

Annual Report
2018-19



DOING THINGS RIGHT DOING THINGS BETTER



WHAT'S INSIDE?

01-13 CORPORATE OVERVIEW

- 01 Doing things right. Doing things better.
- 02 Share India: a one-stop financial shop
- 06 Delivering value consistently through prudence and knowledge
- 08 Chairman's communique
- 09 Board of directors
- 10 Business segment review
- 12 Doing things right for better communities
- 13 Corporate information

14-45 STATUTORY REPORTS

- 14 Board Report
- 37 Management Discussion & Analysis

46-111 FINANCIAL STATEMENTS

- 46 Standalone
- 76 Consolidated



DOING THINGS RIGHT.

- ▶ entering the right segment at a right time
- ▶ extending presence across financial service products
- ▶ right reason of protecting and growing wealth of our clients/stakeholders
- ▶ right strategies for sustainable business growth



The result of this is evident in our strong performance year-after-year

53%

5-year revenue CAGR

49%

5-year EBITDA CAGR

57%

5-year PAT CAGR

52%

5-year net worth CAGR

24%

Industry leading return on net worth

As we move forward, in the challenging times,

WE ARE FOCUSED ON, DOING THINGS RIGHT.

WE ARE INSPIRED TO, DOING THINGS BETTER.

Opportunity is long term. We can, we believe and hope will continue to do things in a better way to maximize return for shareholders.

SHARE INDIA: A ONE-STOP FINANCIAL SHOP

FOUNDED IN 1994, WE ARE ONE OF INDIA'S LEADING AND RESPECTED FINANCIAL COMPANY HAVING A STRONG PRESENCE ACROSS 14 STATES. PROVIDING A HASSLE-FREE TRADING EXPERIENCE THROUGH OUR VERSATILE TECH-ENABLED PLATFORM, WE BRING OUR EXPERTISE, INNOVATION PROWESS AND TECHNICAL KNOW-HOW TO OFFER VALUE FOR MONEY AND PERSONALIZED SERVICES PROPOSITION TO A DIVERSIFIED CLIENT BASE.

Leveraging our inherent strength, we have strategically created presence across the spectrum of financial services sector to emerge into a veritable financial conglomerate, offering a wide range of value-added products and services and engage with our clients at a deeper level.

