5paisa Capital Limited
Q4FY26 - Investor Conference call

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Corporate Participants:

Mr. Gaurav Seth
Managing Director and CEO

Mr. Gourav Munjal
Whole Time Director and CFO

Mr. Ameya Agnihotri
Whole Time Director and CTO

Q&A Participants:

1	**Harshit Singhania**	: Robo Capital
2	**Sudhanshu Yadav**	: Talencia Consulting LLP

Moderator

Good afternoon, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to the 5paisa Capital Limited 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. As a reminder, all participants will be in listen only mode, and there'll 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 0, on your touch tone telephone. Please note 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

Okay, thank you. Hi. Thanks, everyone, for joining. Good afternoon. I will take a few minutes to summarize our results and what we are upto then open the floor for questions. So, Q4 FY26, we'll give you a quick summary. The capital markets generally have been quite volatile as all of us know in the past couple months, specifically going to the geopolitical developments including the Iran war, and the macroeconomic uncertainty as well. And, of course, there has been quite an upheaval from the advent of AI both in the global markets and Indian markets as well.

Both positive and negative, and positive that there's a lot of potential in the technology, but negative in the sense that the impact on certain companies and certain sectors where information is asymmetric and not very, very clear has impacted the valuation of a lot of companies across the globe, including India. In general, Brent crude prices crossed USD 100 per barrel. Where I believe it's probably even more than that as we speak, increasing inflationary pressures and led to the weaking of rupee against the dollar. The buyers have been continuing to sell, leading to about 11% decline indices.

However, this has been a trend that we've been witnessing that has a lot of local domestic institutions and a retail money has been buying up the dip. And it's highlights to the strength of India's domestic investor base. There was likely expected some moderation on the retail participation in the markets. So that moderated with Demat account additions slowing down to about 8.5 million in this quarter which if you compare with previous quarter, was down about 3%. Despite this, in trading activity generally remained strong. Exchange retail, F & O, premium average daily turnover grew 22% QoQ to INR 78,000 crore. While exchange retail cash, ADTO grew 10% QoQ to INR 43,974 corers.

From our company perspective, 5paisa, we remain focused on offering best in class solutions, continue to focus on high quality acquisition, which means acquiring high quality customers and increasing lifetime value.

During the last quarter of the previous financial year, we improved on a lot of metrics, including our overall acquisition, base for organic acquisitions, stronger brand campaigns, and targeted engagement. So we acquired 33% more customers as compared to the quarter before that. So, we acquired more than one lakh customers in the last quarter. There was also an improvement in our overall First year revenue and our CTR ratio, which is cost to revenue, from a payback perspective.

Our total customer base reached 51.8 lakh, and in Q4, our F & O premium growth grew to INR 1,336 crores, which is an increase of 22% QoQ. Our average client funding book, which includes the regular T+5 margin book plus MTF,

totaled up to INR 410 crores, which was, again, an increase of 8% QoQ. Our MF stood at INR 1,761 crores, which is again a 6% decrease from a QoQ perspective and some part mark-to-market impacted this number because of that overall market went down which impacted the AUM.

On our financial side, our broking revenue grew to INR 41.8 crore in the quarter, which is a 13% increase related to previous quarter. Aligned income was up INR 20.7 crore, which is up 5% increase Q-o-Q. And total revenue for the quarter was INR 85.5 crore, again, 8% increase Q-o-Q. Our employee costs increased due to hiring in product & Tech, marketing and AI teams. Other expenses also went up mainly because of higher customer acquisition compared to last quarter. And for this quarter, profit after tax back was INR 44.3 crore, and our network stood at INR 650 crores as of March 31st, 2026.

I'll take a minute or a few minutes, to talk about, more importantly, what we have been investing in on the technology and product side. So, from a product update perspective, we launched, several features to improve the trading experience of our customers. We've included tools like Scalper, multi-chart setup, strategy builder, option chain, and alpha scan which help user execute faster and track positions better. We also added position tracking on option chain and grouping across indices. Further, we upgraded our API and partner ecosystem, Xstream and XTS, with Greek data, 20 depth APIs, and static IP support, which improved access and increased institutional participation.

On the investing side, PayLater and MTF became important monetization driver. And we expanded our eligible stock universe from 700 to 1,500 plus stocks. And increased the investor limit to INR 3 crore. We have also improved mutual fund experience, launched an ETF dashboard, introduced SEBI compliant infrastructure, and reintroduced stock SIPs.

