

Date: August 02, 2021

To,
Department of Corporate Services,
BSE limited
P.J Towers, Dalal Street,
Fort, Mumbai- 400001
Scrip Code: 540725

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, BandraKurla
Complex, Bandra (E), Mumbai 400051
SYMBOL: SHAREINDIA

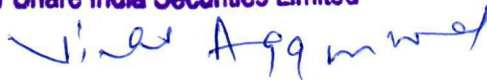
**Subject: Transcript of Earning Conference Call organized on July 30, 2021 to discuss
Financial Results for the Quarter ended June 30, 2021**

Dear Sir,

Please find enclosed the Transcript of Earning Conference Call organized on July 30, 2021 to discuss Financial Results for the Quarter ended June 30, 2021 for your information and records.

For Share India Securities Limited

For Share India Securities Limited



Company Secretary

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



“Share India Securities Limited Q1 FY 22 Results Earning Conference Call”

July 30, 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. Rachit Gupta- Chief Operative Officer

Mr. Abhinav Gupta- President (Merchant Banking Division)

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

Mr. Vikas Aggarwal- Company Secretary and Compliance Officer

Transcript

Conference Call of Share India Securities Limited

Event Date / Time : 30th July 2021, 04:00 PM IST

Event Duration : 57 min 08 secs

Presentation Session

Moderator: Ladies and gentlemen, good day and welcome to Share India Securities Limited Q1 FY22 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 touch screen phones. Please note that this conference is being recorded. I would now like to handover the floor to Mr. Akun Goyal from Hem Securities Limited. Thank you and over to you sir.

Akun Goyal: Thank you Bharathi. Good afternoon ladies and gentlemen. Thank you for joining the Share India Securities Limited Q1FY22 earnings conference call. To discuss the financial results and to answer all your queries, we have with us today, Mr. Parveen Gupta, Chairman and Managing Director, Mr. Kamlesh Shah, Managing Director, Mr. Sachin Gupta, CEO and Whole-time Director, Mr. Rajesh Gupta, Non-Executive Director, Mr. Abhinav Gupta, President, Mr. Ajay Patel, CEO of Share India Insurance Brokers Private Limited, Mr. Vijay Rana, CFO, Mr. Vikas Agarwal, Chief Compliance Officer and Mr. Rachit Gupta, Chief Operating Officer. I take this opportunity to congratulate management on this impressive performance. So, without any further ado, I will hand over the call to Mr. Kamlesh Shah, MD of Share India to give a brief overview on the company's Q1 performance. Over to you, sir.

Kamlesh Shah: Good evening everyone. On behalf of Share India Securities Limited, I would like to extend a warm welcome to all of you for joining us for our first earning call for financial year 2022. I trust all of you and your loved ones are safe and are in good health. We have published our financial results for the quarter one FY22. A press release and detailed investor presentation in this regard has already been circulated. I hope you had a chance to pursue the same.

Quarter one financial year 2022 has been very strong for our industry. Increased number of COVID cases and subsequent (audio disturbance) by multiple agencies affected the business widespread throughout India. But, nation wide speed up of vaccination drive, GST collections and improved tax collection kept economic activities going on. There has been increased participation by the retail investors, never like before, response to the IPO. And reforms by regulator has improved the outlook for the market. The brokerage industry is direct beneficiary and it is clearly seeing in recent results published by many listed entities.

Let us quickly walk through the operational and financial performance for the quarter. In spite of resurgence in COVID cases, quarter one FY2022 has been strong for the

company. In fact, this quarter proved to be the best quarter in the history of Share India in terms of (audio disturbance). We are proud to say that we have back-to-back century for quarter four 2021 and quarter one 2022, in terms of both revenue and profitability. Company has clocked more than 100% growth in consolidated revenue, whereas consolidated PAT has grown by 154%. Due to our diversified business model, company along with its ten subsidiaries contributes to maintain its track record of consistency in performance through decent market and macro economics cycle. Company's EPS for the quarter one stands at 10.71, compared to 4.22 year on year basis, that is 2.54 times. The net worth of the company has gone up to 314 crores.

Some of the key ratios for the company are return on equity, 30%. Return of capital employed, 46%. Return on assets, 10%. Our current asset ratio are also very good, which indicates full liquidity in the system. CAGR for revenue in last three years has been 50% and CAGR for profit for last three years is in excess of 75%. A significant part of this growth is attributed to the implementation of successful business model by adhering to the fundamental principles of earning risk free returns. Cost control, better operational efficiency, strong momentum in the market place helped the balance sheet near zero debt with no long-term borrowing and exceptionally outstanding management team. Share India continues to be one of the market leaders, in terms of turnover on all exchange platform, be it equity derivative, currency or commodity derivatives.

