

**August 05, 2025**

To,  
**BSE Limited**  
Scrip Code: 540725

To,  
**National Stock Exchange of India Limited**  
SYMBOL: SHAREINDIA

**Sub: Transcript of Conference Call with Analysts/Investors held on July 31, 2025 to discuss Un-audited Financial Results of the Company for the quarter ended June 30, 2025.**

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Para A of Part A to Schedule III of the SEBI Listing Regulations, please find enclosed herewith the transcript of Conference Call with Analysts/Investors held on July 31, 2025 to discuss Un-audited Financial Results of the Company for quarter ended June 30, 2025.

Please take the same on your records.

Thanking you,

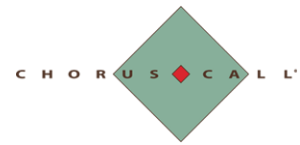
Yours faithfully,  
**For Share India Securities Limited**

**Vikas Aggarwal**  
**Company Secretary & Compliance Officer**  
**M. No.: F5512**



“Share India Securities Limited  
Q1 FY 26 Earnings Conference Call”

July 31, 2025



**MANAGEMENT:** **MR. KAMLESH SHAH – MANAGING DIRECTOR – SHARE INDIA SECURITIES LIMITED**  
**MR. SACHIN GUPTA – CHIEF EXECUTIVE OFFICER AND WHOLE TIME DIRECTOR – SHARE INDIA SECURITIES LIMITED**  
**MR. RAJESH GUPTA – DIRECTOR – SHARE INDIA SECURITIES LIMITED**  
**MR. ABHINAV GUPTA – PRESIDENT, CORPORATE STRATEGY – SHARE INDIA SECURITIES LIMITED**  
**MR. PRABHAKAR TIWARI – SENIOR VICE PRESIDENT – SHARE INDIA SECURITIES LIMITED**

**MODERATOR:** **MR. AMIT KUMAR SHARMA – ADFACTORS PR INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Q1 FY26 Earnings Conference Call of Share India Securities Limited. As a reminder, all participant lines will be in 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 star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Kumar Sharma from Adfactors PR Investor Relations Team. Thank you and over to you, sir.

**Amit Kumar Sharma:** Thank you, Bhavya. Good evening, everyone. On behalf of the entire management, I thank all the participants present on the call and wish you a very warm welcome to our Q1 FY26 Earnings Conference Call.

To guide us through the results today, we have with us the Senior Management Team of Share India Securities Limited, represented by Mr. Kamlesh Shah, Managing Director, Mr. Sachin Gupta, CEO and Whole-time Director, Mr. Rajesh Gupta, Director, Mr. Abhinav Gupta, President, Capital Markets and Mr. Prabhakar Tiwari, who has joined us as the Head of the WealthTech Division.

Before we begin, please note that this conference may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company, as on the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

We will commence the call with the opening brief by Mr. Kamlesh Shah, Managing Director, followed by the business highlights from Mr. Sachin Gupta, CEO and Whole-time Director. After this, we will open the forum for the Q&A. With that, I will now hand over the call to Mr. Shah to share his opening comments. Over to you, sir. Thank you.

**Kamlesh Shah:** Hello. Thank you, Amitji. Good evening, everyone. I welcome you all to the first investor call to share the performance of the company for quarter one financial year 2025-2026. Currently, we are witnessing a lot of headwinds, mainly because of the external factors and tariff-like issues. However, the industry in the first quarter has been experiencing supportive development that we are positively influencing our performance.

A trend that is now clearly being realized. We are especially excited by the immense potential yet to be unlocked within the financial service sector. Below are the detailed financial results for quarter one 2025-2026. First, we will discuss standalone performance for the quarter one. Quarter on quarter comparison is really very exciting. The total revenue from the operation for quarter one was INR273 crore compared to INR188 crores for quarter one 2025.

Impressive 45.6% increase quarter on quarter basis. Profit before tax and profit after tax for quarter one financial year 2026 was INR89 crores and INR69 crores compared to INR17 crores and INR16 crores for quarter four of financial year 2025. This represents significant increase of 427% in profit before tax and whooping 324% increase in profit after tax quarter on quarter basis, highlighting our strong operational efficiency.

Coming to year on year comparison for the standalone results, total revenue from the operation was INR273 crores compared to INR324 crore for quarter one financial year 2025, showing a decline of 16% year on year basis. Strictly speaking, year on year basis comparison does not give any comparable solutions because the situation in quarter one '25 was different.

Thereafter, we had a lot of development on international front, on tariff front, on these spikes and many other disturbances which has affected the performance of last two quarters of the last financial year. However, we have overcome that particular situation and now we are on a better footing.

