



“Share India Securities Limited  
Q3 FY2022 Earnings Conference Call”

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**Moderator:** Ladies and gentlemen, good day and welcome to the Share India Securities Limited Q3 FY2022 Earnings Conference Call hosted by Antique Stock Broking. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Vidhi Shah. Thank you and over to you Madam!

**Vidhi Shah:** Thank you Rutuja. Good evening everyone. We have with us the management team of Share India Securities represented by Mr. Kamlesh Shah who is the Managing Director, Mr. Rajesh Gupta who is the Non Executive Director, Mr. Sachin Gupta who is the CEO, Mr. Abhinav Gupta who is the President and also we have with us Mr. Kunal Nandwani who is the CEO of uTrade Solutions. With this I will now hand over the floor to Mr. Kamlesh Shah for the opening remarks. Over to you Sir!

**Kamlesh Shah:** Thank you. Good evening to all of you. Share India has transformed in the last two years as a fintech service company. During the year under review we successfully completed acquisition of two tech companies and integrated its operations to enhance tech capabilities. Year 2022-2023 will see many products to be rolled out. Also we saw five API joining our operations therefore going forward we see substantial growth in our review. Last two years have shown a lot of organic as well as inorganic growth. With the help of 11 subsidiaries we have expanded our product portfolio to be recognized as a diversified financial service company. Also in the last one year we have seen major reforms by our regulator having a far reaching impact on margin and client collateral management. We welcome all these moves. We promptly adjusted to the new requirements this has resulted in major benefit to our growth and consolidation of our business. We believe these far reaching reforms will boost investors’ confidence as well as their presence in the market. Recently NSE honored us with the highest award to be among top 10 companies in equity derivative segments in the presence of Honourable Minister, Shri Piyush Goyal and SEBI Chairman, Shri Ajay Tyagi. For the past three years we are dealing in centuries that is recording 100% growth in revenue and profitability. Result of Q3 is before you. Revenue for December quarter has crossed Rs.200 Crores mark; this is 105% growth on year-on-year basis. Profit after tax also has grown by 177% year-on-year basis from Rs.17.6 Crores to Rs.48.8 Crores. Nine-month profit is in excess of Rs.125 Crores compared to Rs.44 Crores year-on-year basis. You will observe from the December quarter PAT of Rs.48.8 Crores is more than the entire nine-month period ending December 2021 that of Rs.44 Crores, so friends we have built a platform a strong base to take forward our growth momentum with the help of new products and new initiatives. Over the period of time, we have focused on earning risk free returns and smart utilization of our resources. Risk management is core business culture. It is constantly monitored and upgraded to meet unpredictable nature of our market. We have incorporated state of art features like stress test in our advanced risk management system. Better risk management system combined with optimum utilization of resources has made it possible to assume a rare feat of

earnings return on equity close to 50%. We have a strong and visionary management team comprising of experienced leader with more than 25 years of experience and coupled with energy from second generation team to provide out of box solutions. We take this opportunity to thank all the employees whom we consider as a talent pool for remarkable performance in our pursuit to remain a leading financial service company, which is trying to protect the interest of all the stakeholders. Thank you for sparing your valuable time. Wish you safe and prosperous New Year. Now I would like to hand over to Shri RajeshJi to give details about the NBFC business. Over to you RajeshJi!

**Rajesh Gupta:**

Thank you KamleshJi. Good evening everyone. The portfolio of the company as on December 31, 2021 is Rs.142 Crores which was Rs.106 Crores as on September 30, 2021. It consists of nearly two segments retail loans and SME MSME loans. The retail loans out of some 142 are Rs.52 Crores and SME MSME loans are Rs.90 Crores. We have presently 23 branches in two states UP and Punjab we plan to add five more branches by the end of this financial year. The number of clients as of date is more than 30,000. We have already closed successfully about 17,000 loans. So as to say we are growing substantially in spite of the present COVID pandemic. Our backlogs as on December 30, 2021 are Rs.27 Crores. Our NPA are less than 1%. We are outperforming some of our peers in this field. Our NIM is 7% and our ROE is 28%. That is all from my side.

