

November 04, 2025

To,
BSE Limited
Scrip Code: 540725 / 976824 / 976825

To,
National Stock Exchange of India Limited
SYMBOL: SHAREINDIA

Sub: Transcript of Conference Call with Analysts/Investors held on October 31, 2025 to discuss the Un-audited Financial Results of the Company for the quarter and half-year ended September 30, 2025.

Sir/Madam,

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 Friday, October 31, 2025 to discuss the Un-audited Financial Results of the Company for quarter and half-year ended September 30, 2025.

Please take the same on your records.

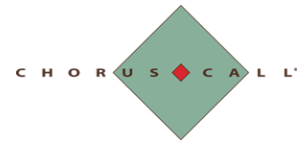
Thanking you,

Yours faithfully,
For Share India Securities Limited

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



“Share India Securities Limited
Q2 & H1 FY26 Earnings Conference Call”
October 31, 2025



- Management:**
- Mr. Kamlesh Shah (Managing Director)**
 - Mr. Sachin Gupta (Chief Executive Officer & Whole-time Director)**
 - Mr. Rajesh Gupta (Director)**
 - Mr. Abhinav Gupta (President Corporate Strategy)**
 - Mr. Prabhakar Tiwari (Senior Vice President - Head of WealthTech division)**
- Moderator:**
- Mr. Amit Kumar Sharma (Adfactors PR Investor Relations)**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY26 Earnings Conference Call for Share India 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 this conference call, please signal an operator by pressing star, then zero on your touchtone phone.

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 Sharma: Thank you. 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 Q2 and H1 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. Abhinav Gupta, President, Capital Markets; Mr. Prabhakar Tiwari, who has joined us as the Head of the WealthTech Division and Mr. Keshav Goyal.

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: Thank you, Amit Ji. Good evening, dear investors and friends. It is my privilege to present the financial performance of our Company for second quarter and first half of the financial year 2025-26. We began this financial year with focused strategy to drive disciplined growth, strengthen operational resilience and deepen customer engagement across our business. I am pleased to report that the results for Q2 and half yearly reflect solid progress on each of these fronts. Let me now walk through the detailed financial performance.

First, we shall discuss stand-alone results for Q2 25-26. The total revenue from operations stood at INR 265.20 Crores, reflecting 2.9% decline quarter-on-quarter basis. Profit before tax stands at INR 98.73 Crores and Profit after tax is INR 73.34 Crores, marking a significant increase of about 11% and 7%, respectively. Earnings per share for quarter stood at INR 0.35 based on face value of INR 2 per share.

Coming to half yearly performance for financial year 25-26, the revenue from operations reached INR 538 Crores, representing 22% decline on a year-on-year basis. Profit before tax and profit after tax came in at INR 187.81 Crores and INR 142.07 Crores with year-on-year decline of

about 15.8% and INR 16.65 Crores. Earnings per share for half year stood at INR 6.5 on face value of INR 2 per share, reflecting consistent value creation.

Coming to consolidated results, Quarter 2 year 2025-26, total revenue from operations was INR 340.96 Crores, registering just 0.13% decline over the previous quarter. Consolidated profit before tax and profit after tax stood at INR 126.46 Crores and INR 93.22 Crores, showing growth of approximately 14.24% and 10.48%, driven by performance across our group entities. Earnings per share for the quarter was INR 4.25 against -- again, based on a face value of INR 2 per share, demonstrating strong consolidated earnings.

Coming to half yearly result for financial year 25-26, revenue from the operation reached INR 682.37 Crores, representing 21.29% decline year-on-year basis. Consolidated profit before tax and profit after tax were INR 237.16 Crores and INR 177.6 Crores, respectively, with decline of approximately 19.76% and 21.84% year-on-year basis.

If we compare with the last half year of year 2024-25, the profit after tax was INR 100 Crores. We had earlier indicated that last 2 quarters of financial year 24-25, we will see decline in revenue and profit mainly because of regulatory changes, but we shall recover again in financial year 2026.

This has played to our satisfaction and profit after tax for first half of year 2025-26 stands at INR 177 Crores, showing healthy growth of 77% over the half year -- second half of the previous year. Earnings per share for the half year came at INR 8.10 per share on a face value of INR 2. We also have declared second interim dividend of INR 0.40 per share of INR 2 each.