Profit before tax and profit after tax for quarter one financial year '26 were INR89 crores and INR69 crores compared to INR94 crores and INR72 crores for quarter one financial year '25, showing a decline of approximately 6%. Earnings per share for the quarter on standalone basis stood at INR3.15 on face value of INR2 per share, reflecting a healthy profitability per share.

Coming to the consolidated financial numbers, quarter on quarter comparison. The total revenue from the operation for quarter one financial year 26 on consolidated basis was INR341 crores compared to INR240 crores in the last quarter, making a substantial 42.57% increase compared to the previous quarter.

For quarter one financial year '26, profit before tax was INR111 crores and profit after tax was INR84 crores compared to profit before tax of INR23 crores and profit after tax of INR19 crores in the previous quarter. This reflects approximately 379% increase in profit before tax and 353% increase in profit after tax quarter on quarter basis, demonstrating robust growth across our consolidated entities.

Coming to the year on year comparison, the total revenue from the operation for quarter one was INR341 crores compared to INR414 crores, decline of 17.5% Y-O-Y basis. Profit before tax for quarter one financial year '26 was INR111 crores compared to INR131 crores in the quarter one of financial year '25 and profit after tax is INR84 crores in quarter one financial year '26 compared to INR103 crores for financial year '25, showing a decline of approximately 18%.

Earnings per share for the quarter has been recorded as INR3.86 on face value of INR2 per share. We have declared dividend of INR0.30 per share of the face value of INR2 per share. The company has shown strong performance and significant rebound from last quarter's result across all the segments. We are very pleased with the result and we believe they set a positive tone for the rest of financial year.

The past few years have marked our transition from traditional broker to full-fledged tech financial service provider. The company has remained focused and taken right steps with right people to achieve this transformation. Carrying this legacy forward, we are now venturing into new segment of WealthTech, a comprehensive technology-driven product designed to serve all classes of investors.

In line with this exciting development, we are pleased to announce that Mr. Prabhakar Tiwari, a well-known name in the industry, has been entrusted with the responsibility of this project. We welcome Mr. Prabhakar Tiwari to Share India Family. He is with us on this conference call, so

he will give you detail of the project and Sachin ji will give you overall view of the developments and the new initiatives that we have taken and the way forward.

I would like to acknowledge exceptional contribution of the team led by Mr. Sachin Gupta, CEO, for their efforts in creating opportunities and converting them into results, which has significantly contributed to the historic growth of Share India as a group.

To conclude, I would like to reiterate our commitment to growing sustainably and creating robust ecosystem that provides sustainable long-term growth opportunity for all our stakeholders. Thank you. With these words, I would like to hand over the proceeding to Mr. Sachin Gupta. Thank you.

**Sachin Gupta:**

Thank you, Kamlesh sir. Thank you for the detailed presentation about the Q1 results. Good afternoon, everyone. Thanks for taking time out for this conference call. As Kamlesh sir explained, Q1 has been a very satisfying quarter as we have seen good rebounds from the Q4 of the last financial year. This particular quarter has been a very happening quarter for the company.

A lot of new initiatives and steps have been taken. We were trying this last month and maybe year. All these steps are forward-looking towards the commitment to our investors where we say that Share India is here to be a more stabilized company focusing on the diversified revenue and run by the hardcore professionals. Different divisions are run by the hardcore professionals.

What we achieved in this particular financial year? First of all, I would like to highlight that MTF book which was dropped to INR186 odd crores by Q4 last financial year has jumped by around 40% in this quarter. We have closed the book around INR315 crores. With MTF, it gives us more stability in our revenues. That also helps in increasing the penetration towards the retail side of the business.

The way the market is growing, so this particular financial year, we can see the MTF book is growing at least 20% or maybe 30% from here on. Another thing that we achieved is we closed the 100 crores NCD in this quarter which was at 10.75%. The best part is a lot of institutions, retailers, and HNIs have participated in NCDs and our NCDs are very well accepted in the market.

That's the first time in our history that we came up with this kind of product and this was well accepted and this opened a few doors for the company for the further fund raising in the future. Another big step towards the future is, we got the permission from the SEBI for the PMS license, which we explained in the last quarter that we have applied but we got the permission from the SEBI. Luckily, as we are committed to work with the professionals, I cannot name the professionals right now but that will be disclosed in the coming months.

One guy from the industry having more than 18 years of experience with the different mutual funds and a hardcore guy of this industry has agreed to join us as a PMS. The first team will be launched by September. By September first, the team will be launched from the PMS side. This is a very forward-looking step.

We are looking to enter into the fund management system where AIF and PMS should be part of our revenue and product offering. So, PMS is the first step. Once we get stabilized with this, then definitely we have AIF in our mind. Going further, we might go towards the AIF also. PMS, as I said, again will be run by the professional team, as we are hopeful, in coming years PMS will also become a good revenue stream for the company and stabilizing the overall revenue for the Share India.