**Abhinav Gupta:**

Thank you Rajesh Sir. This is Abhinav from Share India. Share India has always believed in becoming a fintech company. We have from time-to-time acquired multiple companies into our fold post our listing in 2017. Our recent acquisition has already informed by Kamlesh Sir is about uTrade Solutions. We have Mr. Kunal Nandwani from uTrade with us and I would like him to introduce uTrade to the larger audience and the investors at large, but before we get into it I would just like to give a brief background, the idea behind acquisition of Algowire and uTrade is to enter into retail and offer a set of products institutional grade quality execution product, which are currently available only in the hands of ultra HNIs to the grass root level and the retail public at large. So with this I would like to introduce Kunal to all the investors of Share India Securities. I would like to hand over our space to him. Over to you Kunal! Thank you.

**Kunal Nandwani:**

Thanks Abhinav. A quick introduction about uTrade. We spoke about this a little while ago as well, but recapping for all the stakeholders here on the call. So uTrade basically is a company we started in 2011 it has been more than 10 years now and we have been building technology for financial markets, technology that enables people to trade in the markets so we had been building the trading systems, risk management, algo platform, etc., in an institutional enterprise grade software that we had been offering to players including but not limited to retail brokers, institutional brokers, stock exchanges and some buy-side fund managers, so we do have clients in India using this as well as outside India in a few countries and typically our revenue split is selling even between India and international and we have some of the biggest fund managers in the world using our software, some of the global stock exchanges using uTrade as a trading terminal for their end clients, some of the HFT firms using uTrade to access some of the Indian

and global markets and some of the institutional brokers using uTrade to trade on behalf of their clients so that is a very, very quick introduction of uTrade and our team size is close to 90 people we are all primarily based out of Chandigarh that is where our developmental centre is and our clients are spread across India and outside India so we had been building these trading technologies so far and licensing these two different institutions in India and outside India so that is a very, very quick overview of uTrade Solutions. So Abhinav I hope that is sufficient. I am happy to take any questions or add anything you would want me.

**Abhinav Gupta:** Thanks a lot Kunal. This is the brief wrap up of the quarterly earnings that the company has just reported. Now I would like to request the moderator to please open the space for any question and answers that investors might have.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Nitin Bhalla, an individual investor. Please go ahead.

**Nitin Bhalla:** Good evening. I would like to ask like I have read on January 21, 2022 that you are providing ESOPs for 4.5 lakhs to 6 lakhs shares there it was priced Rs.10 that was not been cleared I would like to ask the question please elaborate that?

**Sachin Gupta:** Good evening everyone. Nitin Sir actually issue is that ESOPs have been issued on the performance basis to some employees and this is a sweat equity so this equity has been charged at base value so no premium is charged on this equity so that is why it has been issued at Rs.10.

**Nitin Bhalla:** Thank you.

**Moderator:** Thank you. The next question is from the line of Amit Vora, an individual investor. Please go ahead.

**Amit Vora:** Good afternoon gentlemen and thanks for taking my question. Congrats on good set of numbers. All the questions relate to uTrade only so what was the business that uTrade has done for the nine months and the profitability that uTrade would have done for nine months FY2022, **(inaudible)** **13:05** on the future business plans of uTrade how are you planning to scale it up and what is the current profile of your clients and spread, how are they between domestic and global?

**Kunal Nandwani:** So uTrade's financial numbers for the year so far and the outlook for the rest of the financial year included we are likely to do 40% to 50% plus revenue than the year before, the profitability should be up by at least 300% to 400% because after a point our cost base does not go up we do have the same 90-member team or so and whatever additional we sell pretty much all of that adds up to our EBIT profit margins so our profitability would be up 3 to 4 times this year compared to last year and we have already done two times the profit of that we have done last year so the numbers are looking good.

**Amit Vora:** Those numbers if you can give me on profitability for the nine months period FY2022?

**Kunal Nandwani:** The profit number is close to 2.4 Crores I do not have the number in front of me but it is somewhere between 2.4 and 2.5 Crores for the nine months, that is the profit number and we have signed up a big client in Middle East through which our profit should exceed 5 to 6 Crores for the whole financial year in the next couple of months or so, so we have decent road from here on so the numbers are broadly looking good.

**Amit Vora:** Sorry to interrupt you were saying that for the full year the profit would be around 6 Crores after signing the new contract with the Middle East client?