That comes to 20% dividend for the -- that is second interim dividend of 20% on the face value of INR 2 per share. Looking ahead, we remain cautiously optimistic about the second half of the year, while the external environment continues to present both opportunities and challenges. We are well positioned to sustain our growth trajectory.

We will continue to focus on expanding our core business with efficiency and discipline, accelerating digital and operational innovation, strengthening our product portfolio, deepening customer value through differentiated offering, preparing to start PMS, AIF and wealth management on priority basis.

Our strategic initiatives are progressing well, and we expect them to start delivering incremental gain in the coming quarters. In the closing, I would like to express my sincere appreciation to all the investors for their support and trust. We are confident in our ability to navigate the evolving business landscape and deliver on our commitments.

Our focus remains on driving long-term value creation for our shareholders, partners, employees and customers. With this, I would like to thank you all for participating in this event. And now I hand over the proceeding to Mr. Sachin Ji, who will highlight the businesses of our Company. Thank you. Over to you Sachin Ji.

Sachin Gupta:

Thank you, Kamlesh Sir, for the detailed presentation of the Q2 numbers. Good evening, everyone. As we all know, entire broking industry started this financial year on a very

challenging note due to the lot of regulatory changes we observed and saw in the Q3 of the last financial year.

But nevertheless, we are extremely glad to see that first half of this financial year shown us consistent growth and the numbers are coming back and industry is overall stabilizing and adapting the new environment. What we have observed in 2 quarters that the kind of volumes which have gone down are now stabilizing. We are not seeing any reason that volumes should go further down from here. So volumes have stabilized. And we believe in coming quarters, more participation will come in and things will be much better what they were earlier.

But with this new environment, as Kamlesh Sir said, we see new opportunities, and will try to establish ourselves to grab those opportunities in the current environment. Like I just want to highlight some points like MTF, we are talking since last 2 investor calls. So, MTF book by the end of quarter 2 was around INR 430-odd crores, which saw a growth of 35% to 40% quarter-on-quarter basis.

So that's another revenue stream, which added to our portfolio and gave us more stability and help us in maintaining the overall numbers. MTF is a core reason that we saw that profit margin has gone up. PAT margin is now 27% in this quarter. So, MTF is primarily the reason of that. PMS, as explained in the last investor call, PMS license was obtained from the SEBI.

And now the team has been hired, office is in place and everything is set. So, we are going to launch our first fund in November itself. So that's a new venture from Share India side, like wealth is the new generation thing, PMS, AIF, all these things. So PMS is the first step towards our wealth products. So Share India is glad to enter into this area. And we believe in coming years, PMS will also give good returns and more visibility and stability.

And on the broking side, our focus is more on the broking plus wealth. So we are focusing on quality research. Already a good research team is there, but still improving them and trying to engage with the delivery-based research, helping the investors to share the good ideas of investing in the market.

So research is the major thing where we are focusing and the focus is on selling the third-party wealth products with the broking products. So we have started opening some branches covering some areas like we have recently opened two offices, one in Indore, one in Bhopal. So Madhya Pradesh is our next goal where from these two offices, we'll try to cover the maximum area in Madhya Pradesh.

And another few states which -- where we are actually looking to open our offices is Maharashtra, Gujarat, Uttar Pradesh, especially Eastern Uttar Pradesh like Gorakhpur, Lucknow, Kanpur and Rajasthan. So these are the some states where we are planning to open our direct offices in next 1 year. And the broking and the third-party wealth products will be the core goal. So that will again help us in diversifying the overall revenue portfolio and giving us some more stability.

So future projections, as last investor call, we talked about Project Drone, Prabhakar joined us for the new WealthTech so we believe that the development on that side is tech team has been

hired, product team has been hired. They are working on the project. So they are working on the MVP.

So first MVP should be launched in the quarter 4 of this financial year. And from next financial year, Project Drone will be up and running, and we'll see the complete online focus on broking and wealth products also via Project Drone and leading by the Prabhakar Tiwari. MTF, the goal is to reach minimum four figure, INR 1,000 Crores AUM by December '27. This is the core idea in mind.

So, this is how we are trying to getting into more NCDs and engaging with the more NBFCs so that this will help us in achieving the INR 1,000 Crores AUM in MTF. So quality research, opening new branches, all these things will help in getting to these numbers. So MTF, INR 1,000 Crores is a number we are targeting. This will give us major boost on the retail side.