And going further, another project which we announced in this quarter is Project Drone. Project Drone is a project that Kamlesh has explained. It is a project towards a WealthTech company we want to launch and Mr. Prabhakar Tiwari has joined hands with Share India. It is a WealthTech startup by Share India and Prabhakar. So, the idea is, as we all know, we are seeing also next decade belong to the Indian retailers.

So, if India is going to grow, why Share India should not be a part of that growth by offering at least some products for the retailers? Primarily, we are a B2B company. And I appreciate my Management, my Board that they gave us the permission to enter into the hard core B2C business. It's very tough for any B2B company to enter into B2C. So, you need courage to do that and the Management and Board showed that courage and backed us.

And Prabhakar is here. Prabhakar is a veteran in this industry. He was a Chief Growth Officer of Angel. He has seen the growth of Angel from 10,000 accounts per month to 10 lakh accounts per month. He has seen all this journey. He has planned and he showed his commitment towards his business.

Now, that Prabhakar is here and we have just started this project and we believe Prabhakar will explain in his comments after me, that when he will commence the business. Our goal is to -- it's not only the broking, it's not what Zerodha is doing only. So, it is a complete financial product with broking, with wealth product, with financing, with everything.

So, next 10 years, as I said, we believe that if we somehow conquer this, this will further stabilize and it will not stabilize. It will help us grow far more than what we are expecting with only one way of B2B business. So, you guys can see that Share India is constantly taking steps every quarter towards entering into the B2C space of the country, like institutional business got started, PMS now, MTF, now Project drone.

So, uTrade Algos, again Prabhakar will be taking the lead in taking and uTrade Algos also now, that product will also be offered to the clients via this Project Drone only. And as we saw, as Kamlesh sir had said in commentary, we have seen so much regulatory challenges in last financial year, especially Q3 and Q4. So, we believe that those things are now stabilizing a bit and business is picking up, which is shown in the results of Q1.

So, if the broadening, as we believe that regulator is broadly done with the last changes. So, if there are no much differences on the regulatory side, so we believe this particular financial year will be somewhere 20%-25% growth based on last financial year.

One more thing I want to add here that we got permission from the SEBI and exchanges for the merger of Silverleaf. This is another big thing, which was stuck with the regulatory approval

from the exchanges and the SEBI. We just received it 15 days back. And going further, Silverleaf is going to be a great acquisition. They are experts in HST Trading Shines and Quant Trading Shines. So, they will again -- now we will move to the CLT and I hope in next 6 months this merger, this financial merger will happen.

And with the Silverleaf coming in our chain, it will again boost our revenues from the different line of business, which we are not doing right now. Again, focus is on stabilizing and growth both. So, this is from my side and thank you for giving me this chance to explain about the quarter and the future growth.

Thank you very much. And Prabhakar, over to you, if you can please explain about the Project Drone. Thank you, guys.

**Prabhakar Tiwari:**

Yes. So, thank you Sachin ji and Kamlesh ji. Good evening, everyone. I am delighted to join today's earning call alongside the Share India leadership team. I am Prabhakar Tiwari with more than two decades of leadership roles across finance, consumer, and technology. In my last role as Chief Growth Officer of Angel One, I had the privilege to work alongside the management there to scale Angel One to number three, top three brokerage in the country and transform a traditional brokerage house to a full stack fintech platform.

I extend a warm welcome to our investors, analysts, and valued partners, as I talk about Project Drone today. Over the past few months, I have had the privilege of working closely with the team at Share India to work towards building our next big growth engine, Project Drone, Share India's WealthTech venture. I would like to briefly share our vision and why we believe it is a game changer for both Share India and our investors.

India's wealth management space is at an inflection point with over 80 to 100 million plus mass and emerging affluent investors seeking holistic wealth guidance beyond trading. In Tier 2 cities represent a massive white space and differentiated market entry opportunity. Project Drone leverages Share India's strength in institutional-grade trading infrastructure, AI algo-led tools and strong compliance DNA, while expanding into WealthTech, capturing a broader share of clients and their investable capital from INR10 lakhs to INR10 crores.

Unlike single product brokers or legacy wealth platforms, Project Drone is designed as a bundled AI algo-driven wealth platform, seamlessly integrating trading, investing, advisory and credit, especially for underserved Tier 2, 3, 4 geographies in India. I am glad to share with the investors that we have assembled a founding team with deep fintech and tech experience from firms like Angel, Upstox, Google, among others, and this is just a start. More people are supposed to join us in coming quarter.