**Kunal Nandwani:** Correct.

**Amit Vora:** For FY2022?

**Kunal Nandwani:** Correct.

**Amit Vora:** So you end the year around 6 or 7 Crores is that correct?

**Kunal Nandwani:** Roughly yes.

**Amit Vora:** Okay, go ahead.

**Kunal Nandwani:** The major plan of going forward along with continuing the institutional B2B licensing business is our focus on building an algo platform for the retail investors so we have been working on it for the last one to two years already and since coming into the Share India Securities business we have exhilarated our efforts there and we are planning to build a retail algo platform for the retail investors, so with that retail investors would be able to build and run their own algos or use prebuilt algos by uTrade and then do variety of other features like backtesting of their ideas, trading ideas, doing some simulated trading, etc., so that will give investors access to some of the advanced tools which were only available to handful of institutions before and that is a major new product line coming up later in this calendar year 2022, that is a major focus for us the retail algo platform that will be hopefully a revolutionizing the algo trading in India by retail investors.

**Abhinav Gupta:** I would just like to clarify a couple of things here post uTrade discussion that uTrade acquisition of equity was announced in September and it is effective from November 2023 so the consolidated results will show the profitability in revenue numbers for fiscal year 2022 only from November 2023 onwards since when the acquisition has formulized number one. Number two, Share India Securities holds around 63.5% stake in the uTrade so the entire consolidation will happen on the basis of the holding from that structure perspective. The entire uTrade revenue and profitability will not be added in the consolidated numbers.

**Amit Vora:** Absolutely got that right. One more thing that I was looking was on the client mix the geographical mix if you can provide that India and global?

**Kunal Nandwani:** We had started our business in India we have done fairly okay in India, we have in total close to 40 plus clients, which are typically stock brokers, fund managers, institutional brokers or stock exchanges. In terms of numbers we have higher number of clients in India, but in terms of revenue we get higher revenue from the global clients and that is a broad split and it includes some of the high frequency trading firms, it includes some of the big fund managers, institutional traders, etc., so the split is that number of clients we have more in India, but revenue wise we have higher revenue coming from outside India.

**Amit Vora:** The same will hold for profitability that the profitability margins would be higher from your global clients than the Indian ones?

**Kunal Nandwani:** Correct.

**Amit Vora:** Alright, okay that is it from my side. If I have any followup I will get back in the queue all the very best.

**Moderator:** Thank you. The next question is from the line of Aseem from ITI Alternate Funds Management. Please go ahead.

**Aseem:** Good evening. Thank you for taking my question. My question is what is your view on the overall broking space and would Share India be a beneficiary of the ongoing consolidation?

**Kamlesh Shah:** Thank you, this is very relevant question. See because the dynamics are changing for the broking space. The way the business is being done is changing very fast and now big is beautiful, so people are consolidating and getting into broking, which has complete product portfolio plus they have ability to provide technology support and out of box solutions and the complete product range. During last two years for the entire pandemic we have seen new class of investors, which has emerged this includes housewives, this includes IT professionals who are working from home, this includes student in higher education and traders and businessmen who do not have any alternative mode of investing money, so all these classes have emerged as a new investors and they are well informed and they are tech savvy, so they are going to be easy for them to log into the system. So we have all the tech capability and we are ready to take all these clients in our fold as our Kunalji has recently said that we are going to launch algo based platform for our retail clients so that will be a unique product it will be first of its kind on a larger scale so that will also help people to be safe with their money rather than circulating in the market. During last two years the market has gone one way but going forward it may be a zigzag movement and protection of fun and earning return which is better than the FDR return is of prime importance, so we are going to come out with some specific products which will meet with their requirements, so there is a big plan to go for retail in the algo space. Second thing we have very high market share so this will also help us in cutting cost. So what I was trying to tell is that we have a very high market share and for consumerization that is happening in the industry the key factors that is to be looked out are the regulatory changes, there has been lot of regulatory

changes of late and people have to have different requirement to meet the regulatory requirements. Secondly the technology is playing a key role during the entire COVID period we could serve our client on a seamless manner. The third important thing for business is the transaction cost, so we are operating on a very small transaction cost because our volumes are very high and we have complete product portfolio, we have geographical presence, we have robust RMS system and we have capability for seamless execution. So these all are very helpful in consolidating our position in the industry we already have four, five brokers that have joined their operations with us, in addition to that during last quarter we made five FPI operative on our platform all this will add to revenue and for the growth of the business. Thank you.