In financial year 2021, we adopted a formal and more inclusive dividend policy, which is also available on the website of the company, to take care of the interests of our shareholders. In this context, I am happy to share with you that quarter one FY22, the Board has recommended distribution of 7.5% as first interim dividend to the shareholders. We are happy to inform you that we have started trading through our wholly owned subsidiary, Share India Global from Singapore. This will help us to deploy a pool of successful strategies, already operational in Indian market. We believe this will open doors for new opportunities for trading in the global market.

At Share India, we understand and respect our obligations towards the society, for which our own wholly owned subsidiary, Share India Smile is a reason of smile on the faces of thousands of beneficiaries. We remain optimistic of the opportunities in the area of our core strength. We have clear vision for growth for the next three years. What we are today is the outcome of our focus on technology. Share India remains to be pioneer when it comes to technology and has maintained its position because of constant innovation and R&D. It is technology and digitization that has helped us to provide similar services to our clients during the entire COVID period. We firmly believe that the future growth will ride on the age of technology.

Another focus area is expanding our base for retail clients and that too in a unique way, by utilizing our strength in strategy-based trading. Recently we concluded a three episode series on Algo-Trading Master Class in association with Zee Business. This was an attempt to educate and create opportunity for algo-trading among retail investors we got very encouraging response.

I will now request our young and dynamic CEO and Founder, Director, Mr. Sachin Gupta to elaborate more on our vision towards technology and expansion of (audio disturbance). Over to you Sachin-ji.

Sachin Gupta: Thanks a lot, Kamlesh sir. Thanks for your kind words and your insight into our Q1 numbers. Good afternoon everyone. Welcome to the concall of quarter one FY22. First of all, I would like to thank all the investors and participants for placing their faith and trust in Share India. Because of their trust and faith, Share India is growing year on year basis. And we believe that we are working hard in fulfilling their expectations and will continue to do so in the near future.

Sir, as you rightly said and elaborated that performance was extraordinary in this first quarter. And this first quarter is the best quarter in the history of Share India ever. So, we believe that the confidence of our investors and continue hard work from our team side, from our employees will ensure that these kinds of new landmarks we will be achieving in the near future also.

Sir, as you said that current business, in the last concall we emphasized that we are venturing into new businesses like, we are looking for the international opportunities and we are growing on the NBFC side and some other new ventures like insurance and some ventures. So, in this quarter, despite that there were lot of challenges from the COVID side, NBFC kept their momentum going and they performed really well. Even insurance business is doing good. And the best part is we started (audio garbled) this quarter. It is just the start and we see that growth will start coming from the international business in the near future.

But, as sir you have explained, Share India always succeeds more on the technology side and that is the reason that we have seen a tremendous growth in last few years. And we believe that with the same belief, with our focus on technology that Share India is trying, there is a complete change in the approach of the management, we are trying, we believe that if we have the right kind of technology behind us, why not to try our hand with the retail? We want to approach the retail public with the view that the strength we have in Share India is, we are very good on strategy side. We are good in serving our HNI clients. We help our HNI clients in making new strategies and earning good money. So, what we want, we want to leverage this expertise to the retail public. With the help of technology, we believe that in the next three quarters, new buyers will see that lot of organic and inorganic growth will be there. And lot of announcements will come from Share India side in the near future. And we are shifting our gear from only focusing on HNI, we will focus more on retail side for the next few quarters. And we believe that if we will be able to deliver that it will be very easy to penetrate in the retail segment. The idea is, we don't want people just to speculate, come and lose money and go back. We want to teach them, educate them on strategy side. We want that they should follow a discipline in the trading and they should earn money, earn their bread and butter from the market and not just come in the market to lose money. So, the idea is it takes, right as per our plans in the near future, so the idea is that Share India should be on the mobile of every user of the share market. So, we want to add value to the people who want to trade in the share market for their bread-and-butter purpose and not only for the speculations. We believe that penetration in the retail side should start from the next quarter and investors will see there is a huge jump in the retail participation from Share India side in the near future.

So, this is from my side sir. So, we believe that with the blessings of everyone and the continuous hard work of our employees, we will achieve our target. And people will see there is a change in gear from Share India side and focus will be more on the retail side. That is from my side sir.