Our early surveys and pilots with thousand plus retail investors confirm the strong appetite for an integrated wealth platform, which Project Drone envisages to build over time, starting from a strong MVP in next 6 to 9 months. In short, Project Drone is designed to future-proof Share India's growth, diversify revenue beyond trading fee and capture the next wave of India's wealth creation story. Project Drone, in my opinion, is not just a growth driver, but a reflection of Share

India's ability to innovate and lead. We look forward to welcome your questions during the Q&A. Thank you, and I will hand it back to Bhavya who will open to Q&A.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jitesh Sakaria, an Individual Investor. Please go ahead. As there is no response from the current participant, we will move to the next question. The next question is from the line of Neha Shah, an Individual Investor. Please go ahead.

**Neha Shah:** Good evening, sir. Sir, can you break down the performance about the verticals, like broking proprietary like how, which segments are contributing more to the top line and how is the margin expansion?

**Management:** Sachin ji, you'll take the call.

**Sachin Gupta:** This particular quarter, what we saw that, as I said, MTF interest income is getting stabilized or going up. Broking business has shown good growth and the major growth has come from the prop side. In the last quarter, when the numbers came down, so the commentary from our side was there was some notional M2M losses which we need to book in the balance sheet. That number has recovered a bit.

So, putting everything together, some recovery from the investment side, our business getting good, you know, stabilized and MTF and broking side. All things have been improving the margins and the numbers. Also, primary market activities have picked up in the last quarter. So, everything put together has contributed. Abhinav, if I have missed something, can you please add?

**Abhinav Gupta:** Sure, sir. So, thanks a lot for your question, ma'am. So, as Sachin sir has explained, in the last couple of quarters, there has been a lot of flux in terms of the regulatory landscape changing. As continuously said in our con calls, we now see some sort of stability coming into the system and as you can see, the broking numbers have started stabilizing and have seen some marginal growth as well.

Major improvement that has happened has happened in terms of the fact that the interest income by the virtue of MTF income has sort of started taking a leg up, which is a very healthy sign because in the long-term scenario, we believe the interest income would be a very major component of a broking component specifically. Also, by the virtue of the cost-cutting measures that we had done internally in the last quarter have ensured that the cost element remains the same while the business has started recovering in this quarter.

And as Sachin sir said, along with it, some benefit of the interest or the investment benefits that were there in terms of losses last quarter has started coming up on the improvement side, which has led to a margin expansion both at the EBITDA level and PAT level.

**Neha Shah:** Okay. Thank you, sir. And sir, I also wanted to know about the new client acquisition. Sir, any targets you have set for this year and can you explain on, like what's the strategy to scale further?



**Abhinav Gupta:** Ma'am, we have been very continuously talking about client acquisition and uTrade Algos has been a very beneficial product for us in terms of acquiring clients. While that product has been now in line for almost a year now, as discussed on this call, we believe there is a lot more space apart from just broking in terms of client acquisition. With Prabhakar ji on board, we believe that the wealth DIY and the wealth technology especially would be a game changer from the long-term scenario.

We are not trying to compete on a quarter-on-quarter basis with other broking houses on this regard. We believe building a sustainable new digital platform with much more capabilities beyond broking would be a game-changer and a better customer acquisition strategy in the longer run. Prabhakar ji, if you can just want to add some points...

**Prabhakar Tiwari:** I want to add something here. So, in terms of expanding our offline retail business, Share India has opened branches in the Tier 1 cities, like in Calcutta, Ahmedabad, Delhi itself and Patna. And we are focusing on all these cities and opening our own branches. So, the intent is to serve the clients for the equity services and wealth products also. So, our base is expanding in terms of offering more wealth products, like mutual funds, FDs and debenture selling and also equity products.

And secondly, as I explained primary, I think we are also doing really good these days. So, the number of clients they are going up. Intent is also to expand our own base in the different parts of the country and in the offline side. So, we primarily focus on offering multiple products to the retail customers now.

**Neha Shah:** Okay. Thank you, sir. I'll get back in the queue. Thank you.

**Moderator:** The next question is from the line of Mayank Sharaf, an individual investor.

**Mayank Sharaf:** Yes. Hi. Good evening everyone. So, the first question was regarding your project drone. It was very well explained by Mr. Prabhakar. I just want to know if you have some growth plans if you could share some insights.

**Prabhakar Tiwari:** Yes. Sachinji, should I take it?

**Sachin Gupta:** Yes. Prabhakar, please go ahead.

**Prabhakar Tiwari:** Yes. No. Thank you, sir. I mean, that's the most relevant question. And I mean, with the kind of Share India setup that we are incubating this wealth tech venture, we believe this will play a large role in expanding not just the revenue top line for Share India, but also increase the margin expansion, which is required.

And we also believe that this will have a complementary and catalytic impact on other businesses of Share India. So, in terms of growth plan, I mean, I'm not in a position to share a specific number at this juncture, but we will move very fast. And the reason for the same is that we are – we have assembled a very experienced team as a part of this startup venture of Share India, who are coming from a very mature scaled fintech experience.

