

January 24, 2025

<b>To, The Manager, Listing Department, BSE Limited, 1<sup>st</sup> Floor, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. BSE Scrip Code: 540776</b>	<b>To, The Manager, Listing Department, The National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. NSE Symbol: 5PAISA</b>
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Dear Sir / Madam,

**Sub: Submission of Transcript of Earnings Conference Call on Unaudited Financial Results (Standalone & Consolidated) for the quarter and nine months ended December 31, 2024:**

In continuation to our letter dated January 15, 2025 and pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Earnings Conference Call held on Monday, January 20, 2025 at 02:30 P.M. IST on Business Financials and Operations of the Company for the quarter and nine months ended December 31, 2024.

The transcript is also available on the website of the Company at <https://www.5paisa.com/investor-relations/recordings>

We kindly request you to take the same on record.

Thanking You,

Yours faithfully,

**For 5paisa Capital Limited**

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**Namita Godbole**  
Company Secretary & Chief Compliance Officer  
ICSI Membership No.: A21056  
Email ID: [csteam@5paisa.com](mailto:csteam@5paisa.com)

**Encl: As above**

**5paisa Capital Limited**



# 5paisa Capital Limited

Q3 | FY 2024-25 | Earnings Conference Call

**Event Date : 20/01/2025**  
**Event Time: 14:30 Hours**  
**Event Duration: 19 Minutes**

## **CORPORATE PARTICIPANTS:**

**Mr. Gaurav Seth**  
MD & CEO

**Mr. Gourav Munjal**  
Whole-Time Director & CFO

**Mr. Ameya Agnihotri**  
Whole-Time Director & CTO

## **Q&A PARTICIPANTS:**

- 1. Nemin Doshi** : Geojit
- 2. Uday Pai** : Investor Capital

## **Moderator**

Good afternoon, ladies and gentlemen, I'm Pelsia moderator for the conference call. Welcome to 5paisa Capital Limited Q3 FY25 Earnings conference call. We have with us today, Mr. Gaurav Seth; MD and CEO, Mr. Gourav Munjal; Whole-time Director and CFO and Mr. Ameya Agnihotri; Whole-time Director and CTO from 5paisa Capital Limited. As a reminder all participants 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 \* and then 0 on your touch tone telephone.

Please note that this conference is being recorded I would now like to hand over the floor to Mr. Gaurav Seth. Thank you and over to you sir.

## **Gaurav Seth**

Thank you. Thank you everyone. Thank you for joining. Good to have all of you with us and wishing you a very happy new year so I'll get straight to it and focus on our last quarter results so Q3 FY25 has been a challenging quarter for the entire stock broking industry. On one side regulatory changes have impacted client participation and exchange turnover and business income while on the other hand the index corrected by about ten 10% during the quarter and has affected new client participation. Overall, the industry acquired 99 lakhs new customers in Q3 FY25 compared to 1.31 crore in the previous quarter so the significant drop of 24%. Regulators continue to focus on protecting investor interest and enhancing transparency among investors.

One of the notable changes that SEBI has done as part of its F&O norms is the true to label regulation aimed at improving transparency around charges for investors and that has impacted our allied income. Additionally, SEBI introduced phase 1 reforms for the F&O market starting December 1<sup>st</sup> 2024 start of first month of the last quarter and these reforms include measures such as limiting the number of weekly expiry dates for auction contracts increasing lot sizes and acquiring higher margins on expiry dates. These changes affected exchange turnover volume subsequently impacting our broking income as well. While these changes may have a temporary effect, we believe they are ultimately empowering investors and support the long-term sustainable growth of the market and our business as well.

On the acquisition front, last quarter which was Q3 FY25 we acquired 1.11 lakh new customers bringing our total customer base to 47.4 lakh compared to last quarter acquisition the slowdown in new customer acquisition reflects broader industry trends. Our ADT or average daily turnover declined to 3.03 trillion 20% QoQ drop primarily due to regulatory changes as explained before. Our client funding book grew to INR 265 crores which is an 8% QoQ increase and mutual fund AUM reached INR 1386 crores which was a 73% YoY growth.