Once we start MTF, it has many indirect revenue benefits also. AIF is also on cards. It may take some time. But yes, once the PMS will be launched, the next step is AIF, our own products will also be launched. Silverleaf, as we explained in the last investor call, SEBI approval was received. Now the file has been moved to NCLT.

So next financial year, Silverleaf will also be merged and the revenue will start coming from Silverleaf also. So these are the forthcoming projects, Project Drone, Silverleaf, AIF, Wealth and MTF. These are the new initiatives we are focusing, which will start showing some results from the next financial year itself.

And some initiatives we have taken and we got the Board approval for two things which I want to explain to the investors here. We got the Board approval for the FCCB up to \$50 million. So FCCB will primarily help us in working capital and managing our fund requirement and also the cost of FCCB will be much lower than what we are doing now. And that will help us in pushing our MTF projects as fast as possible.

And another is Share India GreyHill. So as -- the whole thought process of the management is diversifying into the different verticals. So we see that on and off, we are trying to venture into the new projects like Project Drone, PMS, MTF, so many things we are doing since last 1.5 years.

But we were away from the debt markets and debt markets are growing great in India. This environment is very positive for debt markets like falling interest rates and growing SME industry. Overall SME is growing, interest rates are falling. This is a favorable market scenario for the debt players, but we are hardcore equity guys. We have just got the approval for Share India GreyHill.

This Company will be primarily working for the debt products. And Keshav will be the person who will take this Company forward, focusing on all the bond market, debt market. This is all from my side.

Now I will hand over to Keshav. Keshav will explain about the plans of Share India and GreyHill Company about the debt market. Thanks. Thank you very much. Keshav, over to you.

Keshav Goyal: Everyone. [I'm Keshav Goyal from GreyHill Capital. I'd like to share what we are building together with Share India and why we are so excited about it. The idea is to expand Share India's footprint into the fast-growing fixed income space by building a scalable platform for credit products.

Over the last decade, investor demand for high-yield investments have exploded, and we see a big opportunity to capture this in a structured way. The timing couldn't be better. Over the last decade, the market has tripled to over INR 226 Lakh Crores. Corporate bonds hit a new record of INR 9.9 Lakh Crores in the financial year 2025. But even with this growth, we are at only 20% of global averages, which leaves us with massive room for expansion.

For us, debt capital market isn't just another vertical. We see this as the next logical step in Share India's financial ecosystem. We will be combining origination, trading and distribution under one platform to offer a complete fixed income capability. Since the model is largely IFA-led, it naturally supports bond distribution and mutual product cross-sell.

It's a business that deepens retail engagement and expands the client base organically. And this is where GreyHill Capital comes in. We bring in deep market expertise and proven track record, the perfect complement to Share India's brand strength and distribution reach. We bring connect experience and an ARR of INR 200 Crores, so we know what works and how to scale sustainably.

Looking ahead, we are targeting a top line of INR 800 Crores to INR 1,000 Crores strategically scaled over the next 3 to 4 years with net margins ranging from 1.5% to 2%. A big part of this margin boost will come in from in-house origination capability and a strong retail focus. On the risk side, we are being proactive by setting up internal committees, building a secondary desk to improve turnaround time and keeping our governance standards aligned with Share India.

Overall, this partnership is about bringing together GreyHill's expertise and Share India's platform to ride a very big structural wave in the credit space. We genuinely believe this can become a highly scalable, steady growth business, one that is not only diversified Share India's revenue, but also places it right at the center of India's credit market evolution. Thank you. We can now open the floor for Q&A from the participants.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Rohan Mehta who is an Individual Investor. Please go ahead.

Rohan Mehta: Hi, Good evening! I just wanted to ask -- some color if you could give on how the volatility has been in the market and the share of retail participation in terms of our broking volumes, if you could give some color on that, please?

Kamlesh Shah: Yes, Sachin Ji.

Sachin Gupta: Yes. So you're asking about the overall retail participation in the industry or specifically?

Rohan Mehta: Overall, how the volatility has impacted us and in terms of our broking volumes, how the retail participation has been?

Sachin Gupta: So I tell you, we are seeing the low falling volume market scenario. So derivative bets have gone down, dependence on the derivative revenues have gone down. So people have shifted their focus more on the investment side, maybe short-term investments using some leveraged facilities. And also, traction is more on the third-party wealth products also, especially on structured AIF.