Kamlesh Shah: We have explained everything about the company and a detailed presentation has already been circulated to the members. So, now I request that we can take up questions, so the session becomes interactive. And we get feedback from our valued shareholders and that will guide us also in future, in case if we require any improvement in the working of the company. Thank you.

Moderator: Rajesh Gupta sir, please go ahead.

Rajesh Gupta: Good evening everyone. I will give you the overview of our NBFC. Our loan book as on 30th June is 108 crores recently it was around (not clear) as on 31st March 2021. Personal loan out of these are 30 crores and SME segment is 78 crores. Credit cost of the company is 6.5 lakhs only. Number of branches as of now are seventeen. Previously these were fourteen only. Number of clients as on date are 15600. And we have already completed more than 10000 loans. Yield is around 20% to 22%. So, we are growing at a pace, in spite of the second wave of COVID. And we will keep on growing well in future also. That is all from my side.

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, if you have a question, please press * and 1 on your telephone keypad.

The first question comes from Mr. Praveen Gamble from Ananya Research. Please go ahead.

Praveen Gamble: Good evening to all and congratulations on a very good set of numbers. Today many of the new age broking firms, almost every company is talking about having a new age technology. And even in our company we are talking about, we will have one of the best technologies, which we will be able to provide. Sir, can you elaborate in terms of how we are going to be different from competition? And when you talk about going for acquisition of new clients, I am hoping you will also look at tier-II and tier-III cities also as one of the areas to penetrate. So, if you could elaborate little bit on those lines, it would be helpful sir. Thank you.

Kamlesh Shah: Our CEO Sachin-ji has already elaborated about the technology and retail investment. So, this is appropriate question for him to answer you. So, I will request Sachin-ji to kindly reply to his question. Thank you.

Sachin Gupta: Sure. Thank you sir. Sir, the thing is that Share India has seen growth in the few years, just because we were using the right and good technology. And we were of the opinion that if we can grow on the HNI side and some other product side, because of the technology, why not to try our hand, why not to try the same expertise with the retail clients. So one, the most important point part was having the right set of technology, right customer experience stays with us, only then we can venture into the retail side. So, now first of all we will try to do it organically and

inorganically. The details I cannot share now. But yes, there will be the best of the technology available to Share India in the next one quarter. Quarter two, things will be clearer. And as far as, what different we are trying to do is, as I said Share India is more popular on the trading side, having good strategies and helping a large set of clients in earning their money. So, we want to create a platform where we can offer these kinds of strategies, educate clients about the strategies and help them in earning money directly from the market. The idea is not to, there are two things, one, having a platform where the client comes and buys a stock on the basis of their own research and the research given by the brokers. But, eventually they may lose money if a fiasco like March 2020 happens. So, lot of people start losing money after some time. So, the idea is handholding the clients and educating them about the new strategies, market related strategies and earn a reasonable return on their money. So, what happened, recently in the last one and a half years, lot of people have lost their jobs. Lot of people have to shut their shops, because of COVID. So, they lost their chances of earning bread and butter. They all are educated and well background people and lot of queries are coming to us these days, as sir said, sir did a program with Zee Business, which was Algo-Trading Master Class, lot of people were sending mails and connecting to us, how to start. And the common problem is, they lost their jobs and earnings because of COVID. So, the idea is not to give them the platform and trade on their own. Handholding them and educating them, how to use these strategies to earn the money. That is the idea. That will be the differentiating point between us and the other brokers. We will leverage our knowledge. We will leverage our experience to the public at large.

Praveen Gamble: Thank you for the response. My query remains the same that do we have any particular strategy to communicate these this to the large number of either the existing clients or the prospects for whom we are trying to deal with, because like us, there are other broking firms also and are trying to do the same. But, do we need to have some strategy, where we clearly communicate that if they come to us, this is the benefit that they are going to get. Do we have any kind of those strategies in place at the current moment sir?

Kamlesh Shah: Sachin-ji, would you like to continue?

Sachin Gupta: Yeah, yeah. As I told you, after last three months our management has changed the stance and we are looking to foray into retail segment. So, the first part was technology. Technology part was well taken care of recently. And we are in the process of handling the challenges. Second part is customer acquisition and making the customer experience better. So, I cannot comment in detail about the customer acquisition strategies. As I told you, quarter two call will be much clearer on this. You guys will see there is a clear strategy and vision, how we are going to attract customers and how we are going to, what is the strategy to onboard them. So, even I cannot disclose the details about our tech planning. So, give me two months. Believe call, next call, things will be very, very clear.

