

**Company Name:** Share India Securities Ltd.

**Management Participants:**

Mr. Abhinav Gupta: President Capital Markets

**11<sup>th</sup> Annual Valorem Conference Highlights:**

- Trading momentum remained largely stable during the quarter, supported by consistent client participation across both equity and commodity segments, with activity levels holding up amid geopolitical uncertainties and elevated volatility.
- The retail franchise demonstrated resilience, with steady client engagement and activity levels despite broader industry trends of rising account dormancy, reflecting effective distribution and relationship management.
- Proprietary trading continued to be a key pillar of profitability, delivering consistent performance and contributing a significant share to overall earnings, supported by strong in-house algorithmic capabilities.
- The lending (NBFC) business focused on building a high-quality loan book, emphasizing secured lending and prudent underwriting practices to ensure stability and improved asset quality.
- MTF book demonstrating strong growth momentum, with the company targeting to scale the portfolio to INR 1,000 crore, supported by robust client demand and focus on risk-adjusted returns.
- The company's foray into fixed income and debt distribution marks a strategic diversification initiative, aimed at expanding its product suite and creating additional revenue streams beyond core broking.
- The wealth and asset management vertical is being actively developed, with a focus on scaling fee-based income streams through offerings such as PMS, AIF, and other investment solutions.
- The ongoing integration of Silverleaf is expected to significantly strengthen the firm's quantitative research capabilities and enhance its edge in proprietary and algorithmic trading.

**Key Questions & Answers discussed during the Conference:**

- **What is the impact of recent regulatory changes in broking and capital markets, and how do we view the outlook?** We have seen some near-term moderation in trading activity following recent regulatory changes, and we expect this trend to continue through Q1 and Q2 of FY27. That said, the situation is gradually normalising. We believe these measures are aimed at cooling down overheated market segments, which is a positive step for long-term sustainability. Overall, we view this as healthy for building a more stable and disciplined capital market environment, supporting steady growth over time.
- **With increasing competition in PMS and AIF, how are we positioning ourselves to capture growth?** We are primarily targeting the growing HNI and UHNI segments, where we continue to see significant opportunity despite increasing competition. With our strong existing client base and established relationships, we are well positioned to cross-sell PMS and AIF products and capture this expanding market. Additionally, our in-house MB capabilities provide us differentiated access to investment opportunities.



- **What is our strategy in the NBFC business going forward?** We are shifting our NBFC focus towards secured lending, as growth opportunities in the current unsecured segment are relatively limited. While secured lending typically comes with lower NIMs, we believe it offers higher growth potential and lower NPAs, resulting in a more stable and sustainable lending portfolio over time.
- **What is our strategy in the proprietary trading division?** We primarily use arbitrage strategies in our proprietary trading division, focusing on exploiting pricing inefficiencies across securities. This is supported by our in-house developed technology and HFT capabilities, enabling faster execution and better capture of opportunities. Our positions are largely intraday and fully hedged with corresponding cash positions, ensuring minimal directional risk and controlled volatility in returns.
- **What is our strategy for the proprietary trading (prop) division going forward?** We plan to reduce the contribution of our proprietary trading division to overall profitability around 30–35%, while increasing contributions from other businesses such as Broking, MTF, Merchant Banking, NBFC, distribution, algo trading, and wealth management. This will help us diversify our revenue streams and improve earnings stability. International expansion is also expected to serve as a key strategic lever, supporting diversification and unlocking new growth avenues over the medium to long term.
- **Given that algo trading is still a small division, what is our strategy to scale this segment?** We continue to make consistent efforts to grow our algo trading business, although the segment remains at a nascent stage in India. With increasing adoption, we are supported by a well-developed in-house platform to cater to rising customer demand along with 20 SEBI-approved in-house strategies. While growth will depend on how the market evolves, we remain optimistic about the long-term potential of this segment.
- **What is our strategy for scaling the MTF book?** We aim to scale our MTF book to around INR 1,000 crore over next 3-5 years, which we expect will improve profitability in our broking division. We also see MTF as a strong cross-selling product that helps us drive higher client engagement and supports overall revenue growth.
- **How do we manage risk in products like MTF, especially with increasing retail participation?** We view MTF as a well-secured product with strong collateral backing, which limits downside risk. Our book is largely driven by institutional clients who have robust internal risk management practices. Additionally, we have strong in-house risk management systems to ensure prudent monitoring and control, and therefore we do not see any significant risk from the growing MTF book.
- **What is our strategy for growing the MF and insurance distribution business?** We are focusing on expanding our mutual fund and insurance distribution business by targeting Tier 2 and Tier 3 cities. We plan to leverage our existing branch network and franchisee model to drive deeper market penetration and client acquisition.

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