So yes, it has impacted us. That's why the numbers are down from year-on-year basis. But as I said in my presentation that now we believe that whatever we were expecting has happened, we are not expecting much larger changes from the regulator in coming 2 quarters. So things have stabilized and think -- volume should not go down from here. And focus is more on the cash market bets and better research and MTF.

Abhinav Gupta: And also, I would like to add within this that amongst the derivative as well, I think the drop has more or less stabilized at least for the options market. And the commodity market has been a real support. I think in the last couple of quarters, commodity market has come up really well

Rohan Mehta: And Sir, do you see any threats down the line in terms of competition and consolidation in the market, especially for broking or fintech in general?

Abhinav Gupta: See, from -- Sir, I'll start on this. Sachin Sir, then you can add on to it.

Sachin Gupta: Yes.

Abhinav Gupta: See, from a threat perspective, as we have repeatedly said in our con calls and even in this call, from the regulator perspective, we believe that there is a lot of stability now. Whatever the regulations that were announced last year have more or less placed out and all the business models have readjusted themselves to the new reality.

And from a volatility perspective, I think it has more or less played out in terms of threats for that matter now. And coming to consolidation, see, consolidation is an ongoing activity in the entire competitive landscape such as broking in India. That has been the scenario for last 4, 5 years, and we believe that this feature will continue in the industry landscape as well.

Rohan Mehta: Okay. I see. Sir, speaking of regulatory environment regulations pertaining to algo trading or norms around the margin, do you see that as a prospective pain point? Or are we comfortable on those basis?

Abhinav Gupta: I think market has adjusted to the new reality in this matter. Whatever announcements were made starting from September last year and up to the first quarter of this financial year, I think mostly all the clients and the brokers have adjusted. And further on, we don't see any pain point arising from these matters. At least that would be our internal opinion.

Rohan Mehta: Got it. Sir, just last couple of points, if you could share. In terms of technology-driven services, do you see increasing contribution from tech-enabled services for us over the next 3, 4 years? And do we have a sort of a budget in terms of our investments in technology?

Sachin Gupta: Yes, we see that tech play will be there in coming years. Already tech is playing the larger role. And Share India has a capability and the group companies within the group where the teams have the capacity and the capability to develop the tech in-house and customize as per the requirement of the company and the customers.

So we believe in coming years, tech is going to play the larger role and WealthTech, that Project Drone where Prabhakar is working is completely based on the tech itself. And as far as budget is concerned, luckily, we already have three large tech companies as part of the group and existing teams are helping and they are capable of delivering all these products.

And we believe we'll have edge over the industry that will have our own team delivering all the customized products for us and for the clients. So we are focusing more on the tech-enabled services for the clients in coming future.

Rohan Mehta: Got it, Sir. Fair enough. Just a last question from my end. In terms of all the recent acquisitions that we've done and the listing of our subsidiaries. So by when do you see synergies completely flowing in from all of these initiatives? And if you could give even a ballpark guidance for the entire year, that would be great, Sir.

Sachin Gupta: Yes, Abhinav, do you want to start and I will.

Abhinav Gupta: Yes, I'll start, Sir, and then you can take it up. So in terms of recent acquisitions, the subsidiaries are including institutional equities or maybe investment banking, insurance broking, NBFC and every other subsidiary is currently at a nascent stage. We believe that there is a lot of scope for growth in all these subsidiaries as of right now. Currently, there is no proposal in terms of any value unlocking that's there on the table.

So as far as synergies is concerned, we are already seeing some sort of benefits reaping in through because of being a holistic player where we can cater to clients in a 360-degree way where we offer not only our investment banking services, but also offer our insurance broking services and possibly with the engagement of AIF, PMS services and along with the tech-driven wealth management or NCD-related debt-related instruments coming in from Share India GreyHill.

All these synergies will accrue to the bottom line that essentially has already started playing out. But having said that, all these processes work at their own pace. As of right now, the focus is to grow further into the retail area. As Sachin Sir said, in the last couple of quarters, we have really focused to make our presence felt in retail areas in special locations, including Indore, Kolkata and the trading hubs of innovation. And that process will continue and synergies will continue to accrue as and when they do.

