stock broking companies, media and all SEBI registered intermediaries no less than the frontline health workers. Their efforts have shown commendable revival and growth in economy. Increase in participation by retail investors, appropriate changes in compliances and margining system by SEBI has shown remarkable growth in financial market. This year and in the foreseeable future, we are confident that the growth momentum will continue. Technology and digitization will create more opportunities and mass participation. Today Share India has complete product portfolio and sizable market share in all exchange traded products, like equity, currency, commodity, derivatives, international markets, Gift City and wholly owned subsidiary in Singapore. We have completed acquisition of Total Commodities Private Limited.

We understand our responsibility towards the society and are fully committed towards it. And in line with this, we established Share India Smile to carry out philanthropic activities. In addition, we have other verticals like wealth management, merchant banking, insurance broking and NBFC. And all the key subsidiaries delivered a strong performance during the year. Our company is well placed for further consolidation of operations and market leadership. Many new HNI clients, groups and brokers and joining us. Going forward, we are optimistic to achieve 35%-40% growth in revenue and 45%-50% growth in profitability.

We take this opportunity to thank our bankers, clearing members, associates, clients, exchange officers and our employees for relentless support and trust. Thank you.

**Moderator:** Thank you sir. I would now like to hand over the floor to Mr. Rajesh Gupta, Non-Executive Director of Share India Securities Limited for his comments of NBFC segment performance. Over to you sir. Mr. Rajesh sir, please go ahead.

**Rajesh Gupta:** Hello? Am I audible?

**Moderator:** Please go ahead sir.

**Rajesh Gupta:** Good evening everyone. Our loan book as on 31<sup>st</sup> March was 78 crores. Out of this 78 crores, around 35 crores was for personal loans and the rest was for SME loans. This is the personal loan area where we pressed for our future. In this section we have advanced loans to the very small ticket size, ranging from 25000 to 45000, in the tier III, suburban area or even rural areas. Our number of existing clients are 13500. As of now, we have fourteen branches, eight are in Punjab and six are in Western UP. We have already planned five new branches, but due to this second wave of pandemic, our plans have been delayed. But, it has been...this really is pulling down, we are planning to start this in two or three months.

As for our business model, mainly as we told you that we have mainly in this in the suburban area or even in the rural area. Main basis of our advances for their credit rating and even these social pressures work very much over there. As far the net interest income, it was 7.5 crores in this financial year. NPAs are very less to the tune of, less than 1%. And IRR in the personal loan is to the range of 25% to 30%. And in the SME sector it is around 15%.

As far as the future plans are concerned, we hope to build our book to the tune of 200 crores by the end of FY2024, with the help of internal accruals and the loans and funds from our parent company. That is all from my side.

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#### **Question and Answer Session**

**Moderator:** Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again.

Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Mr. Harshal Kothariwala from Aloyd. Please go ahead. Harshal Kothariwala, please go ahead with your question, you are un-muted.

**Harshal Kothariwala:** Hi. My question is for NBFC. Can you please help us know what are the products that we currently offer in the NBFC segment? And are there any other products in the pipeline to be launched?

**Kamlesh Shah:** I think Rajesh-ji will answer the question. Mr. Rajesh-ji, please answer.

**Rajesh Gupta:** As I have already told you we are mainly dealing with personal loans of small ticket size from, mainly from 25000 to 45000. And we are catering to the lowly in tier-III, suburban area and even the rural areas. As far as the future plans of new products, we are looking for this secured loans in mortgages of very small ticket size of these areas only. The ticket size is 1 lakh to 5 lakhs against the property.

**Harshal Kothariwala:** Okay. Thank you.

**Moderator:** Thank you, sir. The next question comes from Mr. Kevin Vasani from Vaishali Pharma Limited. Please go ahead.

**Kevin Vasani:** Thank you. Greetings to the shareholders and the management. I would like to ask a question. COVID has impacted the business badly. And NBFC is no exception to this. So, my question is how much our NBFC business got affected? What are its effect on NPAs and do you see any recovery rate for the same?

