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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 1QFY18 Results Conference Call held on July 26, 2017 at 4.00 P.M.

Thanking you,  
For **Geojit Financial Services Limited**



**Liju K Johnson**  
Company Secretary





**“Geojit Financial Services Limited 1QFY2018  
Post Analyst Conference Call”**

**July 26, 2017**



**ANALYST: MR. AADESH MEHTA – ANALYST – AMBIT CAPITAL**

**MANAGEMENT: MR. C. J. GEORGE - MANAGING DIRECTOR & CEO - GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. SATISH MENON - EXECUTIVE DIRECTOR - GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. JOE PETER - CHIEF FINANCIAL OFFICER -GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. LIJU K JOHNSON - COMPANY SECRETARY - GEOJIT  
FINANCIAL SERVICES LIMITED  
MR. BALAKRISHNAN – MANAGING DIRECTOR - GEOJIT  
TECHNOLOGIES LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to the Geojit Financial Services Limited 1QFY2018 post results analyst conference call hosted by Ambit Capital Private 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 touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Aadesh Mehta from Ambit Capital. Thank you and over to you Sir!

**Aadesh Mehta:**

Thank you Inba. Thanks to Geojit Management for giving us an opportunity to host this call. Geojit Management is represented by: Mr. C.J. George - Managing Director and CEO, Mr. Satish Menon - Executive Director, Mr. Balakrishnan - Managing Director of Geojit Technologies, Mr. Joe Peter - Chief Financial Officer and Mr. Liju K Johnson - Company Secretary. Mr. C.J. George and Mr. Satish Menon, I would be grateful if you could just touch up on the results and then we can throw it open for Q & A session. Over to you Sir!

**Satish Menon:**

Thank you Aadesh and good evening to all. Let me start with the numbers, then I will go into the details further, in terms of income split up. For April-May-June, the consolidated revenue was Rs84.11 crore compared to a year back of Rs69.49 crore, which is an increase of 21% and compared to Rs79.86 crore for the preceding quarter, which is an increase of 5%. In terms of expenses, the expenses were Rs58.21 crore, which is up

by 17% as compared to Rs49.57 crore of last year, and compared to Rs54.98 crore of the preceding quarter which is up by 6%.

Profit after tax is Rs16.22 crore which is up by 35% YoY and 6% as compared to the preceding quarter. In terms of split of income, the majority income comes from brokerage, pure brokerage gave Rs51.47 crore which is up 22% YoY and 8% on the preceding quarter. Financial product distribution which is the main thrust of the company has grown to an income of Rs8.56 crore this year, which is up 89% over the last year and 20% above the preceding quarter.

These are the two major sources of revenue. Software income at Rs4.24 crore is down by 22% YoY and up by 8% QoQ. The balance revenue is from depository services, interest charges and overdue fees, which are more or less in line with the brokerage income.

In terms of our SIP book, we have started an SIP campaign in May 2016. Today, at end of June, we have an SIP book of Rs111 crore, when we had come to you in the last quarter that is March ending quarter it was Rs87 crore. When I say SIP book, it is SIP plus STP. So, the SIP book is as envisaged and our plans are on track. What we have seen in the industry itself is that the SIP book is growing very fast and Geojit is also able to fulfill what it had committed in terms of building the SIP book.

In terms of mutual fund AUM at the end of June quarter, we were at average Rs2,389 crore of which Rs948 crore is old

equity AUM and Rs877 crore is the new equity AUM. All other AUM constitutes around Rs564 crore. So, the average AUM for the June quarter was Rs2,389 crore. This is what I have to say in the opening remark, I think Aadesh you can open for Q&A.

**Moderator:** Thank you very much Sir. Ladies and gentleman we will now begin the question and answer session. Our first question is from the line of Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

**Dhruvesh Sanghvi:** Can you throw some light on the industry figures of current SIP run rate?

**Satish Menon:** When we had come to you after last March, we were talking about Rs4,400-odd crore industry SIP per month. Today, one of the press reports says that SIP is Rs4,800 crore, so the industry itself has grown. We do not know the split between equity and debt. I presume it will be in the same proportion as it was earlier when it was Rs4,400 crore.

**Dhruvesh Sanghvi:** So where I am coming from is that the current growth rate that we are witnessing, let us say with the kind of markets today and the kind of marketing that all mutual funds, participants and the stakeholders have done is completely in favour of SIP and the mutual fund route but what if there is a certain break in terms of market's optimism temporarily?. Do we still envisage that we will not have problems of growing linear ?