Sachin Gupta: Also I want to add something here. See, as we explained in the presentation, Share India is becoming a full-fledged financial services company. So let us suppose there is a corporate. We are helping them with the merchant banking services. If they want to get list, we are helping them for the listing. We can offer the insurance to that the same corporate. We can also help them with the debt raising like NCDs and debt from other sources.

So once the client is in, we have so many verticals with all the professionals -- running all these verticals, we can help them end-to-end financial requirement of the client. So we believe a lot of synergies are there because total focus -- we are not defocusing at all from our core. Total focus is on financial services. And like as I said, we have 3 tech companies in our kitty. So all these guys are helping us in providing all the possible solutions to the existing clients.

Rohan Mehta: Got it, Sir. That's very helpful, Sir. Would you like to give any guidance for the year in terms of top line and margins?

Sachin Gupta: Sir, again, highly confidential, but we believe we -- Abhinav, you continue.

Abhinav Gupta: Yes. So Sir, as stated in earlier calls as well, we believe that the margins should stabilize from current levels, given that what we are investing in terms of technology and human resource and the stability that has come into the market, we believe that the margins should stabilize somewhere around near current levels. And we continue to operate in an environment where we continue to seek further additional new opportunities as and when they arise.

Moderator: The next question is from the line of Mayank Saraf who is an Individual Investor.

Mayank Saraf: So I heard your presentation regarding FCCBs. Could you explain it a bit further in a broad manner like what are we using it for?

Sachin Gupta: So, we are seeing a lot of growth on the client services side. For that, you need funds like we are spending money on branches. We need more working capital to fund the clients. We need funds for maybe MTF, maybe for derivative trading for the clients or so many things for bank guarantees and all.

So FCCBs will help us with the low-cost funding from the foreign institutions. And also, that kind of money, once it will come in, it will -- like it might be 10 years bond. So long-term fund at low cost will fuel -- will help us in taking our growth forward and especially on MTF and the retail projects.

And FCCB, we are also planning to reducing the debt cost, overall debt cost of funds to the company. If we get the funds, partial funds will be used for the growth and partial we might use to drop the cost of funding to the Company. So overall, it will help in improving the margin at the bottom line and also increasing the business. So we'll try to make such a balance between the better margins and the business growth.

Mayank Saraf: Okay. And the second question from my side is, like what are your future plans for next 2 to 3 years, like on the prop side, retail side, etcetera?

Sachin Gupta: So future plans, as I explained in the presentation, on the prop side, Silverleaf, we believe we will get the NCLT approval maybe in the next 3 months or 4 months, depending on the NCLT. So once we get this Silverleaf profit will start coming into our kitty. So that will enhance our profit numbers on the prop side.

But the larger focus is on now client services. So wealth, we are super bullish in the next 10 years. India will be moving, these Gen Z will be moving towards new wealth products, especially AIF, PMS. They are not looking for mutual funds. They are looking for the structured funds, maybe debt products, maybe ARC, maybe equity, AIF structured funds, start-up funds and all these things and also PMS.

So we are very bullish on the wealth products, our own products and third-party products, both. So there, you will see from next year, total focus will be on selling wealth products along with the broking. That's why we are spreading all these branches into the different states of the country. And second area is MTF. As I said, our target is minimum 4 figure, INR 1,000 Crores book by December '27, next 2 years.

So that's our core goal. If we'll be able to deliver all these things in the next 2 years, then Company will be very strong footed, diversified and margins will improve and then we'll be able to encash on the overall growth story of the country. So these are the three areas we are focusing on. And especially on the tech side, like Project Drone, I said, Project Drone will be totally online broking, online wealth.

That will be also like -- we are also going offline and online both parallelly. So we are very bullish on uTrade Algos where that is also kind of wealth product. We'll be using a lot of AI facilities, helping clients in their investment decisions, all these things. So you will see Company is in very advanced stage in terms of tech usage, in terms of product offering and other things. So wealth, MTF and online broking, Project Drone will be the core focus areas in coming years.

Mayank Saraf: So how many clients do we have on uTrade Algos if you have a rough number?

Sachin Gupta: Abhinav?

Abhinav Gupta: So we would have around 2,000-plus daily users on uTrade Algos. Apart from that, most of our retail people have started using uTrade Algos as well. We are also working behind the scene to make a combined structured -- combined app. And going forward, all the uTrade services would be offered within a single application as well. So that would enhance the number of users who are using it on a daily basis. And all the Share India broking clients will automatically become clients of uTrade as well.