**Kamlesh Shah:** Sachin-ji will be the best person to answer the question. So, I request Sachin-ji to comment. Sachin-ji is Co-Founder and CEO of the company. Sachin-ji, go on.

**Sachin Gupta:** Hello? Am I audible?

**Kamlesh Shah:** Yeah, you are audible. You are audible.

**Sachin Gupta:** Good afternoon everyone. As Rajesh sir already explained that we started NBFC in January 2019. And the moment we started our operations, we faced the pandemic issue. So, our book is not leveraged, our book is basically leveraged to the funds of parent company. So, we were not having big 13:18 banks or any other outsourced source. So, there was not a big impact on our books as far as the NPAs are concerned. We have to break our head on the income side, because we have to ignore the EMI for three to five months. But, there was no big NPAs in our NBFC. So, we were able to manage our first part of the pandemic and in the second part we started recently. At that time, we were having a sizable business in different locations. But, as we are facing lockdown problems in major areas, so we are not getting our EMIs on time. But I don't think there will be a problem on the collection side. Yes, there can be a hit on our income side. But, not much NPAs we are expecting. The only thing is EMI time will be extended. So, that is not a big risk on us, because we are not leveraged to the bank.

**Kevin Vasani:** Okay, thank you.

**Moderator:** Thank you, sir. The next question comes from Mr. Krishna Kumar from Capital Trade Links Limited. Please go ahead.

**Krishna Kumar:** Good afternoon. My question is to Mr. Sachin and Mr. Kamlesh-ji. What is the reason we have less presence on the digital growth rate side when compared to Zerodas or some other digital player?

**Sachin Gupta:** Kamlesh sir, can you answer please.

**Kamlesh Shah:** No, please go ahead Sachin-ji.

**Sachin Gupta:** Our core area was never into discount brokage. We were into algo-trading. And we are having traditional base of clients. But, going forward we are focusing more on the digitalization of our core business and even our subsidiary business. But, still we are not focusing on the discount broking side. We want to focus on our client area. Like these days we are focusing to serve our HNI clients, where we are providing them the state of the art technology with what we have today. We are providing them the best infrastructure they require. And we are providing them the best risk management system they want. So, our per client revenue is much higher than the discount brokerages are getting. So, the idea is to play on our strengths and we don't

want to venture somewhere where we don't have a in-depth knowledge, so where we can lose our energy and time, both. Since digitization is the new norm, digitization is the 100% focus. And like we started the NBFC business, we started insurance and even we are starting some new ventures, totally focusing on the digitization. Next two to three years you will see there are remarkable changes on the tax side of Share India in all the subsidiaries and the main company.

**Krishna Kumar:** Thank you sir.

**Moderator:** Thank you, sir. The next question comes from Mr. Sajan Shah, an Individual Investor. Please go ahead.

**Sajan Shah:** Very good afternoon to everyone. I would like to congratulate the team Share India for fantastic results. I had couple of questions, if you could answer me. First was with respect to the NBFC division. As I understand from the past questions that maybe your funding for the NBFC division is something which is done by the parent. So, could you just help me with what kind of loan disbursement process you follow. What are your kind of cost of borrowing and what is the cost at which you lend? And how does your overall business model work? And in terms of competition which is there in the micro-lending space, how do you mitigate that risk to a certain extent?

**Kamlesh Shah:** Rajesh sir, if you can answer this.

**Rajesh Gupta:** I have already told you that are dealing with very small micro loans to the tune of from 25000 to 45000. IRR in this section is very high. It is around 25% to 30%. And as regards to the (not clear), again it is very high. As far as the SME section loans are concerned, there the IRR is low to the tune of 15% and NIM is also low to the tune of around 4% to 5%, if I borrow from outside.

**Sajan Shah:** And the other part of question was, how we are handling our competition and what is the procedure we adopt to disburse the loans.

**Rajesh Gupta:** So, basically all the clients are visited and they are educated about our loan and all these details. The installments are collected from their house fortnightly. Tenure of loan is very small to the tune of...for the period of one year, almost one year. So, this way we work. And competition there, we are working here and many other competitors are also working. The potential that we see on the ground level is very much high. And we don't find any difficulty in getting our clients.