Community features like trade pattern, trader stories are currently in development to support long term user engagement. Specifically on the tech side, we significantly reduced order placement latency, improved execution speed, and platform reliability along with modernizing our back-end systems. Some of the features that we introduced specifically on the tech infrastructure side was caching static data, reducing API across web and app platforms and optimize market free APIs with smaller payloads. We also made charting faster and improved load times.

These efforts together improve latency, improved execution reliability, and supported operational excellence at scale. We were one of the first to actually introduce 5paisa MCP, which is an AI trading companion linked to broking accounts. This happened in actually the previous two quarters. In last quarter, we improved the product where somebody could use an MCP server to connect to the broking account and almost analyze and execute anything that they would do on the app via chat window.

So, we successfully completed our rights issue, which was oversubscribed, and amount of money raised was INR 468 crores. There was a strong participation from promoters and reaching a new investor, reflecting confidence in our growth strategy. And our networth increased to more than INR 1,100 crores which is strengthening of our balance sheet. This capital will be deployed to support business expansion, enhance market presence, and drive long term growth. Lastly, we remain committed to driving innovation, strengthening our product and technology stack, and leveraging AI to enhance customer experience.

With that, I conclude my opening remarks and welcome any questions. Thank you.

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.

The first question comes from the line of Mr. Harshit Singhania from RoboCapital. Please go ahead, sir.

Harshit Singhania

Hello, am I audible?

Moderator

Yes, sir.

Harshit Singhania

Can you tell a bit about the utilization of the right money that we have raised? And how we're going to utilize it?

Gaurav Seth

I don’t understand the question. You're talking about the how we're going to use the capital, right?

Harshit Singhania

Yeah. That's really right issue.

Gaurav Seth

Okay, right issue, right? So, I think we mentioned that in our draft prospectus also, letter of offer . So if you look at it we plan to deploy it in at a high level in three major areas. One is to support higher trading volumes as we anticipate higher growth. To support the margin extended to clients and what we need to keep with the exchanges. That's number one. Second is to grow our MTF book. This is where we're seeing good growth. And third is overall core business expansion via better marketing, brand development, and a lot of investment in product, tech, and AI. So those are the three major areas that we look we are looking to deploy capital.

Harshit Singhania

Have we utilized some part of this fund as of now?

Gaurav Seth

Gourav you can take that specifically, technically speaking, yeah, go ahead.

Gourav Munjal

Sure. So, we have already started. We have increased our margin, as per our prospectus. And right now, our margin has been increased to a 1.5 x from our existing capacity.

Harshit Singhania

Okay, great. Thank you so much, sir. That will be it from my side.

Moderator

Thank you, sir. The next question comes from the line of Mr. Sudhanshu Yadav from Talencia Consulting LLP. Please go ahead, sir.

Sudhanshu Yadav

Can you please give some recent glimpse on outcome & F&O and cash market shares? Last year, there was a discussion going on. What was the outcome of it? And what is customer acquisition strategy for 5paisa?

Gaurav Seth

Gourav, you want to take that?

Gourav Munjal

So, regarding your first question that customer outcome of the company. Outcome of the company is a simple, I mean, basically, we have uploaded our resultable financials as well as balance sheet, which shows that we have increased in revenue by 8%. Our profit is slightly declined because of tech investment as well as HR investment. So, nothing major, I mean, there is no unusual as outcome which we have already published. Second question, sir, about in respect of the customer acquisition strategy. Maybe you can take.

Gaurav Seth

I think the customer acquisition strategy is , Just request if people are not speaking and go on mute. From our perspective, and I could just send strategies directly linked to what our overall company strategy is. And that is something that we want to focus play of deepening, where we are good at on in the trading stack, as well as growing our investing business, which is mutual funds and other products. So anyone who is looking to, let's say, whether it is a person who is a pro trader would look to come to us to carry out their trades or to improve their profitability or do more and more deeper things with the fact that is something that that that we're focused on.

And on the other side, people who are specifically looking to build long term wealth and not necessarily trade. For that, we have other products like we have MTF. Have product, you know, ETFs, mutual funds, and some other products which are there in the pipeline. So that's really our overall strategy to acquire customers in the future.

Sudhanshu Yadav

What about the market share? Please give some numbers.

Gaurav Seth

Market share, we have approximately 2% market share on, both F & O and cash.

Sudhanshu Yadav

Okay.

Gaurav Seth

Okay. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad. There are no further questions, sir. Now I hand over the floor to the management for the closing comments.

Gaurav Seth

Okay. thank you for attending. If you have any further questions, then I think, Gourav, please provide the email ID that they can reach out.

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 services. You may disconnect your lines now. Thank you and have a pleasant day.

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