

04.05.2022

**To,  
The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
'Exchange Plaza', C-1, Block – G,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051  
Ph. No. 022-26598100  
Scrip Code : GEOJITFSL - EQ**

**To,  
The Manager,  
Listing Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.  
Ph. No.022 22721233  
Scrip Code : 532285**

Dear Sir/Madam,

**Sub : Transcript of Analyst/ Institutional Investor Meetings**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith the transcript of the Analyst/Institutional Investors conference call held on Saturday, April 30, 2022 at 11.00 AM.

**Thanking you,**

**For Geojit Financial Services Limited**

**Liju K Johnson**

**Company Secretary**



“Geojit Financial Services Limited  
Q4 FY2022 Earnings Conference Call”

**April 30, 2022**



**MANAGEMENT: MR. C J GEORGE - MANAGING DIRECTOR & CEO –  
GEOJIT FINANCIAL SERVICES LIMITED  
MR. SATISH MENON - EXECUTIVE DIRECTOR – GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. A BALAKRISHNAN - EXECUTIVE DIRECTOR –  
GEOJIT FINANCIAL SERVICES LIMITED  
MR. JONES GEORGE - EXECUTIVE DIRECTOR – GEOJIT  
FINANCIAL SERVICES LIMITED  
MS. MINI NAIR - CHIEF FINANCIAL OFFICER – GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. LIJU K JOHNSON - COMPANY SECRETARY –  
GEOJIT FINANCIAL SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY2022 earnings conference call of Geojit Financial Services Limited. We have with us today from the management Mr. C J George – Managing Director & CEO; Mr. Satish Menon – Executive Director; Mr. A Balakrishnan – Executive Director; Mr. Jones George - Executive Director; Ms. Mini Nair – Chief Financial Officer; and Mr. Liju K Johnson – Company Secretary.

This conference call may contain forward looking statements about the company which are based on the belief opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 conference is being recorded. I now hand the conference over to Mr. Satish Menon – Executive Director. Thank you and over to you, Sir.

**Satish Menon:** Thank you Margaret. Good morning to everyone who have joined this call and a warm welcome from Geojit. We have already uploaded the shareholders presentation to the exchange’s website as well as in our website. You can go through the presentation in detail as per your convenience. Just to kick start the call, I will talk about some numbers and then we can open for Q&A.

In terms of the operational income for the quarter ended March 2022, we have done 122.8 Crores which is 5% down from the December quarter and 1% up from the same quarter previous year. The operational Income for the year 2021-22 is 500.29 Crores which is 18% up Y-on-Y that is compared to the financial year 2021.

In terms of PBT for the quarter ended March 2022, we did 46.15 Crores which is 3% down from the same quarter last year and in terms of full year for FY2022, the PBT is 202.31 Crores which is 22% up from FY2021. PAT is 35.8, 4% down from the previous year same quarter and for the full year the PAT is 154.42 Crores which is up 22% from the previous year.

This was the best year for Geojit history in terms of both sales as well as in terms of profit. The income is split into three major categories; equity and equity related, financial product distribution which has been our focus for few years now and that has seen a very good traction in these years we will come to the details when there is Q&A

In terms of equity and equity related income for the quarter ended March we had 82.78 Crores which is 7% down from the same period last year and for the full year 355.25 Crores which is 11% up. This is primarily due to the decline in volumes in the normal stock markets primarily coming from the cash market.

The split of the income for brokerage is given there in the presentation out of 82.78 Crores 63.99 comes from pure brokerage, 7.32 Crores come from depository and 11.47 Crores come from interest. All put together 82.78 Crores.

The highlight of this quarter as well as for the full year is the financial product income. last quarter we did 25.22 Crores coming from both mutual fund and insurance which has seen robust growth both for the quarter as well as for the year. Financial product income is up 35% Y-on-Y of which mutual fund is 34% up and insurance is 33% up in the quarter and for the full year it is 81.45 Crores which is 42% up from the last financial year . Mutual fund is up 42% to 61.08 Crores and insurance 18.03 Crores of income which is up 33%.