**Aseem:** Thank you Sir and lastly what is the company's competitive advantage for sustaining business growth?

**Kamlesh Shah:** Yes, again this is a very relevant question. Partly we have answered in the first question, but here I would like to be specific. The consolidation everyone has observed that consolidation happening in all the industry not only our industry and larger players are playing a major role in client acquisition so we have competitive advantage in terms of deep technology expertise, we have cost advantage from trading cost perspective because of our volume which is more than 9% in option segment we get the advantage of the lower cost structure. Secondly we have large capital pool that also helps us and brings stability to our operations. We have vast experience in a seamless execution with co-location facility at the exchanges and we have complete product portfolio, we have domain expertise, we have strong RMS system and on top of it we have a very strong management team. We have management team that comprises of senior people having experience of more than 25 years in the industry that coupled with around the new generation people who are robust in delivering or the execution part of it. We have 23 people from the promoter group only working into the day-to-day business. Our focus is fully on the financial services we have not diversified into any unrelated business, so all these points will make our company as a most competitive and recently as I told we have been awarded by the NSE for being in top 10 derivative brokers so that is how we are maintaining our market share and we are ahead of our competition. Thank you.

**Aseem:** Great Sir. Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Akhil from Robo Capital. Please go ahead.

**Akhil:** Good evening. Sir my question is that you mentioned 100% growth rate in your revenues so I just want to know going ahead during FY2023 and FY2024 what would be the sustainable revenue growth rate would it be 100% only?

**Kamlesh Shah:** That all depends on the market conditions, market is volatile; there are a lot of uncertainties attached. Right now the inflation is the biggest worry for world over and that may make interest rate to go up and second point is liquidity, currently the market is driven by the liquidity. There is

ample liquidity in the market, but going forward again the liquidity may be taken off to contain inflation pressures so there are a lot of factors, which may have uncertain outlook, but to be on a brighter side we have better tax collection and there is a growth in GDP, GST collection is crossing more than 1 lakh for the past six, seven months the core sector is growing very well, the tax collection initiative by central government like PLI are working very well and taxation of corporation and the corporate results so far whatever results have been declared by the company are all on the positive side and we estimate around 9% GDP growth for the next year and we have created a base, we have created a platform from where we can take off so a lot of new people are joining, we are having a great plan for retail participation and we have overseas business also plus we are focusing on institutional business and all these products are offered through the technology platform. So we feel that going forward we are reasonably assured of 40% to 50% growth on year-on-year basis for the next two, three years. Sachinji would you like to add something?

**Sachin Gupta:**

Yes, I would like to add here. Sir the broad idea of the organization is that we just want to keep a strong hold on the current revenues and with that we are focusing to diversify into getting HNIs or ultra HNIs or institutions into our fold as Sir has explained that we have started business with some good HNIs or some FPIs and we are in touch with FPIs who are based in Dubai or Singapore and these guys are looking for good technology in India and we are one of the perfect partner for them so we are looking to diversify into that side, that will get us good revenue next year. Secondly we have very ambitious plan on retail side, which will start by early first quarter of the next financial year and we have to see that how retail thing will turn up. So idea is to hold on and hold on to this growth, but commenting on the percentage is bit difficult as I had explained that depends on a lot of unknown things so but idea is to diversify and make Share India more sustainable company. Next year NBFC will perform bit better and we will try to keep our growth momentum on.

**Abhinav Gupta:**

Also I would just like to add one more point here that one of the metric that the company internally looks very stringent level is the return on incremental capital we believe our return on equity is already higher than what the industry average is. We intend to maintain that return on equity and we believe that the incremental capital that the company generates from free cash flows every year would be efficiently utilized to produce a sustainable return on equity of around 20% to 25%.

**Akhil:**

Okay fine and I just want to know regarding the margins going ahead will the margins also improve are they going to be in this range of 32% to 33%?

**Abhinav Gupta:**

So from an EBITDA margin perspective I think a lot of synergy benefits that were to flow from the acquisitions earlier have already flowed in, it is more about that we expect the margins to improve slightly from going ahead, but significant chunk of the synergies that we expected over the last two years have already played out in the financials so margin should improve, but that would be a slight improvement from current levels.