Praveen Gamble: Okay. Thank you very much. And all the best for the next few quarters.

Sachin Gupta: Thank you. Thank you sir.

Moderator: Thank you, sir. The next question comes from Mr. Naishadh Bhatia from Crawford Bayley Company. Please go ahead.

Naishadh Bhatia: Hi sir. During the last call management informed about the consolidation in the industry. How prepared are we for that? What is our strategy for inorganic and organic growth of the company?

Kamlesh Shah: Yeah. Good afternoon, good evening. The best answer to the question could be that we don't have to look outside. The fact of the matter is that we have best example shed by ourselves by merger of Total Securities with Share India. Because the (not clear) basically it has started showing results, which is getting reflected in the performance of the company. Time has come where we can say, big is beautiful. In the last two years, we have seen lot of regulatory changes, which has led to the role of consolidation. We feel that the technology and the service to the client has changed the way we do the business. In the past two months, we have successfully associated three main brokers by merging their operations with us. In addition to that, we are getting enquires from large groups every week. Timely decision to grow both in terms of net worth and geographical presence, we have paved the way for speedy growth. This is just the beginning. And going forward we expect both organic and inorganic growth. This is in line with our vision. As Sachin-ji has already mentioned, our vision for growth is technology and retail participation. Thank you.

Naishadh Bhatia: Thank you sir.

Moderator: Thank you, sir. Ladies and gentlemen...

Sachin Gupta: I have got a point here.

Moderator: Yes sir, please go ahead, sir.

Sachin Gupta: Sorry, I am interrupting. The thing is that sir, lot of brokers who are having a small capital, they are struggling to reach to the best of technology available. They are struggling to meet the new regulatory norms. So, they all are themselves looking for the right association. And the criteria for association is not only the capital, the technology is also a very big criteria for them. So, as sir rightly said, we don't need to look for the association. People are approaching us with the better deal, because by the God's grace we have good technology. We are even in the process of creating one more free tech hub inside Share India. And Share India is capable of handling all the regulatory challenges people are facing these days. So, people are losing their business. Small brokers are shutting their shops. And one part of vision is definitely this, why not to help those brokers with the resources we have and floating their business. The only thing is business will shift to Share India. So, both will gain. They will also stay afloat in the business and we will also gain. So, tech will play a big role coming two to three years.

Moderator: Yes, Sachin sir, thank you. Can we take the next question? Sachin sir, can we go ahead and take the next question?

Sachin Gupta: Yeah, sure ma'am. Sure.

Moderator: Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

Next question comes from Mr. Ashish, an Individual Investor. Please go ahead.

Ashish: Good evening everyone. My question is based on the current global scenario. What business strategies will be there if there is major correction in the industry from (not clear)? Will it impact your business?

Kamlesh Shah: You were talking about corrections in the market from the current phase. This is a hypothetical question. Correction or rise in the market does not make any difference to the business of Share India. As we are delta neutral and do not hold any naked position at the end of the day. We have said time and again that the technology is the key driver for the growth, especially for the financial markets. In last two years, we have seen waves, wave one of COVID and wave two of COVID and the result, and you see the result for the year ended 31st March 2021, as well as June quarter. Both are showing tremendous amount of growth in spite of having similar situations in the first quarter of year 2020 and 2021. Each crisis opened up doors for the new opportunities. Similarly, COVID also has taught us many lessons of the life in the area of hygiene, in the area of savings, in the area of investment and in the area of health care. We have delivered more than 100% growth in terms of revenue and the profit. All of you have to observe, increased participation by the retail clientele in our market. Also, the global market as well as the Indian market are trading at all time high. With the recovery in the economy and the vaccination programs, we see improvement in the economy going forward. Management of COVID by Government and self-discipline by the people will be key factors to be observed for the recovery of the economy. But, on a whole, we feel that from here onwards there will be more opening up of the economy and more and more sectors will participate in the growth story. And as it is, every agency has forecasted growth in excess of 9% for India in the coming years. Thank you.

Moderator: Ashish sir, do you have any other question? Mr. Ashish? Sir, do you have any other question sir?

Ashish: No, that is it from my side and thank you.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

The next question comes from Mr. Kumud Khanna, an Individual Investor. Please go ahead.

Kumud Khanna: Hello?

Kamlesh Shah: Good evening. Go ahead.

Kumud Khanna: Am I audible?