25+ years
of operations

919
Employees

Rs. 545 mn
Equity Assets
Under Management

14,884
Trading account

10,585
DP account

Rs. 1,856 mn
Market Capitalization

**All numbers pertain to March 31, 2019*

Our mission and values

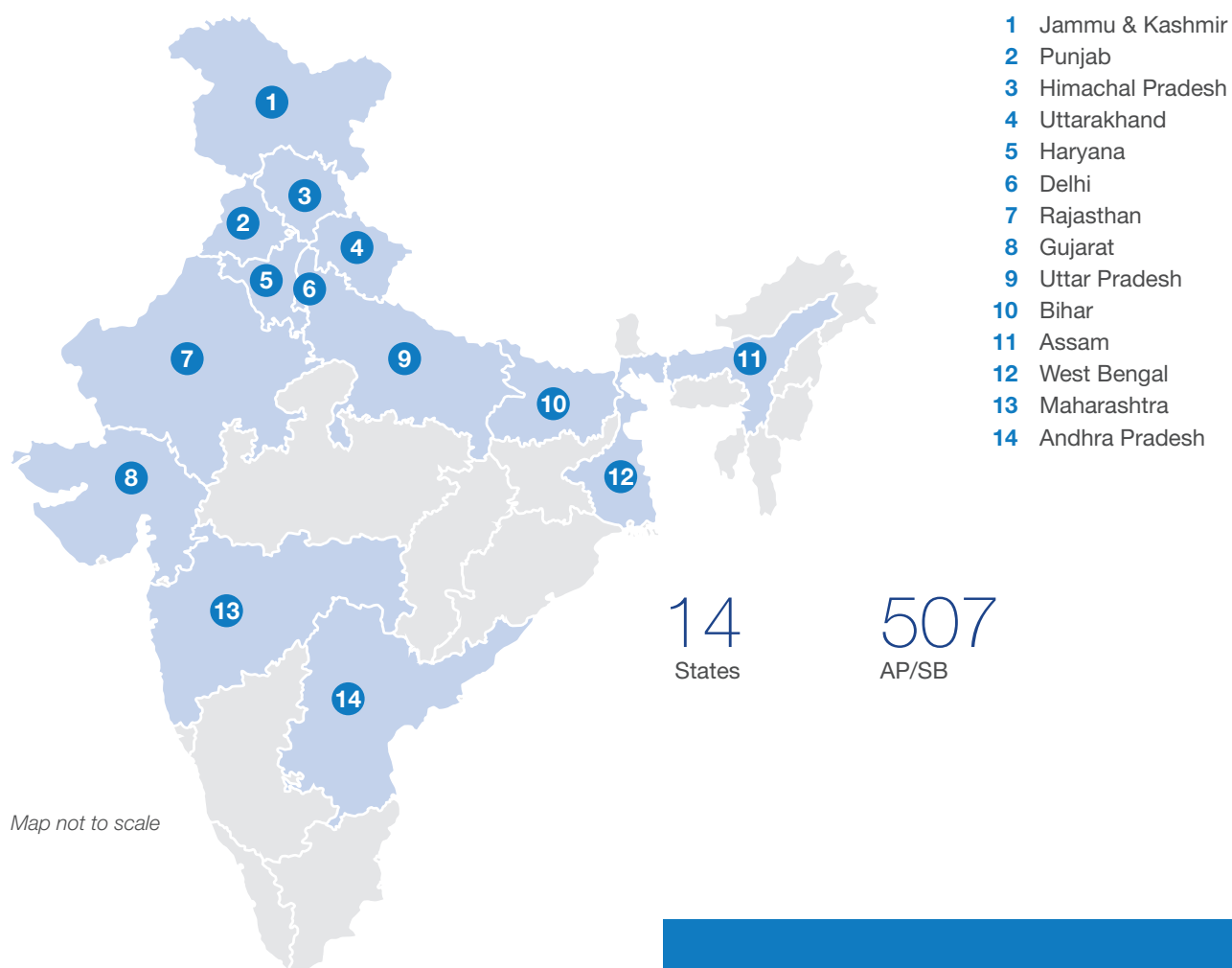
- ▶ To serve diverse client needs by following the principles of professionalism and integrity
- ▶ To focus on expansion of new products and creating growth opportunities for our business partners
- ▶ To achieve continuous improvement through innovation and technology
- ▶ To protect the interests of our clients by providing them with dynamically updated investment information

Our membership and registrations

- ▶ **Broking Services** – National Stock Exchange of India, ICEX and BSE Ltd.
- ▶ **Depository Participant** – Central Depository Services (India) Limited
- ▶ **Mutual Funds Distribution** – AMFI
- ▶ **Research and Portfolio Management** – Securities and Exchange Board of India
- ▶ **Merchant Banking** – Category I license through subsidiary SICS (Share India Capital Services Private Ltd.)
- ▶ **NBFC** – Registered NBFC with RBI through subsidiary SI FinCap (Share India Fincap Pvt. Ltd.)
- ▶ **Commodity Broking** – Members of MCX and NCDEX



Our well-entrenched presence



Acquisition of Total Securities*:

- Geographical expansion
- Product diversification
- Leadership enhancement

*Subject to regulatory approvals

We are committed to our motto **'You Generate, We Multiply'** through a transparent, customer-centric approach focus on innovation and technology.