**Satish Menon:** It is a very hypothetical question, Dhruvesh but I agree to the point that today there is a general awareness in the market regarding mutual funds. Thanks to distributors like us as well as to AMFI. Actually the advertisement of mutual fund “*Sahi Hain*” “*It is right*” has actually reached many parts of the country. What we have seen is over the last three to six months since the advertisement started it has become little bit easier for us to touch point the investor, so our general feeling is the market as such will expand. I agree with you there could be some cases where people who have invested earlier may be three-four-five years back and they wanted to book profit such things might also happen. I largely feel that many investors who have not yet invested in capital market would come to the capital market through the mutual fund route. So I do not see an immediate problem today, actually our contention would be if the market drops drastically and remains there for sometime then there could be an issue.

**Dhruvesh Sanghvi:** Okay and just a last question, if you can broadly explain, I mean - we could see that there was employee cost increases and related expenses probably, we saw our broking revenue is increasing by almost Rs10-11 core but it has not translated into similar bottomline, can you throw some light on that and how does it shape?

**Satish Menon:** There are a couple of things in the employee cost. One is of course the broking revenue increase year-on-year it is up by 22% and quarter-on-quarter up by 8%. When the broking revenue increases the incentive payout portion of brokerage goes up, so for Rs10-crore revenue there will be an increase

of Rs1 crore and Rs1.5 crore at least. So there is an increase in brokerage payout. Point number two, we have added certain people so there is an increase in cost there also. Point number three some allocation of annual incentive which spilled over this quarter was also allocated in this quarter that is why you see the employee cost going up slightly more than what is expected. On the distribution side, we will have around 20-25% of the income as incentives and on the brokerage side, if the market is good, corresponding to the increase in the market there will be a slight increase in the incentive so the base was already there last year and with that base there is an increase in the brokerage revenue and hence there is an increase in the employee incentives.

**Dhruvesh Sanghvi:** Can I ask one more or should I join back the queue?

**Satish Menon:** It is okay.

**Dhruvesh Sanghvi:** Just one part here that I think we were at Rs2,000 crore in March in terms of the MF AUM. I think it is Rs2,300 crore currently and we were already adding Rs90 crore of SIP so the lump sum business is not at all a focus?

**Satish Menon:** It is not like that Dhruvesh. Lump sum is also happening but you need to understand that when we do SIP in a month there could be some people who do not pay, so average is actually more than this, it is a sum factor of this so it is not that a lump sum is not focused. Lump sum is also a focus but you sometimes see SIP is not **falling** in which is actually compensated by lump sum.

**C. J. George:** I will add to that question, in lump sum, when the market goes up we see some redemption. Whereas in the SIP, we see relatively stable inflows and we did a survey among all the SIP investors and found that around 30% of the investors are monthly income earners.

**Dhruvesh Sanghvi:** Pardon me, 30% of investors are?

**C. J. George:** People who are getting monthly income.

**Dhruvesh Sanghvi:** Okay I got it. Thanks a lot.

**Moderator:** Thank you. We will take the next question from the line of Harshil Gandhi from JHP Securities. Please go ahead.

**Harshil Gandhi:** Sir what kind of EBITDA growth do we expect from here onwards?

**Satish Menon:** I will leave that to Aadesh to answer because it is a brokerage business, we cannot give any guidance. Today brokerage still constitutes around 80% of the operational revenue. On the brokerage business, we are not able to give a guidance because it is totally up dependent on the market activity. But you can compare March quarter and June quarter and see the growth and chart-out proportionately if the volume increases.

**Harshil Gandhi:** Okay Sir, how much is the volume growth in 1Q?

**Satish Menon:** On the brokerage side?

**Harshil Gandhi:** Yes Sir.

**Satish Menon:** Do you have any other questions I will come back to this .



**Harshil Gandhi:** No Sir as of now none.

**Satish Menon:** It is 56% year-on-year, 12% quarter-on-quarter for the cash market, And for F&O it is 19% year-on-year and 10 % quarter-on-quarter.

**Harshil Gandhi:** Okay, Sir that 10% is a positive figure right?

**Satish Menon:** All four are positive figures.

**Harshil Gandhi:** Thank you Sir.

**Moderator:** Thank you. We will take the next question from the line of Shivam Gupta from CWC Advisor. Please go ahead.