Our financial performance broking revenue dropped 8% QoQ eight to INR 243.9 crores primarily due to new regulations related to SEBI and F&O norm, allied income decreased by 39% QoQ to INR 16 crores impacted by the true-blue label regulation and our total revenue stood at about INR 85.3 crores reflecting a 15% YoY decline. On the expense front our expenses have been in line with what we budgeted and other expenses decreased by 14% driven by reduced client acquisition costs and also ongoing cost optimization efforts.

With this our Q3 FY25 profit after tax grew 8% YoY to INR 16.2 crores with profit after tax margin of 19% for the nine months ended FY25 profit grew by 20% YoY. Now on the product side we made significant progress and some of the things that we've done as part of in the last quarter and the months preceding that we revamped our web platform with reactions for enhanced performance scalability and cutting-edge trading experience complemented by an all in one dashboard for multi asset management.

Our revamped flutter based mobile app is now 100% live for all users on android as well as the IOS platforms it delivers faster feature rich experiences including F&O 360 for advanced derivatives trading and an upgraded MTF journey as well which is for higher ticket transactions. New trading tools like VTT, OCO, position grouping and integrated option chain positions empower users with greater control and efficiency as well as flutter driven onboarding and streamlined online re-KYC processes ensure faster and secure activations boosting user engagement satisfaction and retention together these innovations solidify our position as a leader in seamless tech driven trading solutions.

Additionally, we have made significant efforts in optimizing platforms for lower latency increased throughput and reducing expenses and finally I think in conclusion I would say that we remain committed to enhancing our product and deliver superior customer experience we're confident that these efforts will drive revenue and profitability and growth for us in the coming quarters. So that's a brief from me, Gourav you want to add something?

#### **Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request you may do so by pressing \* and 1 again.

First question comes from Nemin Doshi from Geojit, please go ahead.

#### **Nemin Doshi**

Sir I have two questions from my side. Firstly, with respect to the payback period of our CAC how do we see this being affected in light of these regulatory changes and secondly is there any change in strategy from a customer acquisition perspective given we see a sharp decline in s and o volumes industry wide.

#### **Gaurav Seth**

Okay thanks good question. I think on your first question if I read it right here -- heard it correct you're talking about the payback period for client acquisition, right?

#### **Nemin Doshi**

Right yes.

**Gaurav Seth**

Yes, so currently having a ballpark of about six months we see that going to eight months with some of these new changes and I am starting with the caveat that obviously these changes are still too early to these are initial estimates too early to determine and I think your second question was about is there a change in our client acquisition strategy in light of the new norm?

**Nemin Doshi**

Yes.

**Gaurav Seth**

Principally speaking we want to be more thoughtful about our client acquisition strategy and I don't think we are changing anything drastically as far as the kind of customers or clients that we want to acquire, we want to acquire people or customers who can benefit from our products in the long term and also being good customers for us right if you look at the lifetime value and also the cost of acquisition. So those basic principles of acquisition still remain the same obviously we would in as depending upon how these norms play out, become in which are the fine tune the cohort we want to go after etcetera.

**Nemin Doshi**

Got it and lastly if you can just throw some light on the cross sell that we from a customer acquisition perspective is there a cross-sell opportunity and how are we able to cross sell the mutual fund products or different products across our value chain of the customers so any sort of color on that would be helpful.

**Gaurav Seth**

Yes certainly I think we appreciate and actually understand the importance of cross sell so whether we are cross selling, let's say a broking customer mutual funds or a mutual fund customer broking solution I mean journey can start either way but I want to kind of again caveat it by saying that we think that there is ample opportunity in this market in the investing and trading space so we're looking at cross sell between these investing and trading products only which is our current sort of bouquet of offerings and that is something that we would continue to focus on and track religiously.

**Nemin Doshi**

Okay got it thanks and all the best for the next quarters.

**Gaurav Seth**

Thank you

**Moderator**

Ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. The question comes from the caller id 02268497499 please go ahead with your question.

**Uday Pai**

Hello am I audible

**Moderator**

Yes, sir your audible sir I request you to introduce yourself and ask a question.

**Uday Pai**

Hi my name is Uday, I am working with Investor Capital. I had one question on the pricing, are you envisaging any change in your pricing policy due to these regulations or to mitigate the impact of this regulation?