Our business offerings

Capital market related activities

Equity, Derivative, Commodity, Currency, Depository Participant, Research, Proprietary, Investment Banking

Clientele: Retail, Institutional

Wealth and asset management

Portfolio Management Services, Mutual Fund Distribution

Clientele: High Net Worth Individuals, Retail

Non-banking financial services

LAS, Margin Funding, Structured Financial and Loan products*, Retail Loan, Microfinance Loan

Clientele: Retail, Corporate

**Intended for future*

Ensuring differentiated approach and competitive advantage

01

Technology Edge

Technology forms the core of our business and strategy to provide seamless services to our clients and ensure high operational efficiency. We have deployed latest technology, adopted automated solutions and digitized and streamlined processes.

02

Experience

With over 25 years of operations in the Indian capital market space, we have gained deep insights and understanding of market functioning, behavior and cycles. We use this experience to guide our clients to help them grow their wealth overtime.

03

Knowledge

We have a team of qualified research and advisory professionals having several years of experience and deep domain expertise. We leverage their expertise to equip our clients with research reports and advisory services.

04

Comprehensive Portfolio

We offer a bouquet of value-added financial products and services across the spectrum of financial services. This enables us to cater to diversified requirements of our clients.

05

Superior
Performance

We have a track record of delivering high performance to our clients and effectively managing risks in their portfolio making us a preferred player in the segment.

06

Services

Customer service and experience is a top priority for us. Apart from providing our knowledge expertise, we ensure hassle-free and seamless services to our customers with fast turnaround time. We have adopted customer-centric policies and people culture to provide unmatched service experience.

07

Strong Risk
Management

We have established appropriate risk management procedures across all businesses and have deployed necessary technology, people and processes to effectively safeguard the interest of the organization as well as our clients. These procedures, covering our internal control system, customer margin requirement and risk management of relationship managers are periodically reviewed and modified.

08

Ethics and
Governance

We have strong regard for ethics and adopt corporate governance best practices for effectively managing and controlling business. This is ensured through a comprehensive management structure and internal control systems along with clear demarcation of responsibilities.

DELIVERING VALUE CONSISTENTLY THROUGH PRUDENCE AND KNOWLEDGE

HIGHLIGHTS OF THE YEAR

BROKING SERVICES CLIENTS

1,209

Net Clients
Added

14,884

Total Clients

DEPOSITORY SERVICES

Clients

1,064

Net Clients Added

10,585

Total Clients

DISTRIBUTION BUSINESS

Mutual Funds (MFs)