**Shivam Gupta:** Hi Satish. I just have a couple of questions, the first one is around the expense part. So if I understand right, I am trying to say in the brokerage business when the market rallies, in the volume growth, the portion of the revenue which is shared with the sub-brokerage or franchise goes higher and higher so it can actually grow faster than the revenues which are being accrued.

**Satish Menon:** Proportionately yes. For example a franchise today contributes 30% of the brokerage. For that 30% of brokerage, they have slab-wise sharing, the moment their absolute brokerage goes up they might go to higher slab.

**Shivam Gupta:** Okay, because what I am looking at is in terms of your reported financials, all these operating expense line which is reported separate from the employee cost.

**Satish Menon:** Correct.

**Shivam Gupta:** And your AR disclosures revealed that the biggest component is commission right?

**Satish Menon:** Correct.

**Shivam Gupta:** And given the brokerage is still a bigger part than the distribution, I was just presuming that effectively many of the guys would be upgrading their Slabs?

**Satish Menon:** Absolutely.

**Shivam Gupta:** Okay, so that is what I wanted to know. The other thing is that interestingly Mr. George actually made this remark especially that pivot towards the investment advisory is going well, so I have just two questions there: (A) right now we are doing well on the mutual fund distribution business but are there any other products on the anvil, let us say even around FY 2019-20 on which the company is right now even like touching upon? and (B) the second part is that theoretically or on spreadsheet it looks easy that you can add more products but what are the challenges on the ground in terms of the team readiness, capability of training which needs to go and before the next product can be rolled out?

**C.J. George:** At the moment, we are evaluating some of the proposals and it will definitely take six months to one year in terms of preparation for launching a new product, which is not necessarily a part of the capital market.

**Shivam Gupta:** The last question I have is in terms of the folios which are there with you through SIP. So is it a fair thing to understand that let us say a brokerage client would be a single client but in terms of SIP effectively there could be multiple SIPs in the same house?

**Satish Menon:** That is correct. When we look at SIP it is around 2.1 average SIP.

**Shivam Gupta:** That is very helpful.

**C.J. George:** But at the same time our target is 4 SIPs per household of our customers.

**Shivam Gupta:** Okay got it. One just last question because this I asked last quarter also, could you give me some colour on what is happening on the software side of the business which again I think kind of declined.

**Balakrishnan:** The software side's YoY decline is due to the reduction in the outsourcing programme of BNP Paribas. When compared to the last quarter, there is a slight growth so we have some new contracts with this we envisage more in the coming quarters.

**Shivam Gupta:** These new contracts are again from BNP or there are other clients?

**Balakrishnan:** We also have other external partners.

**Shivam Gupta:** So these new contracts have come from those other guys?

**Balakrishnan:** Other guys.

- Shivam Gupta:** Thanks a lot and all the best. Thank you.
- Moderator:** Thank you. Our next question is from the line of Digant Haria of Antique Stock Broking. Please go ahead.
- Digant Haria:** My question is on this mutual fund AUM that we report, so when we say that Geojit Retail has Rs2,300 crore of AUM, so this AUM is entirely comprised of AUM generated through this SIP book?
- C.J. George:** No Digant. Rs2,300 crore is the total AUM Geojit has in mutual funds of which Rs560-odd crore is debt mutual fund, balance is equity, of equity we have old and new. Old AUM means those AUMs which we had actually before May 2016, which is accumulated though our sales of MF done one-year, three-year, five-year back, where we had actually got upfront commission and on those we get a lesser trail commission that AUM is around Rs950 crore. A new AUM means after the change from upfront model to trade model, which is primarily coming from SIP that is around Rs877 crore.
- Digant Haria:** Okay got it and in terms of the SIP run rate, we saw that it has increased from Rs87 crore to almost Rs112 crore so this increase is coming out of selling more SIPs to the same customers or we are also increasing the number of customers in SIP. In the presentation you have stopped giving that data on number of SIP folios for the last one quarter, you know from the last quarter?
- Satish Menon:** We will start giving that data also but we have increased the SIP numbers. If you see, we have given the folios also in the

presentation, Digant we have given the folios also 341,000 was the folio in March and now it is 365000 plus in June.