Software income has seen a 15% growth Y-on-Y on the quarter 3.3 Crores and for the full year software income is 12.10 Crores which is 25% up.

So in total income I have just said 1% up from the last year quarter and for the full year 17% up total income including the non-operational income.

Quite a few details have been given in the presentation in terms of number of clients in terms of mutual fund AUM , mutual fund clients, I am sure you would have gone through it and of course if there are any questions we will be happy to answer.

Margaret this is what I wanted to say we can now open for Q&A.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Chander Bhatia from Seers Fund Management. Please go ahead

**Chander Bhatia:**

Good morning everyone and congratulations for good set of numbers and for crossing Rs.500 Crores as sales and Rs.150 Crores as profit. So I have a couple of questions, first question is regarding the merger of Geojit investment with the parent companies. So will there be any impact with regard to reduction in cost, with regard to benefits of carry forward versus or any other things.

- C J George:** There will not be any impact at all this was a nonoperational company and this company has some capital in the balance sheet so it will not have any significant impact on P&L and this company has never been seriously operational in the past.
- Chander Bhatia:** And my second question is about any update on wealth management business is there any traction or number of offices the company has opened and the plan for the current year.
- Satish Menon:** In terms of wealth management business currently we have now four offices in Kerala, two in Cochin, one in Trivandrum, one in Calicut, and the proposal is to open two more offices in the state of Kerala as of now and then go ahead to nearer places like Coimbatore, Chennai and Bangalore. Right now we have four offices we have made a small start of around 300 Crores of AUM and it looks like as of now in terms of costing we are making money there also even though it is the first year of operation.
- Chander Bhatia:** And what is the cash in the book as of 31st March and my other question pertains to other expenses which are higher by around 3.5 Crores in this quarter if I compare to the previous quarter so is there any one off or it is a normal expenditure for the quarter.
- Satish Menon:** I will request our CFO, Mini Nair to state how much is the cash in the group as well as the other expenses details.
- Mini Nair:** The other expenses is there not too much big variances here, the major variances are increase in the marketing expense and which was focused effort by the company to increase the branding and the marketing activities of the company and another area which the expense increase is in the software expenses, the company is investing in digitization of future growth these are the two major areas that the expense has now gone up.
- Chander Bhatia:** And the cash.
- Mini Nair:** The total cash, the client cash is around 400 Crores average and on the client, fund is around 300 Crores around 250 to 300 Crores range.
- Satish Menon:** Mini if you can find out what is the cash in the group basically that is the normal question which comes in.
- Mini Nair:** Cash in the group will be around 700 Crores.
- Chander Bhatia:** Thank you so much and all the best.

**Satish Menon:** Let me come in and the supplement the answer of CFO. While CFO was talking about the cash, the cash utilization is going up with the sort of margin lending book is growing so there has been significant deployment of cash in the financial year we see that growing up next year too.

**Moderator:** Thank you. The next question is from the line of Sumit Jankar from Motilal Oswal Financial Services. Please go ahead.

**Sumit Jankar:** Thank you for providing me the opportunity. Sir I wanted to ask what the current cash market share and derivatives market share in terms of turnover is.

**Satish Menon:** So the cash market share for the last quarter was 0.73% and the F&O was 0.04%. In terms of our total income F&O for the last quarter was around 22% of our total income balance 78% of the income comes from our cash market of which primary income comes from our delivery business.

**Sumit Jankar:** So the F&O contributes to 22% right.

**Satish Menon:** Yes.

**Sumit Jankar:** So is there any growth in F&O contribution from last year to this year.

**Satish Menon:** Yes, there has been a small increase compared to what F&O was providing last year it was 17% last year FY2021 now it has become 21%.

**C J George:** This has not been our focus area and we may not focus on although the market is very big and growing, our analysis has found that the retail investors are losing money in derivatives trading and lot of speculation that is going on so this will not be a focus area for us we will continue to focus on longtime wealth creations for our clients who are doing delivery business through us.