Kamlesh Shah: Please go ahead. Yeah, you are audible.

Kumud Khanna: Good evening everyone. There have been several regulatory changes and fixed norms for the stock brokers, so that there are no compliance lessons. (Not clear) Share India (not clear) and will that impact the business?

Kamlesh Shah: Yeah, that is a good question on the compliance part. We have with us our Chief Compliance Officer and Company Secretary, Mr. Vikas. I think he is the most appropriate person to answer your query, because he deals with these issues on a daily basis. Please Vikas sir, please go ahead.

Vikas Agarwal: Sure sir. Yes Mr. Kumud, you are right. There have been a lot of changes in the compliance front with the management, also regarding client's assets, post (not clear) system. The stability environment is getting tougher day by day with the regulator coming out with new set of rules every other day. But, we believe that these changes will only make markets a better and safer place and help in retaining the investors' confidence. For us at Share India, the mantra is compliance first. Therefore, we are quite confident in meeting all the challenges in the regulatory arena, we have (not clear). I hope I have answered your query.

Kamlesh Shah: Thank you Vikas-ji. Madam, you can go for the next.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

The next question comes from Mr. Chetan Sharma, an Individual Investor. Please go ahead.

Chetan Sharma: Good evening sir. My question is, for the financial year 2021, loan book stands at 78 crores and for the quarter one, financial year 2022, it is at 108 crores. So, what factors are contributing to the growth in loan book? And also, is there any increase in NPA for the quarter? Also, during the last call, you have mentioned that five branches were to be opened, which were delayed due to the pandemic. So, what is the status of those branches as of now?

Kamlesh Shah: We have heard from Mr. Rajesh sir about NBFC business. He is with us and he would be the appropriate person to answer your query. I request Mr. Rajesh-ji to answer his question.

Rajesh Gupta: Sure sir. Your first question is the increase in loan book from 78 to 108. This is basically organic growth of SME loans that is corporate loans. These are grown on their own pace. And as far as the personal loans are concerned, we have not increased our book in this section, basically due to our conservative approach to the COVID second wave. As regards to your second question, second part of your question, regarding the NPA and regional NPA, I want to tell you that our NPA has not increased (not clear) at all. These are less than 1% as of now. And the third question is regarding branches, our new branches, we have already opened three branches out of five. And we are in the process of opening the rest of two and even more than that in the coming times.

Kamlesh Shah: Thank you Rajesh-ji. Madam, you can enquire if there are any further questions.

Moderator: Sure sir. The next question comes from Ms. Hetal Modi, an Individual Investor. Please go ahead.

Hetal Modi: Hello everyone. (Inaudible).

Moderator: Ma'am, sorry to interrupt you. You are not audible ma'am. Can you repeat your question?

Hetal Modi: Sure, sure. Actually, I would like to know regarding the product wise revenue for the quarter, for the insurance sector. Also (not clear) company source for the quarter one? And also, how much premium was received product wise for that? And last time during the last call, we talked about digital platform for insurance broking, what is the status for the same?

Kamlesh Shah: Insurance broking is the key vertical in our organization. And we have with us Mr. Ajay Patel, CEO of the Share India Insurance Brokers Private Limited. And I request Mr. Ajay Patel to answer the question. Thank you.

Ajay Patel: Thank you Kamlesh bhai. Hi Hetal. Just to answer your query, although we have seen a drop in the early general public, but our strategy to focus upon all these segments of business, mainly commercial or life insurance and non-life, we have been able to see a sizable growth in our business. So, with over 691 policies in quarter one, covering over 3000 lives, we have grown by about 141% over last financial year 2021, quarter one, with a premium of over 42 million in the same period. Our revenues have grown by about 151% over last year, first quarter. Because of us focusing each of the segments, our YoY growth in commercial insurance is about 143%. The growth in retail life is 206% and non-life retail is about 100%. Coming on to the digital front, we have already launched our PoSP model, which is live on the digital platform and we hope to onboard about thousand PoSP by the end of September 2021. We have already received the in-principle approval from the regulator for the online portal. And we would go live by the third week of August. Hope I have answered all the queries, Hetal.

Hetal Modi: Yeah. Thank you so much.

Ajay Patel: Thank you. Thank you Hetal.

Moderator: Thank you, ma'am. The next question comes from Mr. Siddharth from Valentis Advisors. Please go ahead.