**Sajan Shah:** Okay. Sir, just one more question from my end. Like sometime back you mentioned about the algo-trading. So, I am sure there are many other players, larger players who are also in that space. So, what is Share India doing uniquely in a way to stay afloat of the competition and you have been growing aggressively since last couple of years as visible from your report. So, what is something unique which Share India is doing and maybe other competitors are relatively behind on that?

**Kamlesh Shah:** Sachin-ji you will take that?

**Sachin Gupta:** You can explain sir.

**Kamlesh Shah:** Our business model is unique business model, which is (audio break) discount brokerages. We have in-house technology that we have developed and that itself has outperformed the peers in our competition. We use 20:11 based strategy and co-location facility and technology is the key driver for our business. We have high profile clients, having large deposit and volumes. We have a number of strategies and our trading is based on the strategy that is appropriate to the market condition. The market conditions keep on changing and so as do our strategy also. All our strategies are basically risk-free strategies. And we don't carry naked opposition at the end of the day. 70% to 75% business is intra-day, which involves variety of our (not clear) strategies. We are not an ordinary broker. We are fintech broker, having specialized in technology and (audio break). And our volumes, we have such a large volume that itself makes us very cost effective and we also have a very robust risk management system. So, these sectors are affecting and these sectors makes us ahead of our competitors. The infra and the operational expenses that we have makes all the difference. And during the entire COVID period, we have performed very well, just because we had the right technology with us. Thank you.

**Sajan Shah:** Thank you sir. Thank you very much.

**Moderator:** Thank you, sir. The next question comes from Mr. Vishwa Bora from Edelweiss. Please go ahead.

**Vishwa Bora:** Hi sir. Actually, congratulations first of all to the whole management team for the excellent results. My question was basically on the insurance broking business. We wanted to understand your view on the sector per se and how (audio disturbance) position to capitalize on this business?

**Kamlesh Shah:** We have with us Principal Officer and CEO of our Share India insurance broking company, Mr. Ajay Patel. He has very wide experience in the industry and in fact, he is the one who is responsible to bring many new products and new features into the policy. So far, our experience with the insurance, even in the COVID period was that we would be able to settle 100% claim without any deduction. I would like to handover Mr. Ajay Patel for elaborate discussion on the question that is being raised by you. Mr. Ajay Patel.

**Moderator:** Mr. Ajay Patel, please go ahead sir.

**Ajay Patel:** Am I audible? Good afternoon. It would be nice if you could repeat the question please, because some of the words I could not catch hold of.

**Vishwa Bora:** So, my question was basically to understand the scope of the insurance broking business overall in India and how Share India per se is going to capitalize on this business as it is relatively new to the company.

**Ajay Patel:** Okay. From the insurance perspective, insurance broking, over the past few years have been growing at about 16% to about 18% year on year. Last year FY2021 was the first year for a full year of operations and we have clocked about (not clear). If we compare our quarterly growth, our quarterly growth over last year was about (not clear) we sourced this business for about 800 (not clear) and we intend to take it to about 5000 (not sure). And from the growth perspective 2021-2022



we expect to do about 300 million of (not clear) **collecting** and then take it up to 500 million in the year FY2021-2022. So, we intend to grow about 60% year on year and then for the next three years and then probably we will start (not clear). Coming to how we are different and how are we going to build or how are we building it up, from the insurance perspective or distribution perspective, we would probably be amongst the very few insurance brokers who would deal practically of all the segments of insurance, on the retail and commercial side. So, be it life, be it health, be it motor, be it travel, (not sure) both EB and non-EB, employee benefits and non-employee benefits and again on the digital mode, both B2B model and B2C model. So, when it comes to distribution we would be present practically in all the segments of business, except for probably the re-insurance which we are not doing at this point in time. So, in a way it is one company, but there are about five or six different process centers running under one brand. Going forward we also see that pension is going to be a big market in insurance. And that is also going to be added as a separate process center as we see great potential specially since the social security system in India is not that great. This is going to be one of the major reasons for value information in the future. Digital, obviously, we are into the digital era and we would..... We are in the digital line and insurance, we firmly believe that insurance growth is going to be built on digital platforms. We are investing big time in the digital platform. And you would see, I am not disclosing anything, but then you are in for a surprise in terms of seeing a very unique distribution model being built on the digital platform. We firmly believe that each product which we offer them in India is unique. We are moving away from a typical price comparison model to something wherein we add value to the products. We add value to each of the customer identification of the risk of the clients and then probably define or design a product as per risk taking ability. So, that is going to be the growth engine for us as far as the insurance brokerage is concerned.