- Akhil:** Okay fine, thank you so much that is it for my end.
- Moderator:** Thank you. The next question is from the line of Nancy Arora an Individual Investor. Please go ahead.
- Nancy Arora:** Hello Madam, my question is for Kunal Sir. My question is what are your future business plans?
- Kunal Nandwani:** Our plan is that we would like to continue providing our technology to other players in India and overseas as we are doing, right now we have been doing for the last 10 years, we have very stable products that are being used and can be used by many more clients. The major addition to this portfolio would be the retail algo platform that would come out for all the retail investors so that is being worked out and later in the year we should be able to launch it at hopefully with a big scale and at a big level and create genuine revolution in the Indian investing and trading market so that these are the two broad things, continue our existing business, grow that and come up with a B2C retail algo platform, which should help lots of retail investors in India.
- Nancy Arora:** Okay thank you Sir.
- Moderator:** Thank you. The next question is from the line of Karan from Maximal Capital. Please go ahead.
- Karan:** Good evening Sir and congrats on the results. Couple of questions from my side. Just going back to a comment you made earlier about the market sharing options of greater than 9% and that translating to lower cost so just I would like to understand this in a little bit more detail if you could help me out how greater market share leads to lower cost?
- Sachin Gupta:** Sir the thing is that exchanges these days give discount over a certain threshold if a broker do a turnover beyond a certain number so exchanges provided discounts at different levels so once you reach highest discount level you receive after once you do 2000 Crores premium turnover in a month so Share India is doing above around 60000 Crores turnover per month so more than 98% turnover is getting 40% discount over the trade cost so that is a major discount we are receiving so that depends on the turnover so Share India is having a major chunk out of this discount.
- Karan:** That was very helpful and the second question is again relating to the broking segment as well. So from what I understand primarily we are an entity focused broker up till now and planning to go into the retail segment so could you enumerate some of the initiatives that you all are working on as you all mentioned that in the first quarter of next year you all want to really enter the retail so some initiatives you are taking on that front and this is more of a general question we have seen a large number of new to market investors in the last two years joining as you mentioned because of the larger broker so would it be fair to say that these were the low hanging fruits and incrementally going forward getting retail clients might get more difficult than what you have seen in last year?

**Sachin Gupta:** We are talking about specialized product which is also based platform to the retail investors. Now so far algo was available or it was privilege of select few like institutional client or top desk but we want to take this algo to every household so our motto is Ghar Ghar algo Har Ghar algo so with the algo platform where we have a competitive advantage plus as earlier said the benefit of transaction cost and the in-house product so all this factor put together will help a lot. I would like Mr. Abhinav to elaborate more on this I thought just to make initial remark on this and then Abhinav would explain to you in detail about the retail plans.

**Abhinav Gupta:** Yes, thank you Sir. So just to start with where you left so some of the initiatives that we have already taken is that the acquisition of uTrade equity has been done from that strategic perspective to roll out a common platform in coordination with uTrade wherein we can take the algo to the grass root level. Having said that the roadmap that we have said ourselves is that in the Q2 of the calendar year which is the quarter one of next fiscal year we intend to roll out the first phase of our IBT product a discount structure around broking industry would be the first phase of it and then from there on we will build up a product portfolio to add to the entire algo piece in close coordination with uTrade. So the strategic roadmap that we had said ourselves started with the idea of acquisition of uTrade and Algowire together we have combined the entire knowledge transfer that we have to do it from both these entities into a single entity and now we intend to rollout a much finer accepted product for retail clientele as a whole over the coming years, but starting with the retail discount broking structure from the calendar year Q2 of this calendar year.

**Karan:** Okay I understood that is very interesting and so just to followup on that I think we are also seeing a lot of discount brokers who are also getting into sort of smart beta strategies passive sort of investment strategies similarly to you maybe algo so any comments on how your products is different from market wide initiatives on algo products, etc.?

**Abhinav Gupta:** So there are three parts to it that we would like to answer in number one the brokers that currently are offering this product which is sort of like semi-investment products none of the brokers are currently have the execution capability so how a broker performs is that it is a three-party system that works broker is one of the entities, second one is the execution platform which is already outsourced and the third one is the algo provider so essentially it is a transaction between the three parties and the consumer with Share India what we intend to do is that we want to consolidate all three entities into a single entity so that the entire experience for the customer is seamless as far as the algo execution is concerned. With uTrade we have the institutional grade execution technology, with Share India we have a seamless broking entire IBT piece into place and with Share India having a proprietary trading technology experience of last 12 years we believe we are a far much more better strategy solution provider than any other strategy solution provider in the company because our strategies have generated industry meeting returns for the last 12 odd years so that is part one of it. Part two of it is that proprietary trading and the trading technologies as I said in the third phase of it is that none of the brokers does not have that kind of structure in place where they can constantly innovate and develop new strategies over the period

of last 12 years what we have realized that the market structures and the market dynamics have changed very drastically what worked as a strategy in last 12 years or last three years ago is not going to work today and it will not work three years from now. So what you need to have in place is a constant solution innovation in terms of the kind of strategy that will work in different market condition. Share India with its wide trading experience have developed that process of innovation, which a lot of brokers or any other solution provider which has been in the market for last two years or three years only does not have in place so those are the two, three reasons why we believe we have a far much more better execution and intellectual capital in comparison to competitor as far as the algo piece is concerned.