Siddharth: Hi sir. You said you would be targeting moving from HNI more, targeting more penetration with pure retail. Could you elaborate on the strategy for the same? That is one. And secondly, on the NBFC side, we have 108 crores odd more, what are the aspirations there let's say over the next three to five years and what is the capital / net worth which is earmarked for the same? Thanks.

Kamlesh Shah: Sachin-ji, possibly you can answer these questions.

Sachin Gupta: Sir, as I said earlier that there are two parts of the strategy. One, a detailed strategy, how we are trying to, how we will try to capture the retail market. And the legacy we are carrying with Share India, that Share India is good in algo and strategy part, how we are going to carry that thing to the retail. One thing is that. That is the strategy which I said we cannot reveal now. I will reveal it in the next

quarter concall. And the second part is, what is the idea and how we are going to approach the retail. So, there I elaborated that we are focusing not only on making them trade in normal buy and sell of futures. Our focus will be mainly on how to train them to use the strategies to earn their bread and butter from the market side. So, what we have seen, why there is a change in stance in the last three months, because we are seeing, we have felt that lot of new people, lot of people have entered into the market, because they may have lost their jobs, they may have lost their businesses or they may be young, they are new people and they want to enter into the market, N number of reasons. But, they don't know how to trade, what to trade. They don't get the right guidance. They only use YouTube and some online platforms for their knowledge. Share India has a legacy behind it. And when on Share India platform we speak about some strategies, we are speaking about handholding of the clients but speaking about educating the clients. So, the idea is not to get the 1 lakh, 3 lakhs, 5 lakhs clients. We are not going to go behind the number. We are going to, the idea will be, maybe we have 10000 clients. But, every 10000 clients should trade at least once a month. We will focus mainly on the active clients. So, the idea is if we have 10000 clients, more than 50% clients should earn money on monthly basis to support their life. The idea is this. So, now operating into the retail strategy, it will take us some time sir. I think I have explained your query one. Second part of the query is regarding NBFC. Rajesh sir, if you can answer that query.

Moderator: Hello. Rajesh sir, request you to take it forward.

Rajesh Gupta: Regarding the profitability of the company, we have two categories of loans. One is the unsecured personal loan and the other is corporate loans. In corporate loans, this (not clear) is a big part of the corporate loan book. So, accordingly they contribute more in the profitability of the company. In the personal loan book, though the size is small, but ROE is very good in this particular segment. So, it also contributes a lot in our profitability. As regards the future plans, we hope to open personal branches by the end of this year to the tune of 35. We are going very slow because of these present conditions. We hope to trade our book of personal loans to the tune of 75. And including the corporate loans, we hope to cross 150 crores by the end of this year. And in the coming period, we hope to take these (not clear) branches to the size of 100. That is all from my side.

Siddharth: Okay, thank you.

Moderator: The next question comes from Ms. Krupa Joshi from Tata International. Please go ahead.

Krupa Joshi: Hello everyone. These are amazing numbers that you have quoted for the quarter. Many congratulations for that. I just wanted to ask that during the period the finance cost has almost doubled, if we compare Q1 FY2022 with Q1 FY2021. Can you please brief me on the utilization part of the same?

Kamlesh Shah: Right madam. You have studied in depth our accounts and you have pointed out the right statistic. We have with us Mr. Vijay Rana, who is the CFO. So, I would request Mr. Vijay Rana to take up this question. Vijay Rana-ji, please.

Vijay Rana: Thanks sir. Good evening to everyone. Hello Krupa madam. About the finance cost increase, the same is due to the dip in the margin

revenue. We were required to infuse additional collaterals to keep up with our margin requirement. The bulk of these collaterals were infused in the shape of bank guarantees, which led to the increase in BG values by 80% approximately. Our utilization of bank funding has also increased due to the same reasons. You shall appreciate that we have been able to increase our revenues to that level. Thank you, ma'am.

Krupa Joshi: Thank you.

Moderator: Thank you ma'am. The next question comes from Mr. Ronak Shah from DAG Ventures. Please go ahead.

Ronak Shah: Hello sir. Good evening. Sir, as you had mentioned that future plans are for expansion of retail clients. What marketing and advertisement strategies are you planning to follow?

Kamlesh Shah: We have Mr. Abhinav Gupta, who is our President. And he is the person who would be the best person to answer your query. So, over to you Abhinav.