**Vishwa Bora:** I understood. Thanks a lot.

**Moderator:** Thank you, sir. The next question comes from Ms. Dipti Modi a Retail Investor. Please go ahead.

**Dipti Modi:** Good evening everyone. I have two questions. First is, in the FY2021, we had seen a rise in the number of retail investors in the industry. My question is what was the retail in the company and its respective revenue during the year? And my second question, do we set a project, any budget for customer acquisition? Thank you.

**Kamlesh Shah:** We have President of our company Mr. Abhinav, Mr. Abhinav Gupta. He is with us for a long period of time and he is the key person behind the activity. So, he would be the appropriate person. I would like to request Mr. Abhinav to explain this question. Abhinav-ji.

**Abhinav Gupta:** Hi. So, to answer your first question as far as the retail count is concerned, we had 16352 retail customers at the end of March 2021, number one. Number two, your question was on the top line. So, the top line from these retail customers would be around 79 crores for the full year, financial year 2021. Number three, as far as the growth budget is concerned, as Kamlesh sir and Sachin sir has already explained that the digitization is the key which is going to happen and our company is being led by technology is quite innovative, has been constantly focused on innovation and R&D as far as the technology is concerned. So, we have been doing a

lot of ground work at our own end right now. And as already apprised to you by senior management, next two-three years you will see a lot of products that will be rolled out by the company, which will be more retail focused and cater to a larger set of audience. And that is to say when we don't move away from our core set of group set of algo-trading, but also include new set of customers and diversify our revenue streams.

**Dipti Modi:** Thank you.

**Moderator:** Thank you, ma'am. The next question comes from Ms. Juhi Mehta from Padar. Please go ahead.

**Juhi Mehta:** Basically, my question was that there have been regulatory changes in the market and with the introduction of the peak margin on the intra-day activity, we have seen reduction in the volume on quarter-to-quarter basis. What I want to ask is that does the peak margin introduction back the business of the company? If yes, then what was the impact on the volume and how far will we see its impact as the 100% margin would be effective in the year 2021-2022?

**Kamlesh Shah:** Madam first of all let me appreciate the question that you asked. This requires very deep knowledge of the broking industry and I am glad that you have given us an opportunity to clarify this particular issue. To understand tech margin issue let us classify trading, culture and the participants. Probably there are two type of traders. One is the intraday trade where the position gets squared up before close of the market. The other type of trades are positional which are for longer duration and exposed to greater risk than the intraday trade. Our margining system was designed to protect risk of positional trade where we have to pay six sigma margin and it is based on NPO or route two to cover two days of risk till the final settlement is completed. Now, 85% of trade in our market are intraday trade and only 15% trade are positional trade. Both have different risk profile duration triggers and purpose. Currently we are operating at 50% peak margin levied by the regulators which is likely to be increased to 75% from June 1 and if it is not restricted then 100% from September 1. Madam there is no country in the world which uses peak margin as a tool to control the volume in the market. We are the only country in the world where the peak margin concept has been introduced. We have made representation to the regulator of the subject and asked for release. What we want is they can crystallize the margin, we are not against the margin per se but the margin for intraday trade cannot be the same as the positional trade. So, we have requested them to freeze the margin at current level and have a complete review of the margining system. If the release is not granted, it may have very large impact on volume, liquidity, debt and impact cost. Let us hope that better sense will prevail. The other regulatory changes like handling client security and cash, we are with the regulator for the safety of the investors. All measures collectively ensures that the marginal broker will have either to consolidate or to perish. We are in a better position in our getting benefitted from consolidation of our business as more and more broker groups are joining our operations. With this purely because of cost effectiveness, better infrastructure and operational efficiency. We are well placed in the industry for margin per se but overall volume in the market may to some extent affect our volumes also because our volume depends upon the volume of the market. We are taking up the issue with the regulator and we are hopeful that some solution would come. Thank you very much.