And Share India already has a lot of expertise around trading, compliant DNA, regulatory know-how. So, I believe we'll hit the ground running. And I expect our MVP to be out in six months to nine months. And when I say MVP, mostly the minimum viable product, people look at two key features with minimal resources as they go to the market.

But our MVP will be very strong and we will be testing multiple revenue driving features, and customer acquisition features as we go to the market. And in my opinion, as we start progressing from MVP, you will see the impact of this venture both on the top line and bottom line of Share India very soon.

**Mayank Sharaf:** I have another question. So, like, what are your views on the turnover at the exchange level, given the regulations around derivative trading?

**Prabhakar Tiwari:** Yes. Sachin sir would like to take.

**Sachin Gupta:** Kamlesh sir, do you want or should I answer?

**Kamlesh Shah:** Yes. I mean, you can start and then if there is anything left, then I'll chime in.

**Sachin Gupta:** So, we have seen that exchanges volumes and overall market volumes are coming down because of the regulatory challenges and the spikes and we can see, so many things are happening in industry. So, as we see in the regulatory changes, believe that they are stabilizing a bit.

And regulatory is also of the view and now they have changed their view, changed -- and they're very accommodative in their stance and listening to the industry. So, going further, we believe exchanges will be more innovative in offering more products. And like I said, people are in a mood that, again, they are trying their strategy because with the current regulatory environment.

So, not exactly the kind of volumes we were having like six months ago. But yes, volumes will not drop from here. And they will start going up in maybe a quarter or two. And -- but it's hard to commend that, when we can see the exact numbers were happening six months ago. But yes, things will be better from here. I think we have always touched the bottom from the volume side. And the changes are very positive that in coming two to three quarters, exchanges volume will be far better from here on. Kamlesh sir. Yes.

**Kamlesh Shah:** Yes. Here, I would like to add two, three lines.

**Mayank Sharaf:** Yes.

**Kamlesh Shah:** We have emerged from the regulatory headwinds. We have used this difficult time to consolidate and to take new initiative. We have broadened our revenue stream so that, we are more sustainable and each vertical contributes revenue to the organization or on the consolidation basis.

We believe that the last leg of disruption, namely the tariff war, will also get resolved as government is proactively tackling this issue. And we are taking new initiatives, like, increasing our stake in metropolitan exchange. And this is just not investment, but this will also provide us

one more platform where we can expand our activity, we can get new products and this will add to our turnover.

So, I think, the difficult time should be behind us. And there will be stability in the turnover. And going forward, we feel that this year could be better, as Sachinji has already pointed out, we will have decent growth this year.

**Abhinav Gupta:** Also - yes, also, I would just like to add, as explained by both Sachin sir and Kamlesh sir.

**Mayank Sharaf:** Yes.

**Abhinav Gupta:** Along with just the stability into the ecosystem, we believe the new innovative products being offered by different exchanges across the Board would be really helpful for broker licenses going forward.

**Moderator:** The next question is from the line of Kunal Choudhary, an individual investor.

**Kunal Choudhary:** Thank you for the opportunity and congratulations for the nice recovery. I have one question regarding the shareholding pattern. As I can see, like, in the last few years, like, for so many years, there's a continuous reduction in the promoter shares. Okay, can I know the reason behind this?

**Abhinav Gupta:** I mean that's -- yes. So...

**Sachin Gupta:** Yes.

**Abhinav Gupta:** Thanks for your question. I think the reduction that you had been seeing across has been very marginal and that has to do with a couple of factors. Number one, the acquisition strategy that the company employed from 2017 to 2020, and specifically, because there was a right issue that was brought out in 2023, which was fully subscribed by the second half of 2024 or 2025 fiscal year.

I think because of that, there was some dilution. The promoters have not sold any shares, and I think, if you see from last couple of quarters, the shareholding pattern was a stability factor. Just to answer your question in a more pointed way, the promoters have not sold shares. I think all the dilution has been because of either acquisitions or new capital being issued to new investors.

**Kunal Choudhary:** Okay. Thank you for the clarification. And I have one more question regarding the cash flow statement. There are, like, last two financial years, like, March 2023 and 2024, there is a negative cash flow from operating activity. So, can I -- like, is there any, but this March 2025, the cash flow from the operating activity becomes positive and it becomes, like, INR6 crores.

**Abhinav Gupta:** Yes. So I think you are talking about the full years. You need to understand that ours is a financial company, and all the money invested into the FDs or any other investment product is also taken as an operating cash flow -- cash outflow. And hence, because of that, you might see a negative operating cash flow. But I think for a finance company, just looking at a pure-play, cash flow from operations would not be a right message, because a lot of investment related are classified as operating activities and taken in a negative cash outflow. So, you need to look at that.