Abhinav Gupta: Thank you sir. Thanks a lot for this question. I think as already explained by our CEO, Mr. Sachin Gupta, the idea is for people to make money. We have set ourselves very ambitious targets over here. Our marketing strategy will revolve essentially around three points. First of all, we would like to borrow heavily from our parent company, which is Share India Securities, which is traditionally known in the market as a big shot derivative broker, who have lot of expertise in derivatives and who have been doing a lot of successful work over the last ten years in derivatives space. So, we believe that there is a lot of legacy that we can acquire from and push those kinds of products in the retail market. So, the idea would be to offer those kinds of derivative strategies that we have successfully implemented in our own network, into the retail set of people. Second one that we will again continue to focus on is the technology part, as already explained by our CEO. We essentially believe technology is the prima facie most important part when it comes to the retail network as well. Most of the brokers who are already doing retail as well have not innovated as much as there is a possibility to innovate in terms of technology. And we believe when we come out, we have the potential to change the landscape entirely from an end-to-end basis. And we can offer the kind of products to retail which are essentially not available in the current set of brokers. Third set that we really want to focus on is the hassle-free experience to the customer. There are lot of pain points that the customer right now faces with different brokers and different kind of set of executions that they have to do. So, our focus would essentially be again on the user interface, as far as that part is concerned. And as far as, I would just like to reiterate again over here that we have set ourselves very ambitious targets for the next two-three years, to take the algo that is currently available only to the institution or the HNIs at the retail level is a goal. We believe in the next two to three years, we will entirely do a 180 degree with the landscape and take the algo to every mobile in every desktop to every individual who wants to play the market. And as already explained by our CEO, in the next two to three months you will see a lot of announcements from Share India coming on this front. Thank you.

Ronak Shah: Thank you.

Moderator: Thank you, sir. The next question comes from Mr. Nitesh Kumar, an Individual Investor. Please go ahead.

Nitesh Kumar: Hi everyone. As informed, international operations have started. So, which means are we currently (not clear), how have we exactly planned to expand it?

Kamlesh Shah: Yes. We have started our international operations with wholly owned subsidiary in Singapore. Mr. Sachin Gupta, our CEO will take this question. Sachin-ji.

Sachin Gupta: Sir, we got our account opened with actually couple of brokers internationally. And we started with one broker called IB and we are focusing on option side. And we got, first of all the process is like this, we have to take the data from the broker, which we recently did. And then our tech team will work backwards on the data. And we will see, how our strategies are working on the option side especially of this data. And once the strategies are confirmed, then team will do a soft test. And once the testing is positive, then after a go ahead from the management, the team would start putting these strategies on the main front. So, we have just deployed one strategy and with a small capital. We are in testing phase. And but I believe real trading will start in a month or two. The biggest challenge was to open the account with the broker. The biggest time taken point was the account opening process by the brokers. They take a lot of time. So, I believe lot of things have gone back. Now, we are ready with the data. We have the account in hand. Just the analysis part is to be done. I hope in a month or two, we will be on.

Nitesh Kumar: Okay sir, thank you so much.

Moderator: Thank you, sir. The next question comes from Mr. Rishabh Nair, an Individual Investor. Please go ahead.

Rishabh Nair: Good evening to everyone and thanks for taking my question. And also, congratulations on your results. As an individual investor, I just wanted to understand the major operations of the company. You guys are into NBFCs, insurance and also broking. But, if you look at the break up of revenue from operations, all those are more than 75%, more than 215 crores comes from income from trading and securities (hedged) operations. So, I was wondering if proprietary trading is the major operations of the company?

Kamlesh Shah: Yeah, you are right. Basically, initially we were doing lot of prop-based trading. But, gradually after the merger with Total Securities, the clientele work has increased. Currently, we have about 50% work on the account of clients and 50% work, which is based on the specialized strategies developed by us. So, currently it is 50-50. And as we have discussed throughout this session that our focus is to expand the retail base. And we are going to come out with pool of strategies for retail investors. We hope to educate them with the algo. And the algo is future for this country. So, our focus area is technology and the retail participation. So, going forward the ratio of prop-based trading to the clientele work will further improve. And in another two-three years, we expect that 60% turnover will be from clientele work and the 40%, which comprises our special (not clear) and strategy based strength. Also, we have the market ability

which is unique for the broking industry. And currently we are market makers for many exchanges in India. So, that also comes under the prop-based trading. So, the prop-based trading will continue. But, in years to come we will have more penetration in the retail segment also.