**Moderator:** Shall I move onto the next question sir?

**Kamlesh Shah:** Yeah, yeah.

**Moderator:** The next question comes from Kajol Shah an individual investor, please go ahead.

**Kajol Shah:** Hi everyone, a very good evening. So my question is a basic question which I am sure everyone must be having. As you all know we all are facing worldwide challenges due to this corona pandemic. So how did you manage to cope up with this crisis which has developed into the corona pandemic?

**Kamlesh Shah:** Madam your question is very valid. Who thought that the pandemic will last for such a long period and that too affecting the entire world? Simple answer to your question is technology and digitization. Share India has announced state of the art technology that has ensured (audio disturbance) and timely service to our clients. All challenges come with unique opportunities. Those having robust technology have not only survived but grown multifold. You must have seen how market operation in the last one year has doubled. We could effectively managed both balance between work from home and work from office also trading platform with co-location facility helped us to achieve best result in the history of Share India group. Here we would like to mention that our employees have shown us that they can perform to their best under all the circumstances. Also we see a lot of changes in the way we operate our business. Going forward we are confident of sustainable growth. Thank you.

**Moderator:** Thank you. Next question comes from Mihir Shah an individual investor. Please go ahead.

**Mihir Shah:** Good evening everyone. I have two questions that I wanted to ask. One is, we have seen a lot of broking industries are getting into the digitization phase. So where does Share India as a broking company stand in the market as far as this digitization space is concerned. Secondly, what can we expect in terms of further diversification plans?

**Kamlesh Shah:** Abhinav you could be the best person to answer. You or Sachin sir can take this question.

**Abhinav Gupta:** Sachin sir you want me to take this question?

**Sachin Gupta:** Yeah sure Abhinav go ahead.

**Abhinav Gupta:** Thanks a lot Mihir for your question. As you all know Share India is a pioneer in technology which specializes in machine learning and artificial intelligence. Most of all algorithmic product appears on a platform which enables a client to a predictive analytics on the data that is present in the market and hence do a better trade. So keeping that point of view in mind, as and when....management has already appraised that we are going for a digitization mode, from a retail client perspective we will keep these two things at the core of the entire strategy. We as everyone knows, we are not trying to compete with the Zerodhas or the upstarts of the world. Our entire strategy is to create a platform wherein client can engage with us for a more duration of time and not just for a transactional nature of business. Keeping the core of the technology wherein the artificial intelligence is somehow provided to the level of the retail

investors which currently is mostly used by most of the HNIs or is used by prop firms in the algorithmic trading purpose. So that is the entire strategy that we are creating in house so as to be enabled to take this platform at a retail level in a cost efficient manner, number one. As far as the development is concerned, the next two to three years we are looking very aggressively to rule out new product in this domain because we understand there is a lot of gaps that is there in customer requirement and market availability. But as I said whatever strategy we will come out and roll out products with, we will not be in a scenario where we are competing directly head on head with our discount brokerages. We would rather play on the premium part with the better product rather than just doing our cost war with our competitor.