Mayank Saraf: And the branches that we were talking about are opening in Madhya Pradesh, Maharashtra. So when can we see those opening like within the next year?

Sachin Gupta: Yes, Indore and Bhopal has already started operations. And in next 12 months, we'll be covering Maharashtra like Aurangabad, Pune and Nagpur, smaller parts of Maharashtra and Gujarat, Surat, Rajkot, Baroda all these parts of Gujarat, UP and Rajasthan. So next 12 months, you will see at least 12 branches coming in within these four states.

Moderator: The next question is from the line of Satvik from Jefferies.

Satvik: Congratulations on a good set of sequential results. Just starting on the MTF side, we are seeing discount brokers turning aggressive recently. And so just wanted to know, does this put pressure

on our yields in any way? For instance, a couple of days back, one of our peers, they dropped their yields substantially, and they have a similar book size to ours, and they have a similar target as well. So just wanted to know your thoughts on this?

Abhinav Gupta:

Sachin Sir, you want to start or...

Sachin Gupta:

So definitely, there will be pressure from the larger brokers, like they have started offering MTF at a better price. So that's why we moved for FCCB, and we are constantly looking to reduce our cost of funds. And we want to be cooperative in the market. We just don't want to sit idle and looking for the local options only. And that's why we presented to the Board yesterday to give us the approval and our Board just approved up to \$50 million kind of fund raise from FCCB.

So that's the primarily reason that, as I already said in one question that the partial funds will be used in reducing the cost and partially will be used to enhance the business. So we are on the toes and extremely aware about the competition and even ROI. So how we look at MTF business? It's not only about the interest we are creating,

It's also about the broking we are getting from the clients in the particular segment. So combining both, I think, we'll be able to match the IRR the other brokers are offering. And if somehow we get FCCB funds, that will make us more competitive in the market. And we believe that going further, we are aware about the challenges and we'll be head on with them and that will not be a big deal for us.

Abhinav Gupta:

Yes. So I'll add on to it. Satvik, you're absolutely right that given that the industry is moving towards the lending side, there can be some sort of pressure in terms of the yield that comes across to the broker. But having said that, we are working on a 3-pronged strategy to counter that.

Number one, as Sachin Sir already explained, we are trying to constantly reduce our cost of funds, number one. Number two, we are trying to make our presence felt in the locations where we are currently not present and where we believe that the market is expanding very rapidly. And most of the brokers who might be offering at a lower rate would have a thin presence in those areas or are offering at a comparatively higher rate because they are going through a certain distribution channel, and hence, we are trying to expand into that area.

And third is what we are focusing is that we are trying to offer through a bouquet of services where we are not only focused on MTF, but trying to offer other consolidated services to the client as well, which add on to the IRR that we eventually generate as a company from the client.

Given all these factors, and along with it, the kind of growth that we anticipate this industry to have in terms of especially MTF, we believe that the market size will grow much larger than what the capital inflow would be. And hence, we believe that the IRR from current levels should not have any meaningful drop, and we should only be able to sustain or grow from these IRR levels currently.

Satvik:

Got it. Very clear. Just on the regulatory front, are we in any ongoing conversations with the regulator around what that thought process is on weekly option expiries?