**Digant Haria:** But these would not just be the SIP folios right?

**C.J. George:** These are the folios with us.

**Digant Haria:** Okay, because I think the mutual fund number, which you gave for December, was 156,000 SIP customers, you know our SIP folios I was more looking at that but anyways that is fine.

**C.J. George:** It is SIP counts.

**Satish Menon:** To answer your question with regard to new client during the quarter we have around 7,000 new investors that is new pan numbers in SIP and we continue to convert our existing broking clients. The strategy is to sell SIP to the families of the broking clients.

**Digant Haria:** And how do you see this run rate going, obviously the market sentiments are strong and that has the contribution but generally like where do you think this Rs112 crore number will be say 10 to 12 months down the line?

**C.J. George:** I want to say one thing, SIP is not sold on the basis of just pure market sentiments. SIP is sold to the clients for their long-term benefit, long-term retiring planning, financial goal based planning etc., so it will be unwise to assume that entire SIP sales is on the basis of your taking advantages of the market sentiment at the moment which is not. So we do a lot of homework and we give investment advise to clients with

that long-term approach we sell SIPs so it is not exactly like lump sum mutual funds or stocks.

**Digant Haria:** Okay but in future do we plan to do this lump sum mutual fund also because the Rs877 crore of new equity AUM that we have I think that is entirely the SIP generated AUM right?

**Satish Menon:** Yes, I had answered this question when I think Dhruvesh earlier had asked about lump sum .

**Digant Haria:** Okay, but we have not done it in big way as of now?

**Satish Menon:** No, we do not do in a big way especially when we get questions today where the Nifty has crossed 10000, is it right in putting full money in lump sum. Our people are little bit cautious towards the lump sum, they try to put it towards SIP and on your question on the run rate we had already said last time that by 2021 we need to reach a book of Rs600 crore which I meant Rs120 crore of addition every year. I think as of now we are on track to do that.

**Digant Haria:** Thank you Satish and George and wish you all the best.

**Moderator:** Thank you. Our next question is from the line of Saurabh Dhole from Trivantage Capital. Please go ahead.

**Saurabh Dhole:** Thanks for taking my question. Firstly, I just wanted to understand how big is this margin-funding book?

**Satish Menon:** Margin funding book is a very small book. There are two types of margin funding, one is the official margin funding which is a very, very small book less than Rs5 crore or something and

the other is when the broker keeps the debit in his books and charges interest rates, that is where the actual funding happens in the markets where the average is anywhere between the Rs80-100 crore a day.

**Saurabh Dhole:** Okay and if you could break down this equity and equity-related income across the business that you run. Like the bottomline on that particular page says that equity and equity-related income comprises these lines. So what is the break-up exactly?

**C.J. George:** So for the last quarter, pure brokerage was Rs51.48 Crores, depository of Rs4.35 Crores and interest income of Rs 4.5 Crores.

**Saurabh Dhole:** Okay and what are the income sources for other operating income and other non-operational income?

**Satish Menon:** Other operating income comes from consolidation of our joint ventures; overdue fees collected on pending payments and non-operating income come primarily from the treasury income.

**Saurabh Dhole:** Okay and if I could get this figure, you were saying that you added some 7,000 new investors during 1Q so how do you see this particular figure moving forward and you were also saying something about four SIPs per family, I did not get that point very clearly if I could have that point again please?

**C.J. George:** Okay, I was just talking about the brokerage client, our intention is to sell at least four SIPs per family of our broking

clients. With regards to new fund we are adding around 2,000 to 2,500 clients every month as new investors into the market.

**Satish Menon:** Let me be a little elaborate. We have added close to 16,000 clients last quarter of which 7,000-odd people are new clients in the mutual fund segment gave balance 9,000-odd people are in the capital market brokerage side.

**Saurabh Dhole:** Okay and on the brokerage volume side, what kind of growth, I think there was a figure of about 19% and 20% growth?

**Satish Menon:** Year-on-year 22% growth.

**Saurabh Dhole:** I just wanted to get some sense on this, how do you see this particular brokerage volume going up in the coming quarters because the volumes are pretty high in the market and currently how do you see it?

**C.J. George:** Last time we had mentioned about one point that is derivatives and day trading, our emphasis is relatively low as far as the offline business is concerned, online there is no change in our focus but offline our focus is not on derivatives and for retail people we are not focusing on derivatives and day trading but otherwise we have absolutely no compromise as far as focus on direct equities is concerned that is our main business.