**Management:** I want to add one more thing here sir, may I?

**Kamlesh Shah:** Yeah please.

**Management:** Sir the saying is that we have basically the core company and some subsidiaries. So as Abhinav has explained, you will see complete digitalization of NBFC business in the next one year or two years. We will be going through a tech platform. In the next three years you will feel that Share India is not only a broker it is a financial company. We are a fintech, NBFC will be running a fabulous fintech for us. So the entire team is already working on that concept. Second, insurance as Aditya explained, again it will be differently packaged (not sure) for us. So coming back to the core business, core business as we are not competing with the retail brokers, the idea is that there are two kinds of thoughts. One, provide the platforms, let the client come, let them earn or let them lose and do whatever they want to do. Second idea where we are coming from is that we want to hand hold our client where we can provide our knowledge like we believe Share India is doing very good business in equity derivatives, we want to share our knowledge and we want to hand hold our clients where they can trade with us and we can position the atmosphere where they can gather knowledge from us. So knowledge sharing, hand holding is our mantra where we can ensure the client stays longer with us and he can earn money for his bread and butter; not that he can come trade, lose his money and go away. So the idea is to retain the client for a longer period and make them earn money from the market. So you will see all segments of our business, the next year digitization will play a larger role in Share India. That's it sir.

**Moderator:** Thank you sir. Next question comes from Fennil Doshi an individual investor. Please go ahead.

**Fennil Doshi:** Good evening everyone. In the last call you were mentioning your intent to foray into international market. So what is the status of the same?

**Sachin Gupta:** With the same thought we have opened a company called Share India Global in Singapore. So regulatory road blocks and COVID took a longer time to get all the approvals done. Three months back we got all the approvals and the company is in place and we have just opened the account with the foreign brokers. So we need to go through RBI approval and some other approvals and finally we are on track, the company is up and funds are there and we have already set up a complete technology. So we believe that in the next one or two months we will be live with our trading. The idea is to cash our skills in the developing market not directly in the

developed market. So we are eyeing markets like South Korea, Thailand, Hong Kong and some other markets. As explained in the last meeting we are eyeing global business and so on that lines we ae up with the company and operations will start in a months' time.

**Kamlesh Shah:** Sachinji, here I would like to add one more point also. We are working in Gift City for the last three years and in Gift City it is 100% in dollar terms the trade is happening. There we are market makers in both the exchange BSE and NSE. The venture has been highly successful. In addition we have mentioned time and again that we have a robust set of strategies which can be applied on any market condition or for that matter any market in the world. So based on our experience in Gift City where we helped it pioneer and we are in the most successful company, last year we received dividend of three crores from Gift City. Earlier to that we have received a dividend of 1.5 crores. So that itself shows the kind of success ratio in the international front. We are going to start a similar thing in Singapore also. One more thing, in Singapore our Nifty is also trading and so that gives us a lot of comfort level and it will provide additional platform for us. So whatever we are doing here our turnover in Nifty products are very high. We command a market share of more than 5% in Indian market. So that itself will also give us a lot of confidence as well as solutions to be successful in the overseas market. Thank you.

**Moderator:** Thank you sir. Next question comes from Raula Pai an individual investor. Please go ahead.

**Raula Pai:** Hello, good evening. My question is directed to Mr. Ajay Patel. How has been your product mix during the financial year 20-21?

**Ajay Patel:** So we had an extremely healthy product in the last financial year. We had life insurance constituting close to 45% share, health about 20% on the premium side, motor about 9%, commercial and corporate insurance about 45%. The strong point was our retail policy constituted close to about 39% share in terms of premium and 77% share in terms of number of policies whereas the corporate insurance constituted close to 61% in terms of volume. You would see that the high focus income in terms of retail gives us a better control over business and it also ensures that we have a proper spread in the market. It also helps us build a projectable model as far as insurance solution is concerned. This also goes on to say that we would have a retention of over 90% in the years to come in which would help us build in a very strong growth with about 4000 policies sourced in the last financial year, covering about 23,000 live, we had a strong foothold on the retail side. Apart from that we also on-boarded about 1700 SMEs on various commercial products in the last financial year. This goes on to say as an organization as an insurance solution house we have an equal focus in terms of our retail clientele and also our corporate clientele. Hope I have answered the question. Thank you.

**Moderator:** Thank you sir. Next question comes from Sunil Shah an individual investor. Please go ahead.

**Sunil Shah:** Hello? My question to you for your insurance business, at present digital environment is highly competitive. So, I would like to understand where do you see yourself at present and in future in a highly competitive environment?