**Karan:** Yes, that is very helpful, that is all from my side. Thank you.

**Moderator:** Thank you. the next question is from the line of Saptarshee Chatterjee from Centrum PMS. Please go ahead.

**Saptarshee Chatterjee:** Yes, Sir, thank you for the opportunity. I just wanted to know how is our client acquisition strategy like and what is the basically uses of these large number of branches?

**Abhinav Gupta:** I would start over it and then I would like Sachin Sir and Kamlesh Sir to add on to it in case I miss out on any points. So the branches that you have discussed is essentially are a legacy business we used to be a retail oriented broker till 2008, 2010 and it does more on an autopilot mode which has been continuously growing so the legacy business is still there with us which is of the grass root level retail clientele that has been with us for the last 15 odd years. So the entire franchising authorized person business is because of that so that is part one of it. Part two of it going forward we believe that the online business will continue to grow, the online business piece is the missing link that we had in the Share India's entire trading technology and the entire thing related to it. So going forward the entire IBT platform would be in an online mode, the legacy business will continue as is or will grow organically at the pace that it is growing but the entire customer acquisition strategy would be on the basis of transacting to a customer which is very new to the market, the demography which is more sustainable for the next 10 years is what we are targeting at Share India essentially.

**Sachin Gupta:** Yes, for customer acquisition our idea is not that we just do not want to provide a platform to the clients where clients can come and buy the stock of his choice, so that is the one part of the product will offer that, that has to be there for the clients, but what we have a legacy in the last 15, 20 years we have successfully created the company over the different trading strategies and using our tech platforms, so we want to take those strategies to the mobiles of the retail customers. As Kamlesh Sir has already explained that we want the people who have capital but they do not have the knowledge to trade in the market we want to provide them with the algo platforms on their phone. So algo is generally the term which is used for the large players for the brokers, for the HNIs and for the FPI clients, but not for the retailers. So we are creating a platform where retailers can participate in the market through using algos using different

strategies and the idea is to earn sustainable returns on their capital so that is the one part. Second part is educating them about the market, about the hedging strategies not blindly going and just buying up futures or options in the market so the education is one helping them with using algos so we will go with different strategy in the market and let us see that next financial will be totally about the retail clients let us see how the things will turn up.

**Saptarshhee Chatterjee:** Understood Sir very helpful. Just want to clarify that this entire journey of like on-boarding and new to trading customer and therefore giving them the platform and this entire journey will happen on a digital marketing and digital way or it will be a physical touch also?

**Abhinav Gupta:** Yes, so the idea is that the entire algo piece is currently a work in development we do have some sort of strategies in place regarding it, but to be very specific in terms of what level of physical request attributes to be there is difficult to say right now because there are certain aspects of it which are regulatory in nature as you know SEBI has recently brought out an algo consultation papers regarding the algo training for the retail clientele, so we do have pieces put together wherein we can go entirely digital and we do have pieces where we can punch in some kind of physical attributes to be there in terms of what the customer would need to be there but the entire final strategy piece would depend on what the regulation comes actually around it.

**Sachin Gupta:** Just to add to this before four, five months we had a program on Zee TV that was Algo ki Master Class that was done with the purpose to educate people about the benefits of algo trading and we received tremendous response for that and as Abhinav has said the work is under progress and even from regulatory point of view there are a lot of clarifications yet to be received, but our overall marketing strategy would focus on all the platforms and whatever is permitted by the exchange as well as the regulator, so we have right product and we will use all the marketing strategies that would adopt our clientele in a professional way and it adds value to the client also. As I told you earlier also the new class of investors has emerged, now all these people have technology study and they are the prime time targets so that these people would be seamlessly can log into the system and get the benefit of algo trading. Thank you.

**Saptarshhee Chatterjee:** Very helpful Sir. Just last question from my side and sorry for harping this again on the algo strategy side basically that we have already answered on the earlier participant why our product is competitive, but just want to know like which are the really conviction points for your very high confidence that this strategy once they are launched across the retail products, retail clientele and most of the other brokers large brokers as well as wealth service providers who are also targeting these retail clientele through these algo kind of strategies they will not be able to replicate or reverse engineer these kind of algo strategies from this competition perspective how confident like which are the points that give you confidence that our strategy will be strong enough and will not be replicable?