- Kunal Choudhary:** I agree. But before -- but if we compare like before 2023, it was a continuously positive side, like, INR400 crores, INR250 crores, INR68 crores. Okay, but since like March 2023, it was minus INR170 crores. Then March 2024, it was minus INR300 crores.
- Abhinav Gupta:** See, I think it is only because of some investments that might be there.
- Sachin Gupta:** Yes. Yes. Abhinav, I think that is because of the investments. Earlier, we never used to do any investments. So, we did some strategic investments in last two years, like Master, like Swastika, like MSCI. I think that is a primary reason.
- Abhinav Gupta:** Yes. But I think even...
- Kunal Choudhary:** Okay sir.
- Abhinav Gupta:** Those amounts would be smaller. I think it has to be a larger context. I think we can address it on a one-on-one at a later time. But as I said, cash outflow from operations for a financial company is not the right metric completely to look at.
- Sachin Gupta:** Second thing, here I would like to clarify that all the investments that we have made are all business investments. I mean, it is not pure investment. And these are all strategic investments, which will pay very rich dividend in terms of expansion of our business activity and getting like-minded brokers on board and to broaden our revenue streams.
- And like MSCI, MasterShare, and Swastika, all are from the same industry. So, what we are focusing, and partly because of the merchant banking activity also, we need to invest something in the company that -- where we are merchant bankers to be market makers for the SME segment. So, all the business -- all the investments are related to business itself and these are going to be paying rich dividend in coming months.
- Moderator:** The next question is from the line of Prisha Shah, an individual investor.
- Prisha Shah:** Hello. Good evening, sir. I have a couple of questions. First one being what steps are being taken to scale our insurance and mutual fund distribution business, especially in the Tier 2 and below cities?
- Abhinav Gupta:** Okay. You want to ask both or should we start the answer, ma'am, continue?
- Prisha Shah:** Maybe you can start. I can go on with other questions not related to the same business, so.
- Abhinav Gupta:** Yes. So, I think your question is around regarding the mutual fund business and the insurance business.
- Prisha Shah:** Yes.
- Abhinav Gupta:** As we said, as Sachin sir has already said, we had opened branches. We are going both offline and online in both these products. Offline we are opening branches in the major epicenters of the businesses including Kolkata, Patna, and Delhi branch itself, where we are just not trying to cater to the broking part of it but go beyond broking and into the other part -- businesses

including both insurance and mutual fund. Insurance business, we do a lot of cross synergy from our merchant banking business as well because we get a lot of clientele from those businesses and are able to cross-sell a lot of other products by those virtues.

Also, in terms of insurance and mutual fund both as Prabhakar is there, we believe while we had different suits available with us in both in terms of mutual fund insurance and other product as well, I think that is what we are trying to accumulate into a single platform and offer to our clients in a digital version. So, the acquisition strategy is both physical and digital along with cross selling from the other synergies that we get from the other business divisions.

**Prisha Shah:** Okay. Understood. And so, my other question is on our institutional client base. Currently we are having it at around 140 or so. How are we planning to grow that institutional base beyond that?

**Abhinav Gupta:** Yes. So, ma'am, from an institutional clientele, you are absolutely right. We currently have an empowerment of 144 clients over there. I think we have seen a massive growth in this business in the last two years that we have started this business. And now, we see some sort of stability there.

But as you said, we currently see easily a growth by being a nascent player and being very tech enabled in terms of different product suits of in-house tech capabilities. We believe we will continue to acquire customer and gain market share in this. But being a different kind of nature, the clientele would be not as high what you would expect in a retail business.

**Prisha Shah:** Yes.

**Abhinav Gupta:** But easily from -- even from current levels, we expect on every quarter to grow by 20%, 30% easily.

**Kamlesh Shah:** See here -- see, ma'am, here I would like to clarify. Don't, I mean, the client for institutional business is something different. These are all FII, DII, mutual fund and domestic institutions. Their number will be like this only. In fact, this is a great achievement that within a year of operation, we could have 140 institutions working with us. This cannot be compared with the retail clients. Retail client base is different. These are institutional clients. And to acquire 140 clients, I mean, institutions to work on our Insti platform, that itself is a credit and the Insti desk is performing very well.

Normally, it takes about 3 years for breakeven, but we have pleasure of getting breakeven in the first year itself. So, the institutional is doing extremely well. And it has opened up some opportunities and going forward, we will do even better. Thank you.

**Moderator:** The next question is from the line of Ashish Jindal, an Individual Investor.

**Ashish Jindal:** Good evening, sir. Sir, as of now, most of our revenue and profits come from proprietary trading, right? All other businesses are quite small in comparison. So, I wanted to ask you, how should we see your business 5 years down the line? I'm assuming that the proprietary business will continue to generate good ROEs. But what to do with all of this cash now?