2,086

New SIPs Registered

1,632

New Clients Added

Rs. 1,000 mn

Approx. Total AUM

NETWORK AND REACH

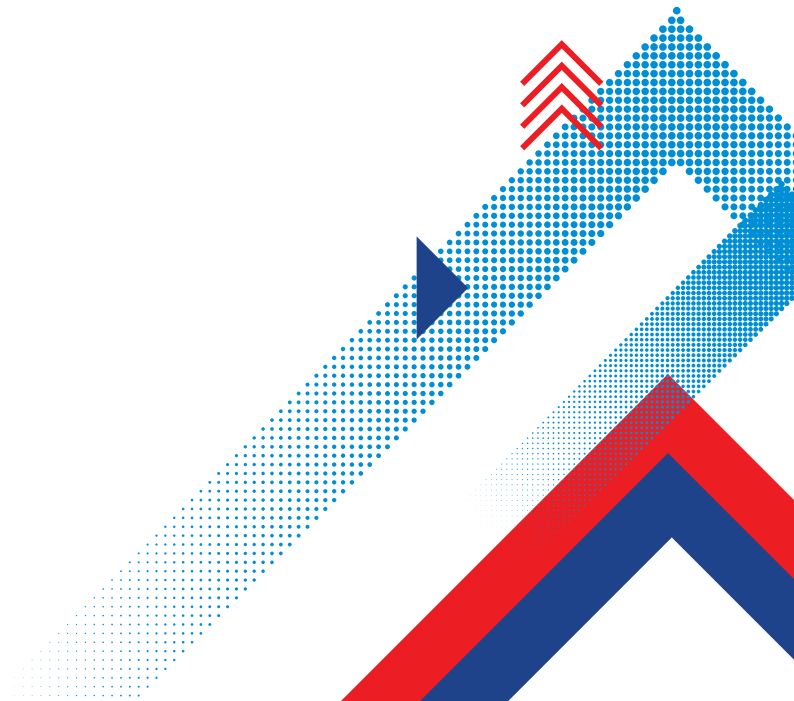
Equity

156

Authorized Person (AP/SB)
Added

4

Own Branches
Added

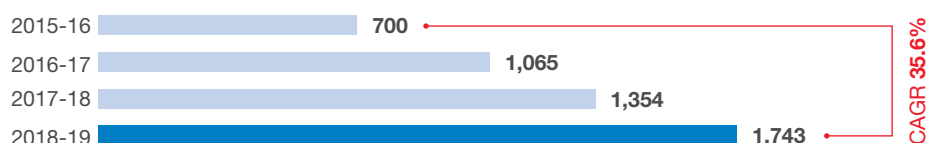




Revenue from Operations

(Rs. mn)

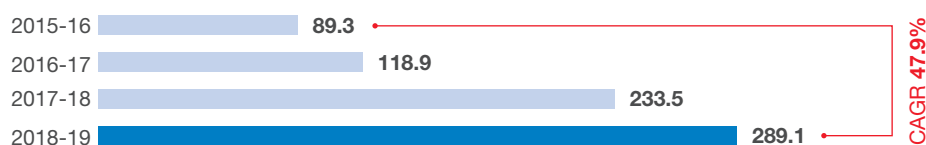
28.7%
Growth Over FY 2017-18



EBIT

(Rs. mn)

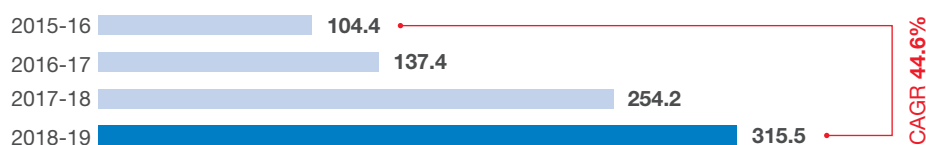
23.8%
Growth Over FY 2017-18



EBITDA

(Rs. mn)

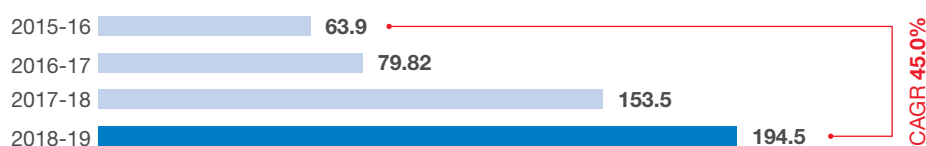
24.1%
Growth Over FY 2017-18



Profit after tax

(Rs. mn)

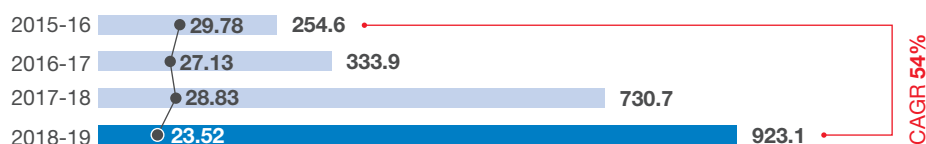
26.8%
Growth Over FY 2017-18



Net worth & Return on Average Net worth

(Rs. mn)

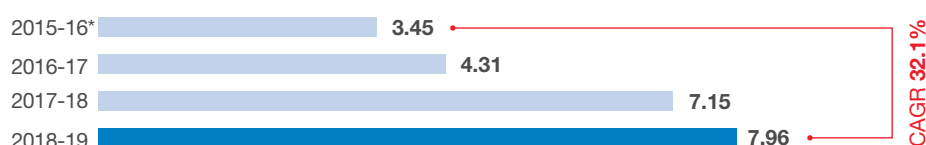
26.3%
Growth Over FY 2017-18



Earnings per share (EPS)

(Rs.)