**Sachin Gupta:** Yes, Abhinav I think you explained and you can elaborate more on the issue so that the understanding is clear.

**Abhinav Gupta:**

Yes, so I would like to answer your question in three parts essentially. So the part one of it is that you need to understand that the market is changing constantly it is a very dynamic process, so what need to be reverse engineered is not the strategy itself, but the process of creating new strategies, so any broker or any new entity that wants to come into the space might be able to with a lot of technology in place a lot of engineers working to reverse engineer process let us say over a period of years, two years are able to reverse engineer my strategy, but what they will not be able to do is generate the same kind of returns because by that time the market dynamics would have changed and I would have changed or evolved my strategy as well with the time, what I have a competitive advantage is the process of creation of innovation. Any new broker would have to learn that from the ground up what we have learned over the period of struggle of last 12 odd years what Share India has done with toil, hard work and done a lot of sweat over the last 12 years and developed that technology of the process of innovation is what is difficult to create for any new entity, number one. Number two is the execution part of it. So as I said broker currently does not offer all the brokers that you mentioned including the new age broker outsource a lot of their OMS based services to a third-party vendor so essentially with OMS being a third-party service provider it becomes very difficult for them to create a patch over and above it whereas the client gets a completely seamless experience as far as the algo execution is concerned so it is not only about providing a strategy but it is also about the entire execution piece of it because the market is very dynamic in nature in that sense so if let us say it is a multi-leg order strategy and three legs are executed and the remaining legs are not executed so clients will have a huge M2M profit or loss in that case. So the execution piece becomes a very important part of it wherein with uTrade coming into the fold and our proprietary knowledge base of trading strategies we believe we have a far bigger competitive advantage in that space. Number three it is about handling the entire end-to-end piece and the entire customer journey in one place itself when all the new age brokers are currently focusing more on the front end part of it the UIUX part of it what Share India specializes in the backend integration of it none of the new age brokers have technology to handle the backend integration and cater to algos at such massive scale that Share India has been able to do in the last three years. The moment there is a scale in kind of derivative strategies the RMS structures, the operational structures, the IT infrastructure that is needed in place is a very different ballgame than what these new age brokers are used to the idea from a UIUX perspective, so that gives all these three points give us a very competitive advantage so that even if someone can reverse engineer our strategy the market dynamic is constantly evolving and we are confident enough to be the first market leaders or first one in the market to evolve with the market rather than being a follower of any market leader in that space.

**Sachin Gupta:**

Yes, and on top of it competition never bothers us in fact we have grown in the competition. Competition brings out best out of you and with the current competition to remain in top 10 itself shows that there are some unique strengths attached to this organization and with the integration of uTrade and Algowire I think that capability will further enhance and it will give us better platform where we remain competitive and a step ahead from the competition. Thank you.

- Kamlesh Shah:** I also want to add something here Sir, it is not only about providing the technology as Abhinav has explained that this is a unique combination which we do not see generally in the Indian market that the broker is having an experience of more than 15 years and a tech platform owned by the main company is having a hardcore experience on the market of last 10 years. So this is a very unique combination and two type of users we foresee in the market one who do not know anything about the algos they want our help, they want some professional guys help in developing or helping them in executing their strategies to people who have the strategies but they do not know how to code but they just want the help in executing the strategy. So I tell you we are focusing on providing a platform where people can easily code their strategy without knowing the languages like C++ or Python still people can code their strategy in a simplest manner where they do not have to disclose the crux of their strategies. One and connecting them to the sophisticated infrastructure like collocation and all, so we believe that all these things will add lot of value to the existing customers in the market and we are also targeting the new age customers that will come in the market in coming years.
- Saptarshee Chatterjee:** Great Sir thank you so much for the detailed answer and all the best.
- Moderator:** Thank you. The next question is from the line of Nitin Bhalla an Individual Investor. Please go ahead.
- Nitin Bhalla:** Like Kamlesh Sir said that Ghar Ghar Algo, Har Ghar Algo you are reaching out to every housewives and youngsters we are planning to reach out any numbers you had decided like in one year we will reach 1 lakh of customers, retailers or 2 lakhs of retailers like this and what are the plannings and what are the works for that you will be reaching very soon to them you are doing, somewhere in a year or two years 50000 lakh retailers you are reaching and what are planning to reach that customer what are you doing?
- Abhinav Gupta:** I will take this question Sir I think there is some problem with Sachin Sir's slide. So to be honest as I said the entire retail pieces are currently work in progress, we are trying to bring as many products or as a quality product as soon as possible we have already set a timeline of Q2 for calendar year to bring out the first phase of our retail product. We do have a strategy in place but I think we would hold our horses for now to give you a specific set of numbers of clients that we are targeting in a set of timeline, but to give you a very broader aspect of the industry level the number of investors that have come into the market in the last two years have almost been equal to what investors were there in the market for last 12 or 13 odd years and we believe even at a conservative pace this number would easily double in the next five odd years. So we are going into a space which is a growing industry where the customers are coming into the market and if we are able to offer an innovative product to the customer at large we believe the customer acquisition would not be the most important or the most difficult aspect of it, it would be the customer experience post acquisition so as far as getting a first or headline number is difficult I think no target is small or large enough for us sorry to say that no target is large enough for us