What businesses can you scale? Because I do not think that market will give good valuation to the proprietary desk part of the business. But what proportion of our PAT can we expect to come from other businesses 5 years down the line?

**Kamlesh Shah:** Sachinji, you can start.

**Management:** Yes.

**Abhinav Gupta:** Sachin, sir, I just want to clarify a couple of points before you start. I'll handle it. So, sir, thanks a lot for your question. I think I'll clarify that not most of our revenue, I mean, it might seem from a revenue perspective that most of our revenues come from proprietary trading. But at the bottom-line level, not more than 50% or 55% of our profitability comes from proprietary trading. The rest of profitability comes from all the other segments combined. So, just to clarify on that, but rest, Sachin sir, you can start and then we'll all follow up.

**Sachin Gupta:** Yes. So, the point you're making is see, you guys can easily see and it is very noticeable that since last 3 years, we are making very sincere efforts in different, different verticals to, to go away with -- to start revenues with the -- in B2B business into different verticals, like merchant banking business is one, NBFC business, institutional desk, insurance side of the business. So, all these things we are doing since last 3 years.

And every 6 months, we are trying to add some more verticals where we can enter into the retail side of the overall business side. So, like MTF business, we started 1.5 years back. Retail branches, now we are opening. Now, we have started distributing best products to the sub brokers also. So, all these things. So, if you can see last year, merchant banking division did really well.

Even in this year, merchant banking, first time we have two mandate of main Board IPOs. So, the quality of company is far, far better. So, we are growing in every vertical slowly and gradually. So, growth is in a very organic process. We need -- we cannot be very aggressive. It can backfire also. Every vertical is led by some professional, like we have a separate CEO for insurance. He has full independence to drive his own vertical. Abhinav is doing one.

Insti desk is led by Kalpesh Shah. So, different, different guys are having lots of experience behind them. So, diversifying into different verticals and leading that in their own verticals. So, that's why the earlier 3 years back, this rate with the bottom line was around 80%-85%. Now, it has come down to 55% as Abhinav has explained. So, going further, again, in this quarter only, we are starting PMS and the Project Drone is already, as explained by us, Prabhakar is sitting here.

If intent was not there, then Prabhakar and PMS, then Insti desk, all these things might not be happening. So, what we are doing, we are keeping a close control over our cash flows. The cash flows we are generating by our prop business; we are using those cash flows to diversify into other verticals where we are serving to the clients, maybe B2B and now B2C also.

So, I think this is the best-case scenario and best strategy and extreme, extreme rare case where you see a hardcore B2B company working into different verticals. And now, our goal is not that

we are not only focusing on the -- growing our PAT number, growing our prop. Our focus is stabilization and participation into different aspects of this business.

So, that intent is clearly shown since last 3 years. And going further, we'll go deeper into it. And with the people like Prabhakar, the project drone, PMS, all these things. And now, AIF is also in our kitty. So, we are planning for it after 1-year maybe. So, continuously we are -- and you will not see any big names and big addition on prop side, correct?

So, all these things we are doing and intent is there. And also, use of this cash flow is a fabulous strategy I think our management has done. And going further, we are hopeful that revenue from the prop will -- overall revenue will grow. Even the revenue from prop will also grow. But the percentage of prop revenue should drop to 30%-35% next 3 to 4 years. That's from my side. Abhinav and Kamlesh, sir.

**Kamlesh Shah:** Sachin, can I add some few?

**Sachin Gupta:** Yes, sir. Yes, sir.

**Kamlesh Shah:** See, we have unique business model. We are focusing on algorithmic solutions and automations. And if you want a breakup of the revenue, out of 100 rupees that we earn on the consolidated basis, 25%-30% comes from the subsidiaries. We have about 8-10 subsidiaries which contribute positively to the consolidated revenue.

Out of the balance 70, 45-50 is contributed currently by the prop desk and 20%-25% is contributed by the investors. Now, we have net worth of INR2,400 crore as of June. And this also, the prop desk also gives us opportunity to earn money out of the surplus fund that we have. And prop desk is a door to attract customers.

Whatever strategies we use for our business, we offer the same to the client. We offer the same platform to our clients. We also offer them strategies so that they get attracted and they get complete business solutions. And that is where the, lot many clients or the HNIs or the brokers are coming to us and joining our platform.

In addition to that, the new initiatives that we have taken on PMS side, on Insty side, and the recent one on the retail side by this Mr. Prabhakar Tiwari, all this will rightly, increase our revenue stream from the retail investment to a higher side, as Sachin Ji has already explained. Thank you.