- Sachin Gupta:** Kamlesh, Sir, please, can you answer this? Kamlesh Sir, can you answer this?
- Kamlesh Shah:** See, on regulatory part, even yesterday's statement and today's statement, if you see, I mean, they will go through consultative process, and they are not very keen to see that we --- aggressively they implement something. So they also realize the liquidity requirement of the market. And to our opinion, it is more of a media hype than the regulatory action.
- And in fact, there will be some changes, which will be good for the industry, and that will again leave scope for more products to be developed and to be offered maybe on a weekly or fortnightly basis.
- In addition to that, more exchanges are also coming up. They have got equity license. So there will be more products offering. And we will see better growth opportunity going forward. I don't see immediate threat of withdrawal of any of the weekly option contracts as of now. Sachin, you can add if you want to something.
- Sachin Gupta:** Sir, I think you have explained it really well. But as of now, there is no discussion on the weekly side from the regulator point of view. This is purely media hype and regulator is constantly watching that volumes are going down, and they are watching that -- but they are not discussing anything with the brokers at all. So we cannot comment on it much or more than that.
- Satvik:** Got it. But there were some media reports also on the fact that brokers are recommending something like a product suitability framework. Do you think that route is something that could be?
- Sachin Gupta:** Yes. So our brokers association are saying that rather than reducing the expiries, so Bank Nifty was the darling of all the products. So Bank Nifty volumes have totally been down after being into monthly contracts. So people are saying, why don't you bring Bank Nifty back in?
- And if SEBI is more concerned about the losses incurred by the small retailers, then they should bring in the product suitability or entry barrier where smaller people can be kept out of the derivative area and they should be motivated more to focus on investment side. If you look at the contract sizes in the larger markets in U.S., U.K. and others, their contract size is far, far bigger.
- And even in Singapore, product suitability is there. They restrict smaller players to enter into the derivative market, but the derivative market is very much open so that people who have knowledge about the derivative market, they can trade. So brokers are urging SEBI, if you want to -- if you're concerned about the losses by the small retailers, then bring in product suitability but open the market for the more innovative products and bring in back the Bank Nifty.
- Abhinav Gupta:** Satvik, to be honest, what Sachin says, this is an ongoing process where the regulators and the industry participants continue to engage. And as of right now, there is no clarity on this matter. As and when it arises, we'll be more than happy to share those with you.

- Satvik:** Sure, Sir. Makes sense. Just following up, are you seeing the regulator shift its focus on promoting the commodities market in particular? And do you see space for multiple exchanges in this segment given as of now, it's just one that is dominant?
- Kamlesh Shah:** Sachin, you can answer better.
- Sachin Gupta:** Sorry, sorry, there was some issue in my signal. Can you please come again?
- Satvik:** Sure, sure. So just following up on the regulatory front. Are you seeing the SEBI shift its focus on promoting the commodities market in particular or do you see space for multiple exchanges in this segment, given right now, there's just one dominant exchange?
- Sachin Gupta:** See, SEBI again, Sir, this is question for the SEBI. So we can only give you a little insight. So SEBI's job is to develop the overall market, correct? And in India, commodities have not seen a major growth in the last so many years. But particularly from this financial year, we are seeing a lot of traction in the commodity side. MCX volumes are up.
- Even from Share India perspective, our volumes are up at least by 20% on a quarter-to-quarter basis. So that's giving much better opportunity for the market participants, brokers, investors to trade in the gold, silver and other commodities. And as NSE is also in for commodities now with crude and NG and other products.
- So we believe commodity has a lot of scope of future growth. And with more exchanges coming in, yes, that's the case, always MCX is right now dominant exchange, but NSE is much larger exchange. So with their experience and their infrastructure, once they are in, so business will be there for like NSE and MCX and maybe other exchanges also. But yes, we see good growth in commodity business in coming years.
- Satvik:** Sure, Sir. Very clear. Just the last one from my side. What is the progress on the MSE investment? Are there any near-term plans?
- Sachin Gupta:** For what, MSEI investment?
- Satvik:** Yes, Sir.
- Sachin Gupta:** You're asking for plans? What plans means?
- Satvik:** What are the near-term plans?
- Sachin Gupta:** For MSEI?
- Satvik:** Yes.
- Kamlesh Shah:** Metropolitan Exchange.
- Sachin Gupta:** Okay. So see, we have limited to do on that part, that's just an investment. So we are waiting for them to launch their cash market, then derivatives and slowly gradually opening up the entire exchange for the entire market. So as per the last communication, they are working on the cash

market side. But we all are waiting for the first launch from their side, like they have just changed their data center, now new tech is in place.

All other things, so many things are going on with them. So we believe soon -- very soon, they will bring the cash market for the entire market. Then let's see how things will progress at their end. They are a very competitive team and working very hard with all the brokers and we believe that MSEI should start working very soon.

Satvik:

Great Sir.

Kamlesh Shah:

I would like to add here is that with the second round of -- I mean, second round of divestment, they have covered almost all the big brokers. So participation is going to be better and that may also help them to develop the products that they are planning. Thank you.

Moderator:

The next question is from the line of Prisha Shah, who is an Individual Investor.

Prisha Shah:

Congratulations on the good set of numbers. So I do have a couple of questions. So specifically on the AI. I just want to know how are we leveraging the AI and automation within the trading and other operations related to the risk management scenario?