**Saurabh Dhole:** So we can expect the yields to keep improving going from here is it?

**C.J. George:** As far as delivery business, offline business is concerned we do not find any challenge.



**Saurabh Dhole:** Okay and the entire brokerage volume would be totally towards retail customers?

**Satish Menon:** We do only for retails.

**Saurabh Dhole:** Okay and just one last question, what is the book value per share as of June end?

**Satish Menon:** We will answer.

**Moderator:** Thank you. We will take the next question from the line of Srinivas Seshadri from Mirabilis. Please go ahead.

**Srinivas Seshadri:** Thank you for the opportunity. Questions are pertaining to the Mutual Fund distribution business. Firstly, I just wanted to understand the training etc., which is given to the advisors which you have, what kind of advise is given to clients on schemes to invest etc., because hundreds of schemes are literally available from various fund houses so what kind of background work goes in to preparing that person to advise the clients that is the first question and second one is i wanted to understand how many advisors you have currently? Are they populated across all the branches or it is like only serving asset quality certain part of the current branch network and also, what kind of incentive structure are in place, are they rewarded on only openings or are they rewarded on the SIPs they bring in and is there any linkage of their incentives to the trail income or is it mainly related to the new business flow?

**Satish Menon:** To answer you first question, we have close to 300-odd people who are purely into sales. In terms of training, we have

an induction training, which is done within two weeks of their joining where they understand all the company profile, products and services with that we have product-wise training which is primarily on Mutual Fund. This training is conducted by in-house people as well as with the help of AMC, it is done across the country it is decentralized. If we have 5 people in Uttar Pradesh, AMC office in Uttar Pradesh conducts the training. In terms of advisory capability the feet-on-street is not supposed to decide which scheme is to be sold. We have an in-house research team which every month comes out with their research recommendation and the rule is employees of this company will not recommend any scheme, which is out of these recommended lists, It also has portfolio-based approach for example, if you are a conservative investor the mix is separate large-cap plus debt fund, if you are an aggressive investor you have largely allocation to equities, so all those things are explained every month through a newsletter which they carry when they go and sell to a client. They are not supposed to decide on which scheme to be sold, if they have to decide they have to decide within the published data of which large-cap could be around 10-12 schemes and the small cap could be 6-7 schemes so that is the flavour of the month which they are supposed to sell nothing outside this.

**Srinivas Seshadri:** Just to interrogate there if you are saying there are 10-12 large-cap schemes and customer asks them how do you choose which scheme all those the other, are they kind of trained on answering, do they understand like what could be the difference between one scheme and another in each category and so on?

**C.J. George:** That is an interesting question. That training we have given to all employees in the branches. Basically, we do a limited risk profiling and based on that basis, they suggest SIPs from the list that is prepared and published by the Central Research Department. I still have to answer your point on the incentives. We have different ways of incentivising people, for example there is some incentive given to people to open new PAN for those clients who are not with Geojit or in Mutual Fund if they get such clients, they get a certain incentive. But, the majority incentives come from the fact that as and when the company receives income, which is primarily trail today we do not receive up front; they get the portion of it. We moved from an upfront model to a trade model primarily because of the reason that we did not want our employees to churn client's portfolio. I hope you understand what I am trying to say.

**Srinivas Seshadri:** Basically, the employee gets some part of the incentive as part of the trail income, which the company is receiving, from the client?

**C.J. George:** Absolutely, I have answered one question earlier of book value. Book value is Rs.22.50 paisa consolidated.

**Srinivas Seshadri:** One last thing on the incentive, typically what range can the incentive go for an employee related to the base pay, what could be the range or is there a base pay at all or it is mainly incentive based?

**C.J. George:** There is no range. It is a fixed percentage, for all mutual funds sales. On the broking side, of course, there is a range for the dealers. But, at the same time for mutual fund particularly on

the SIPs how we design incentive structure is that the first year of the investment the employees will get 40% of the commission, second year 20% and there onwards 10% every year throughout the life of the employee in the company.

**Srinivas Seshadri:** Thanks a lot for explaining to me.

**Moderator:** Thank you. Our next question is from the line of Aadesh Mehta of Ambit Capital. Please go ahead.

**Aadesh Mehta:** Sir your annual report mentioned that you are also planning to launch mutual fund series through an online platform. I just wanted to know would that not cannibalise your offline mutual fund sales and second thing is that what is your key differentiator in an online platform and basically how are you trying to position yourself in that? Thank you.