**Ashish Jindal:** Sir, just to add on that part, like all of our businesses are good cash generating businesses. So, can we like anticipate that 3 years down the line, 4 years down the line, the company can be a good dividend paying company?

**Kamlesh Shah:** We have restricted our dividend payout to 12% of that on a standalone basis. Because we need constantly funds for expanding our business activity and increase our foothold in the industry. But, whenever we will have surplus fund, or whenever we feel that the funds are not generating more revenue than, the individual, our investors can earn. We will definitely reconsider our policy and increase the payout ratio.

But right now, as we've mentioned earlier also, that we are opening new stream, like MTF and other things, where we require more funds. And we have currently MTF book of around INR300 crores, which we may take it up to INR1,000 crores. So, this is a lot of investment.

This is a growing company. And we have a lot of business opportunity and with the kind of diversification and the business verticals that we have created, it gives very good opportunity for us to gainfully deploy the fund available with us. And that is why, we are little conservative on the dividend payout policy. Thank you.

**Ashish Jindal:** Sir, just last question. We already have...

**Moderator:** Sorry to interrupt, sir. Sir, can you please rejoin the queue as there are several participants waiting in the question queue?

**Ashish Jindal:** So, just waiting these questions. So, what will be a star vertical in the future?

**Moderator:** Sir, please rejoin the queue.

**Ashish Jindal:** Okay.

**Moderator:** The next question is from the line of Khyati Dewani from Aditya Birla Capital.

**Khyati Dewani:** Yes. Hello. Sir, I wanted to ask one question. So, in the consolidated revenue, which we are seeing for Q1 FY '26, so there is a component for net gain on fair value changes, like which has spiked up a lot during the quarter from last quarter, which is Q4 FY '25. So, sir, can you explain what is the reason for this increase, which we can see?

**Abhinav Gupta:** Sachin sir, you want to take or should I start?

**Sachin Gupta:** I will just start then, Abhinav, please take it. So, ma'am, the component you are seeing is a combination of two sides. One is the prop income and another is the change in the investment value of -- from the last quarter. So, as I explained earlier, because this quarter was good for overall prop business, the prop number has gone up. And as I explained, in the last quarter, there was a fair value loss of INR40 crores because of the drop in the market.

So, when that -- now that particular fair value is around INR16 crores. So, overall, it's a combination of two things, prop income and change in the fair value. So, that's why the number has gone up. Abhinav, you can explain.

**Abhinav Gupta:** Yes. So, ma'am, thanks a lot for your question. I think the number, as you said, is the net gain in fair value changes and explained by Sachin sir is a combination of both these incomes, which is proprietary income and investment income. Proprietary income, we were doing around INR250 crores a quarter before all the regulations started happening and that number started dropping because of all the regulatory tightening that was happening.

And as explained on this call earlier that we have just come from the regulator headwinds. So, the proprietary income, essentially, because of the tightening in the derivative market, had



dropped in the last quarter. Along with that, we also had a double impact because of the inventory loss on the investment that we had.

And as sir said, this quarter has been good in terms of both the growth of the derivative business, again, coming into the fore, where we see even at a consolidated exchange level, we now see the volumes being stable, giving some stability. And we, being pioneers in terms of the technology, are able to capture a better market share in the entire equation.

And also, we have recouped some of the inventory losses that we had to take on the balance sheet last year. So, that's why from a quarter-on-quarter perspective, you see a very big jump. But if you look at it from a year-on-year perspective, you would see stability into the system, essentially.

**Khyati Dewani:** Okay, got it. So, sir, out of this INR218 crores which is there, so how much would be for the fair value changes and how much would be for the top income?

**Abhinav Gupta:** Ma'am, as sir said, B2B -- yes, on a rough estimate basis, as Sachin sir said, in the last quarter, we took an impact of around INR40 crores in this line item. And of this INR40 crores, we have recouped around INR16 crores in this line item this quarter.

**Khyati Dewani:** Okay. So, INR16 crores would be the change -- fair value change and balance would be from prop income?

**Abhinav Gupta:** Yes.

**Khyati Dewani:** Okay. Yes. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question. I now hand the conference over to Mr. Kamlesh Shah for the closing comments. Thank you and over to you, sir.

**Kamlesh Shah:** Yes. Thank you for your participation in large number. Your inputs are very valuable to us. And this also gives us insight into our business and we try to explore all the opportunities that are coming in our way. And with the expanding team, we are confident that we are best placed and the unique business model that we have gives us also an edge in securing business.

So, thank you for your inputs. And thank you for your support. It is your support that has given a lot of confidence to us. And it's an energy for us. And going forward also, we look forward for your support. And thank you again for attending this Investor Meet. Yes. Thank you very much.

**Moderator:** Thank you. On behalf of Share India Securities Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

**Management:** Thank you.

**Kamlesh Shah:** Thank you everyone.