**Ajay Patel:** This is an interesting question. Yes, Sunil many of our broker friends are planning to come into the digital model of insurance distribution and that is the way forward. We believe that India is primarily a market built on faith and trust. You see LIC on one side which today still constitutes about 55% to 60% of the market share. And then you have the other distribution going strong in terms of technology. Keeping that in mind we have built a strong physical model and a digital model. We believe that the digital model now in India is going to be a tool which is going to help us choose the communication, number one. Number two, our communication is more towards identifying and measuring the risk rather than focusing on the cost involved. In the past also, the last one year we have been trying to communicate this to our market and we have been fairly successful. The average sum insured in terms of health insurance has been close to about 30 odd lakhs. So, this goes on to say that if you properly identify the risk and define the risk, there is a better probability of penetrating the market. We are also going to see AI being used in the digital platform for the first time. Today, not only in the analysis of our client base, but it would also talk about the identification of the right product fit to the client. So it is not just about communicating a new product to a client but it is all about having a proper product fit to a client because today in India we talk about 500, 600 products. Each product has its own pros and it is always important to identify what is the kind of product which will suit and then people put across. We are running various campaigns in terms of Think Again # Think Again # Insurance Appraisal, these are some of the efforts to create awareness on optimum insurance cover, we are explaining simple words about the importance of insurance and taking insurance will be hard. Today we are seeing at a penetration level of first 10%. Probably with this we should be able to help pave the way (not clear) what's happening in India. Probably that would help us to grow in the insurance industry. Hope I've answered your question sir.

**Sunil Shah:** Thank you very much.

**Moderator:** Thank you sir. That would be the last question for the day. Now, I would like to hand over the floor to Mr. Sachin Gupta, CEO and Whole time Director of Share India Securities Limited for closing comments. Please go ahead sir.

**Sachin Gupta:** Good afternoon everyone. First of all I would like to thank everyone for sparing their valuable time for this concall. Yes, last year was the best year in our history. Consolidation is a new norm in the industry. Our management was having a view that they don't see Share India as only a broking company. They see Share India as a financial company in the coming years. We can have all the best financial products in our city. With the same view we started NBFC and insurance business and unfortunately COVID happened. But the team is highly motivated, highly trained and highly experienced. So we believe in the coming years, our main mantra is to keep our tight grip on our core business so that growth should go on and equally focusing on the growth of our subsidiaries. So with the blessing of our investors, of our management, of our staff, we have a very good team with us to work for and they are working in all the segments. They are our blessing – they are working day and night for this company even during this COVID time. As Kamlesh sir said we are not less than the COVID warriors because we are serving our clients, risking our lives in this period even. So we believe that we will work tirelessly to make this company a big success in the coming years and we will set high targets for our company and we will try to achieve all our targets. We are seeing major growth coming from the subsidiaries also. Once

the subsidiaries start showing good numbers, so that the company will run with a double engine. I would like to thank everyone for their time. Thank you very much sir.

**Moderator:** Thank you sir. I would request Mr. Praveen Gupta Chairman and MD of Share India to give closing comments.

**Praveen Gupta:** Good evening everyone. Dear shareholders, thank you for joining today for this investor concall. We appreciate your support and assure you that your company is working tirelessly for achieving its long-term objective of sustainable growth. I also want to thank all of my business associates, staff members without whom this kind of growth was not possible. Thanks once again and over to you.

**Moderator:** Thank you sir. Now I would request Astha ma'am to give closing comments. Astha ma'am please go ahead.

**Astha Jain:** On behalf of Hem Securities Limited I thank Share India team for giving us a detailed insight on the results and the time we spent on this call. I would also like to thank all the participants for joining this call. It was an extremely fruitful discussion. Thank you all for being on the call. Now, I would like to hand over to the moderator.

**Moderator:** Thank you madam. On behalf of Hem Securities Limited that concludes the conference call. Thank you for joining. You may disconnect your lines now. Thank you and a good evening everyone.

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**Note:**

1. This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.