**Sumit Jankar:** Thank you Sir.

**Moderator:** Thank you. The next question is a follow-up from the line of Chander Bhatia from Seers Fund Management. Please go ahead.

**Chander Bhatia:** Thank you for providing me opportunity again. One question is about the plan for addition of employee and whether that addition is likely to be on the marketing side or it is also on

the other vertical and the second question is the gross inflow and net inflow in mutual fund AUM for the quarter.

**Satish Menon:** In terms of employees, yes we plan to hire 350 plus people in this financial year and the most of them would be in the sale side we also have a plan to hire close to 75 to 100 people in the technology side and that will be part of Geojit Technologies. Mr. Balakrishnan my colleague can give more details in technology side. On the mutual fund inflow, I will complete the mutual fund inflow then I can hand over to Balakrishnan on the employees on the technology side. On the mutual fund inflow in the financial year 2022 the gross inflow was 1729 Crores and the outflow was 72% of it hence the net inflow was around 492 Crores and if you see the same last year, last year it was a negative inflow of 101 Crores this year it has become positive inflow of 492 Crores.

**Chander Bhatia:** It is really helpful.

**C J George :** We are opening 28 offices also these are largely in semi urban places in Kerala and Tamil Nadu, 6 of these 28 are operational and the balance offices will be operational by the end of second quarter so the projected number of employees also includes the incremental recruitment for the offices that we are now planning.

**Chander Bhatia:** And sir follow-up question generally how many employees will you be having in one office which were about to open.

**C J George:** These are in generally what we call it micro offices these are offices where we have only 2 to 3 people but these are in large semi urban centers where we are seeing lot of potential investors this is to build their relationship with increasing number of our potential customers.

**Chander Bhatia:** Okay Sir, thank you.

**A Balakrishnan:** Good morning this is Balakrishnan. Regarding Geojit technologies we have at this point in time 160 people and we will be adding more people. This company as a standalone entity is profitable, we do a lot of development work for Geojit Financial Services and its subsidiary companies and also do some external work. For that actually this year we will be planning around addition of 100 plus employees.

**Chander Bhatia:** So do you see that growth in for the current year in your technology arm.

- A Balakrishnan:** Yes, technology is a part and partial of Geojit Financial Services growth by and large even this year also 45% of the development effort has gone into this subsidiary the remaining only gone outside so this is an ongoing engagement with Geojit as well as outside and today IT is an important thing there is a lot of demand on our Geojit.
- Chander Bhatia:** Sir what could be the kind of cost you expect to increase on your employee's vertical because of increase in number of employees.
- A Balakrishnan:** This question is for Geojit or you are talking about the technology company.
- Chander Bhatia:** For the entire company.
- Satish Menon:** So average you can look at around Rs.3 lakh, Rs.3.5 lakh per employee.
- Chander Bhatia:** Okay Sir and it can be based out accordingly because it will be spread over the year.
- Satish Menon:** Technology might be little costlier .
- A Balakrishnan:** Yes, technology will be costlier it can go up to 4.5 lakh per annum average I am talking about.
- Satish Menon:** Okay Sir that is all from my side thank you.
- Moderator:** Thank you.
- Satish Menon:** I think there are no further questions Margaret.
- Moderator:** We do not have anyone in queue Sir.
- Satish Menon:** MD Sir do you want to make any final comments, or we can close the call.
- C J George:** No we can close the call because today is a holiday and then despite being a holiday people have joined we are thankful to all of you. We did not want to wait till Monday that is why we wanted to call this conference today. Thank you very much. In case you have any more questions feel free to contact us directly, we will be very happy to give clarification. Thank you.



*Geojit Financial Services Limited*  
*April 30, 2022*

**Satish Menon:** Thank you and of course the presentation details are already available in the exchanges website and as well as in our website so please feel free to look into it and as MD said we are always here to answer questions. Margaret we can officially close the call.

**Moderator:** Thank you. On behalf of Geojit Financial Services Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.