**Gaurav Seth**

So right now, we are not seeing anything we are closely monitoring that how the volumes will go up or down in near future and we will review the competitor and industry actions towards the same and after all this accordingly we'll take actions but till now we haven't changed any pricing.

**Uday Pai**

Okay sure thank you that's it for me sir.

**Moderator**

Thank you. Ladies and gentleman if you have any questions, please press \* and 1 on your telephone keypad. There are no question sir. Dear participants if you have any questions, please press \* and 1 on your telephone keypad. A follow-up question from Nemin Doshi from Geojit. Please go ahead.

**Nemin Doshi**

Hi sir, thanks for the follow-up again. Sir, firstly from an MTF perspective we have seen our book growing fast over last few quarters so how should we think about this book in near future especially in light of the changes that there could be a rate fall or rate fall in coming quarters.

**Gaurav Seth**

As a general we don't want to speculate I mean as a business we adjust whether it is pricing or product or strategy based on market conditions right and that's something that we would look to do it's very hard for us to say at this point in time where the rates are headed. If you're saying

that why did the book grow to a certain amount, I mean we obviously an MTF would be a focus but I would not -- I don't think so we would be able to speculate or determine at this point in time that what impact interest rates will have on our MTF book in the future it's too early to say.

**Nemin Doshi**

So overall impact of this industry will not be that much because anyway it is more driven by the market correction and market improvement so any reduction in half percentage or the one percentage will not impact these kinds of customers because anyway, they are paying in between in the range of 17-18% so it's more of towards it's more by the market improvement.

**Gourav Munjal**

Okay so we won't be indulging in aggressive pricing strategy so as to attract and grow our ETF book.

**Gaurav Seth**

We are clear right -- we have revised in the last quarter and reduced it to .045% per day which comes around 16.24% & we had already reduced by 2-3% in last quarter .Until now we are not thinking about to reduce it more because it makes sense for us to get a spread of 4-5% at least especially when the market is open for 240 days out of 365 and yes we know that there are players who is competitive in this space and they may are burning from their own pocket but till now we are not in a position to reduce it further and our rate is 16.42% as of now.

**Nemin Doshi**

Okay got it and lastly sir how do we see this broking environment especially for 5paise panning out over the near term, especially in light of this regulatory changes do we see any further changes in cost structures or do we just have to wait and watch until the situation settles around?

**Gaurav Seth**

So, I think excellent question again this is a more regulatory driven environment right and I think we are being in the industry used to dealing with regulation and compliance, I think as I said that we think this is a net positive for the industry now even if you look couple of years back to the peak margin environment right when that drilling came in about 2021. The market had a temporary effect and then the new base was set and then they will grow from there so hopefully these changes also pan out I would not like to speculate but I think overall it's good long term for the customer and for the market.

How our business will pan out and what decisions we'll take I mean we would have levers like obviously we would there are decisions that we would take and there are decisions given on what competition is doing and the market is doing right in terms of pricing levers and so on and so forth and product composition and those are things that we would evaluate if need be in the next let's say couple of months or quarters that's how we're looking at it.

**Nemin Doshi**

Perfect so that would be a fair assumption that we have levers to play out and maintain our profitability.

**Gaurav Seth**

I mean yes we do have -- we can think about all the cost optimization in many areas but again we need to take a bet between the profitability and growth we need to maintain a balance between our acquisition, our infrastructure and IT spend product development as well as to get a market share with the along of course with the profitability we need to deep dive and come back with a good strategy but yes we do have levers overall.

**Nemin Doshi**

Perfect thanks a lot that's it from my side thanks.

**Moderator**

Thank you. Ladies and gentleman if you have any questions please press \* and 1 on your telephone keypad. We will wait for a moment while the question queue assembles.

Sir, we don't have any questions. Now I hand over the floor to the management for closing comments.

**Gaurav Seth**

Yes, so thank you for joining us on the call today. I hope we've been able to answer all your queries if you have any further query or need any assistance, please feel free to get in touch with us you can mail us at [ir@5paisa.com](mailto:ir@5paisa.com). Thank you again.

**Moderator**

Thank you, sir. Ladies and gentlemen this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day.

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**Note:** 1. This document has been edited to improve readability  
2. Blanks in this transcript represent inaudible or incomprehensible words.