Sachin Gupta: Sir, I want to add one thing here. As the management decided to change the stance from focusing only on HNIs to penetration to the retail clients, so the aggressive target we are setting in our mind and we will prepare the roadmap accordingly, that by FY24, by the end of FY24, we want to achieve, on turnover side we want to achieve the target of 80-20. 80% turnover should come from client side and 20% part should be only from the prop side. That is FY24. So, the entire roadmap, entire technology, entire planning will move around this goal. So, we don't know. We will try our level best to achieve these goals. But, by FY24 the majority of the revenues will be coming from the client side.

Kamlesh Shah: And the work that will be offered and the platform that will be offered to clients will also be unique. It will not be competing with discount brokerages. It will have unique features and it will add value to each retail investors. Thank you.

Rishabh Nair: Okay, that is great. That is actually really good to know. And I had one more question about your insurance subsidiary. So, I was also going through those financials and for the financial year ending in March 31st, 2020, income from commission is basically, it is one of your major operations, because you guys are insurance brokerage. You distribute the plans. So, the other income is almost double the income from operations. So, I was wondering what exactly is this other income and how do you guys sustain it?

Kamlesh Shah: Ajay-ji, would you like to answer?

Ajay Patel: Yeah, I will answer this. As an organization we have capitalized with about 5.15 crores. And we have put in a sizable amount, we don't require that much amount to start off (not clear) with the business. So, there is a sizable amount of money, which is put into the investment. So, the other part of income, which you are seeing is the investment income, which we had generated in the last one and a half years, that is the position.

Kamlesh Shah: Here we would like to supplement that though the official requirement was 1 crores only, that is 75 lakhs, the statutory requirement plus some additional working capital requirement. But, we have a big vision and ultimately we would like to go in for reinsurance business also. That is why from the beginning we had kept capital at 5.4 crores, though the statutory requirement was just 1 crore. So, the additional amount, which is lying with the capital was deployed to gain some revenue out of it. And that is how the other income is lower. Now, again the insurance broking business has just started before one and a half years. So, that is the nascent stage of development. Going forward you will see that the top line will contribute more than the other income, because we are building the business and we are break even, even now in one and a half years. Normally, for insurance broking to become break even, it takes about three to four years. So, this is the entire idea and the vision behind the insurance broking, because we feel that this will create a great value for the company and its shareholders. Thank you.

Rishabh Nair: Okay, yeah. That actually makes a lot of sense. Thanks a lot. That is it from my side.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

The next question comes from Mr. Mihir Shah, an Individual Investor. Please go ahead.

Mihir Shah: Hello everyone. Congratulations on the great numbers once again. My question is with regards to the commodity segment. How much revenue have we earned in this quarter? And how are we planning to increase the market share in commodity segment going forward?

Kamlesh Shah: Commodity segment is equally important for us. And world over commodity trading is more than three times the equity trading. and we have Mr. Rachit, who is in charge of the commodity business. He is the CEO of the company. So, he is the most appropriate person to answer. I request Rachit, please answer the query. Thank you.

Rachit Gupta: Thank you sir. Sir, in commodity our average daily turnover has increased 10x, that is from 200 crores to 2000 crores in the last two years. And our total income stood around 7.5 crores in the top line. And going forward our plans to increase market share in commodity, we will be seeing the organic growth in our proprietary desk, plus our primary focus will be on the retail side and HNI using technology.

Moderator: Mr. Mihir Shah? Yes sir, sorry to interrupt you. Mr. Mihir?

Kamlesh Shah: I think you answered his question. We can take the proceeding questions.

Moderator: Yes sir. Thank you, sir. That would be the last question for the call. Now, I would like to handover the floor to Mr. Parveen Gupta, Chairman and MD of Share India Securities Limited for closing comments. Please go ahead, sir.

Parveen Gupta: Thank you. Good evening everyone. Dear shareholders, thank you very much for joining us for this earnings concall. We highly appreciate your consistent support and assure you that your company is wholeheartedly working towards achieving its long-term objectives, maximization of shareholders wealth. I also want to thank all of my business associates, staff members, without whom this kind of growth was not possible. Thank you.

Moderator: Thank you sir. I request Mr. Akun Goyal to take forward the call.

Akun Goyal: On behalf of Hem Securities Limited, I thank the Share India team for giving us a detailed insight on the results and the time they have spent with us on this call. I would also like to thank all the participants for joining this call. it was extremely fruitful discussion. Thank you all for being on the call. now, I would like to hand over to the moderator.

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

Kamlesh Shah: Thank you everyone. Thank you.

Sachin Gupta: Thank you. Thank you everyone.

Note:

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