11.4%
Growth Over FY 2017-18



*EPS has been adjusted for bonus issue in year 2017

CHAIRMAN'S COMMUNIQUE



DEAR SHAREHOLDERS, FY 2018-19 HAS BEEN ANOTHER GREAT YEAR FOR YOUR COMPANY WITH REVENUES AND PROFITABILITY SCALING NEW HIGHS.

It's been over two decades since we commissioned our broking business on the back of revolutionary platform. Today, we are not only a leading broking house in India accounting for approx. 3% of the NSE derivative turnover in FY 2018-19 (expected to increase up to 5% once Total Securities business is merged during the year), but also a diversified and respected financial conglomerate. We cater to diverse clients with our multi-portfolio platform.

Looking back all these years, the very first thought that crosses my mind is – what is it that we did right? While being at the right time and right place when Indian markets were starting to boom was certainly an important driver. But then I believe, our unwavering drive to create differentiation and gain a competitive edge in the industry through the use of technology nailed it. We did this with our constant focus on adopting the latest technologies, nurturing the organizational knowledge capital with the best of people, and providing unmatched value-added services to clients. Our commitment to ethics, transparency and strong corporate governance further made us a trusted player.

Acquisition of Total Securities

- ▶ We have finalized acquisition of Total Securities Pvt. Ltd. in the last year
- ▶ It adds value in terms of geographical presence, adds diversity to product mix and enhances leadership team

Delivering Performance by Doing Things Right

At Share India, our resolve to doing things rightly led us to deliver another year of outstanding performance, despite a difficult operating macro environment and volatile markets. Our revenues during the year grew 28.7% to Rs. 1,743 mn and net profit by 26.8% to Rs. 194.5 mn. The broking business continued its good performance with your company emerging amongst the top drivers on NSE in FY 2018-19. Our new businesses of Merchant Banking, Portfolio Management Services and Non-banking Financial Services

have shown good start and will provide much-needed diversity to revenue mix in due course. We expect these businesses to grow and start contributing meaningfully. **The current tough environment provides opportunity to your company to prepare for next phase of markets.**

Focused on Doing Better

As we move forward, our efforts will be on doing things in a better way to make your company more sustainable over long run and maximize value creation. Important to this will be consolidating existing business and undertaking efforts to drive ancillary business and exploring new growth areas. In a landmark move to consolidate our broking business, we undertook the strategic decision to merge operations of Total Securities with your company. It will make us a dominant force in the segment with a larger portfolio of services, trading strategies, clientele and reach; we would also be able to grow market share in the capital market as well as drive cost rationalization. We are greatly excited by the opportunities that our newly entered NBFC venture poses. Into its first year of operation in the ambit of Share India, the business has shown good momentum, achieving a topline of Rs. 57 mn and a profit of Rs. 5.5 mn led by launch of several new products and intensified distribution with focus on personal finance. We will be focused on further strengthening our portfolio and undertaking dedicated efforts to grow it.

Your company continued its strategy of becoming a diversified financial conglomerate by venturing into the insurance space with its subsidiary Share India Insurance Brokers. India's favorable demography, rising disposable income and insurance under penetration augur well for this business.

Technology and intellectual capital will remain at the core of your company's strategy. They have always been a key differentiator for us since our inception and we will continue to invest in them to sustain this advantage.

Message to the Shareholder

On behalf of the entire Board, I thank all our stakeholders for their continued support and belief in us. I thank our Directors and Management for their guidance and contribution, the employees for their dedication and passion at work and the business partners for their trust in us. I also thank the shareholders for placing their confidence in us and believing in our growth story. Your company will continue its efforts of Doing Things Right and Doing Them Better to maximize value creation for them.

PARVEEN GUPTA

Chairman & Managing Director