Sachin Gupta:

Abhinav?

Abhinav Gupta:

Yes, so I'll start on it, and then Sachin Sir and Kamlesh Sir can add on to it. So both these AI matter are in terms of trading and in terms of operational efficiencies are being led internally as we have very clearly said that we have 3 tech companies led by professionals graduated from reputed institutes in India. They are leading this initiative for us. In terms of trading -- AI being used in trading, we have already initiated in uTrade Algos, a lot of AI-related products.

And the pipeline in terms of AI-related strategies for the retail clientele is very strong, and you will see continuous improvement over there. I think we are pioneers as and when it comes to AI-related strategies in terms of either screening or in terms of trading strategy by the virtue of uTrade Algos as being a complete in-house product.

In terms of operational efficiencies, it's a continuous process. There are certain operational points where we have started using -- or we have started enhancing our internal protocols, especially in terms of CRM or data mining or in terms of other operational efficiencies where we are using AI.

But that's a very gradual process because there's a lot of development that needs to be done in terms of tech stack over there. In terms of trading, we are super bullish when it comes to AI being there for the retail clientele to invest into the markets, and we have already launched products to that effect in the market.

Prisha Shah:

Okay, Sir. Understood. Just one more on the competition and industry perspective. Just wanted to know what are your views on the evolving regulatory environment around the broking and specifically on the algo trading norms, which is taking place in the industry currently?

Sachin Gupta:

So Abhinav, should I start?

- Abhinav Gupta:** Sure, Sir, Sir. Please go ahead.
- Sachin Gupta:** So Ma'am, as we said that regulatory challenges are there, but I think broadly stabilized. We all are waiting for the final guidelines from the SEBI for the algo trading. But as SEBI has already laid down the basic guidelines for the retailer to participate in the algo trading. So we believe SEBI is very forward-looking regulator.
- So once they will come up with the final guidelines, it will open an opportunity for people like us and our fellow brokers to offer the algo trading platform for the retailers. That will also enhance the volumes, and that will also ensure that people will not lose money recklessly in the market because of lack of the tech they can use.
- So rest, as far as everyone is concerned in this industry, we have to adapt and change according to the regulatory requirements. And with the kind of infra and knowledge and experience we have, we are quite capable of handling all these changes. But in the brighter view and the larger view, India is going to grow in next 10 years.
- Obviously, behavior will change, like if you go 20 years back, people were not keen to invest in mutual funds. Then the one generation came, they didn't invest in the FDs. So the flows started coming in the mutual funds. Now we know how our mutual fund industry has seen the changes.
- Likewise, we believe next generation is more keen on AIF and PMS of the world. So yes, environment will change. India, -- we all are bullish on India. We have to go with the flow with the changing environment. But all the regulatory challenges, changes, I have personally believed are always positive in the longer run.
- In shorter run, you might feel challenges because you are not used to certain things. But in longer run, they are useful and regulator core goal is the safety of the overall industry. So this is from my side on your question. Kamlesh Sir and Abhinav can add.
- Abhinav Gupta:** I think that sums up from our side as well, Sir. Kamlesh Sir, you want to add?
- Kamlesh Shah:** Sachin Sir has explained everything in a most professional way. In short, the AI and algo will be used for -- not only for trading but for compliance and for risk management and everything. And people are getting adopted to the technology. Share India is always pioneer in terms of algo trading and technology-based solutions. And we are taking all the steps to see that we remain effective and we provide the best services to our client. And with the retail initiative, the initiative for MTF, PMS and Project Drone, we will have larger scope for expanding our operations. Thank you.
- Prisha Shah:** Okay. Thank you, Sir. That was all from my side and once again congratulations on the good set of numbers. Thank you so much.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Kamlesh Shah for closing comments.

- Kamlesh Shah:** I would like to thank all the participants. The questions asked were very relevant. This does help us also thinking about improvement in the functioning as well as thinking about new product and new ways of offering product to the clients. And we also would like to thank all the investors for the trust and support and we will make all the efforts to see that we come true to your expectation. And with this, I would like to thank again all the participants. Thank you very much.
- Moderator:** On behalf of Share India Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.
- Sachin Gupta:** Thank you very much. Thank you, everyone.
- Abhinav Gupta:** Thank you.
- Sachin Gupta:** Thank you.