**C.J. George:** The online platform basically is for self-onboarding and the transaction, we are planning to link it with the exchanges and do the execution. Whereas, in the field they will go and meet the customers and they can do the KYC through Aadhar and also make a transaction. I do think there is a market for both . Again, what we are trying to say first is on your question on the yield. The yield does not change. What we are trying to say is we will have an online platform, which will go through Geojit ARN code. So the commission structures for Geojit do not change. What we are trying to do here is to serve a set of customers who is not interested in meeting the feet-on-street they would rather like to do everything online so we are trying to provide a platform for them where they can come directly, do a limited risk profiling, view recommended SIPs and mutual

fund and can directly buy from there. It will be actually an addition to our business with the same kind of revenues. This is the channel of Geojit itself under the same ARN code where we get the same commission.

**Satish Menon:** In that process what we are doing is we are trying to bridge the gap. Today for the offline SIP distribution we are doing through our branches and going forward we will have a technology platform that will enable us to build our reach much larger than what we have today.

**Aadesh Mehta:** At present, I am curious to know why would such customers come to Geojit in first phase? Why would they not directly put in their money through direct plans of the mutual funds? What value addition the online platform has?

**C.J. George:** We are keeping limited financial planning attached to this distribution platform. We will continue to have a customer engagement program which is online. So, it is a goal-based financial planning, which somebody can do online and there will be intense engagement with the customers. The only difference is it will be online.

**Aadesh Mehta:** How has the pick-up been in this segment? I guess we have been doing it for last one year?

**C.J. George:** For the online?

**Aadesh Mehta:** Yes.

**C.J. George:** Online we are going to launch only.

**Aadesh Mehta:** The financial planning thing how is that?

**C.J. George:** Financial planning we have seen a lot of people actually trying and testing it. We just recently started getting the subscription. It is not much at the moment but a lot of people are trying as we have a demo financial planning facility and that facility is being used by a large number of people, they are waiting for our online distribution platform. So once that is ready we will go aggressive on this.

**Aadesh Mehta:** Would it be fair to say that the subscriptions to this scheme have been very minuscule say may be less than 1,000 or something?

**C.J. George:** Correct.

**Aadesh Mehta:** Thank you Sir. That is it from my side.

**Moderator:** Thank you our next question is from the line of Mr. Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

**Dhruvesh Sanghvi:** Sir just one question, I do not have the numbers here ready with me but let us say if we reach to 3,000 employees what will be our stable state employee cost per year?

**Satish Menon:** We calculate roughly 20,000 per month per employee.

**Dhruvesh Sanghvi:** I think in FY2017 it was Rs97 crore on consolidated level. Would this mean it would stabilise around Rs120 crore over the next three years?

**C.J. George:** Also that depends on our business, because we have significant variable pay. What Satish said 20,000 that is roughly the fixed cost and then it is variable base so it depends on business.

**Dhruvesh Sanghvi:** Actually, what I am looking at is let us say from 2,600 today to 3,000 what would be the parameters that would be checking internally or something like that our SIP count reached 150 and therefore we need another 100 guys. So will it be that kind of a thing or any which ways definitely we want to expand to 3,000?

**C.J. George:** That would not be the case so we will deploy the people depending on the opportunity and timing. In a particular geography, if we find that there is the potential and we need to add people, we will add people.

**Dhruvesh Sanghvi:** What is our attrition rate today if you can give some sense?

**C.J. George:** On the sales side, we have around 45 %.

**Dhruvesh Sanghvi:** Pure sales so almost one out of two people leave in a year?

**C.J. George:** Correct but I must also believe that the people after two years, the attrition rate is below 10%.

**Dhruvesh Sanghvi:** Does this automatically mean that after a couple of years of selling if they leave, it is an advantage indirectly to us because the trail commissions will not be passed to those employees?

**C.J. George:** No, we will not say anything like that.

**Dhruvesh Sanghvi:** Thank you.

**Moderator:** Thank you very much. Ladies and gentleman that was our last question I now hand the floor back to Mr. Aadesh Mehta for closing comments. Over to you Sir!

**Aadesh Mehta:** Thank you everyone. Thank you to the Geojit management for giving us an opportunity to host the call. Wish you all the best for your future endeavors. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen on behalf of Ambit Capital Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.