but it is what we are focusing on is the entire customer experience and hence we are not able to give you a correct set of numbers currently.

**Sachin Gupta:**

To add to this instead of talking about the specific numbers let us look at the universe what is available for us to grab or what could be the potential area where we can reach out to people. In the last three years the demat account has gone up from 3.5 Crores to 9 Crores almost. Secondly just to give you a very simple example LIC is coming out with the issue and in their advertisement they keep on mentioning that all you need is to connect your pan number and second thing is to open a demat account. Now if all the policy holder of LIC will open a demat account so that many more demat accounts would be available so the number will grow from 9 Crores to maybe 15 Crores, 20 Crores who knows and secondly we said that new class of investor is emerging and we feel very optimistic that all these people would rather like to trade on the platform that is time tested and which can be tested on a simulated environment for the last three years. So in our product itself we would be offering them opportunity to test the strategy on a simulated environment. Now when they see on the simulated environment they will feel confident as to what return it can be giving so the client acquisition as Abhinav also mentioned it should not be a problem because of the nature of the product which we are offering and the capability which were built over years. So rather let us look at the larger universe than the actual numbers as I said ultimate plan is to reach every household so Ghar Ghar Algo Har Ghar Algo. Now the potential is going up and so our optimism is also building. Thank you.

**Nitin Bhalla:**

I like your that slogan Ghar Ghar Algo and Har Ghar Algo the slogan is very good, and what are the plannings to reach out to the customer while you will be doing giving ads in our TV programs and CNBC Awaaz like Zee Business and all business channels or how you will be reaching to the public and see this is our new product and you should use it?

**Abhinav Gupta:**

Yes Sir as I said the new demography of customer that is coming into place the demography is far much more younger than what earlier used to be. We do have an entire go-to-market strategy in place and we were targeting all the mediums that you mentioned plus a few more so it would not be a single medium kind of a marketing strategy we would go through the entire marketing space, but I think we should wait a little for at least two quarters by which time we would have far much more clarity in what kind of go to market mediums we would be focusing more so I think we should wait for another couple of quarters before we can really strategically answer your questions because as I said the entire retail piece is a currently work in progress.

**Nitin Bhalla:**

Okay it is enough now and all the best to Share India Securities Limited, all the shareholders, stakeholders.

**Moderator:**

Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Sachin Gupta for closing comments.

**Sachin Gupta:**

I would like to thank everyone, every investor who have joined us in this concall and I would like to thank all the shareholders for their continuous support and believe on us and their faith and believe on us is our main motivation and this is what helping us in keep doing hard work for the company and as I told that as in the entire communication we have seen that focus is on retail in coming years we want to make Share India is a more sustainable company and that we are lucky enough that we are already having a good numbers behind us and using them we have a bandwidth to reach to new products and that is what we are planning in the next financial year and I tell you one thing that third quarter is mostly a **(audio cut) 1:00:49** New Year and Christmas and all these things, but luckily by the market and your right technology we were able to generate good numbers in the third quarter this is by far the best quarter we have seen we were not even expecting this, but I hope that next quarter we should do better than this and thanks a lot thanks everyone I hope we will be getting the same support from our shareholders in the coming years. Thank you very much.

**Moderator:**

Thank you. On behalf of Antique Stock Broking that concludes this conference. Thank you for joining us and you may now disconnect your lines.