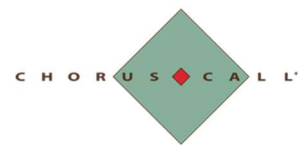




**“Gretex Corporate Services Limited
Earnings Conference Call”
November 19, 2025**

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 19th November 2025 will prevail.”



**MANAGEMENT: MR. ALOK HARLALKA – MANAGING DIRECTOR AND
CHIEF FINANCIAL OFFICER – GRETEX CORPORATE
SERVICES LIMITED
MR. SUMEET HARLALKA – WHOLE TIME DIRECTOR –
GRETEX CORPORATE SERVICES LIMITED**

MODERATOR: MR. SUMIT KINIKAR – ADFACTORS PR



Moderator:

Ladies and gentlemen, good day and welcome to the Gretex Corporate Services Limited, which is GCSL, Earning Conference Call to discuss the unaudited financial performance for the quarter and half year ended 30th September 2025. As a reminder, all participant line 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 star then zero on your touchtone phone.

Please note that this conference is being recorded. We have with us Mr. Alok Harlalka, Managing Director and CFO, Mr. Sumeet Harlalka, Whole-Time Director. Before we proceed, I would like to bring to your attention that certain statements made during this discussion may constitute forward-looking statements.

These statements are based on our current expectations, assumptions and beliefs regarding future developments and are fundamentally subject to various risks, uncertainties and factors beyond our control. Such forward-looking statements involve both known and unknown risks and we advise you to consider them with caution.

I will now hand the conference over to Mr. Alok Harlalka, Managing director and CFO, for his opening remarks. Thank you and over to you, sir.

Alok Harlalka:

Good morning everyone. We thank you all for taking the time to join us. The financial results and investor presentation have been uploaded on the stock exchanges as well as on our company website and I hope you have had the opportunity to go through the same. Today marks our first earnings call as a main board-listed company, a moment that reflects the trust of our clients, the resilience of our team and the belief of our investors. For us it is not just a transition, it is the beginning of a more purposeful and growth-focused chapter for Gretex.

I would like to start with a brief overview of our group structure and our journey so far. Gretex Group today stands as a dynamic and integrated financial ecosystem that brings together the strengths of merchant banking, broking and wealth services. Under one unified vision of enabling capital access and growth for India's emerging enterprises, at the core of this ecosystem is Gretex Corporate Services Limited, our listed entity and SEBI-registered Category-I merchant banker, complemented by our subsidiary, Gretex Share Broking Limited and our associate company, Gretex Industries Limited.

Together, these entities form a cohesive platform that delivers seamless, client-centric, and value-driven solutions across the capital market landscape. Our journey has been marked by steady growth, continuous diversification and a clear focus on building long-term value. Gretex Corporate Services Limited was incorporated in the year 2008 with the vision of creating a trusted financial services platform for India's growing businesses.

We commenced our merchant banking operations soon after we were registered as a SEBI-registered Category 1 Merchant Banker in 2014. From our early years itself, our focus has been clear to empower small and medium enterprises by giving them access to the capital markets. In



2014, we successfully executed our first SME IPO, marking the beginning of how we have become one of the strongest SME Merchant Bankers in the industry.

Over the years, GCSL has evolved into a full-service advisory platform, offering a wide range of financial solutions. Our key services include SME and Main Board IPO Advisory, right from structuring to execution and listing, right issues, preferential allotments and private placements, valuation and corporate advisory, mergers and acquisitions and corporate restructuring advisory, capital and equity fundraising solutions, ESOP valuation, due diligence and corporate compliance support.

I am happy to share that we have successfully executed 59 public issues to date, which includes 57 SME IPOs, one first main board IPO in FY24 and one follow-on public offer. Collectively, raising around INR1,337 crores. In addition, we facilitated 8 private placement transactions, helping clients meet their diverse capital raising needs. Our deep regulatory expertise, unwavering focus on compliance and strong execution track record have enabled us to foster lasting relationships with entrepreneurs and investors alike.

Our journey at GCSL, from being listed on the BSE SME platform in August 2021 to successfully migrating to the Main Board in September 2025, reflects the steady progress we have made over the years, the strength of our business model and the growing trust and confidence that the market continues to place in Gretex.

Coming to our broking subsidiary, which complements our merchant banking operations and completes our capital market ecosystem. Complementing our merchant banking operations is our subsidiary, that is Gretex Share Broking Limited, which was incorporated in April 2010 to strengthen our market presence and offer end-to-end solutions to clients across the capital market value chain.

Since its inception, Gretex Share Broking Limited has focused on creating liquidity and facilitating smooth trading in listed securities, fulfilling its dual role as a market maker and stockbroker. It is a SEBI-registered market maker and stockbroker and as an NSDL depository participants. As of now, Gretex Share Broking Limited serves as a market maker for 63 companies listed on the SME exchanges and has an empaneled relationship with 7 institutional clients. On the retail side our broking business caters to more than 300 clients, offering equity and derivative trading, depository participant services and research-driven insights. This balanced mix of institutional, retail and SME market-making clients enables us to maintain steady and recurring revenue streams. This synergy between our advisory and broking businesses allows Gretex to deliver a complete capital market solution from IPO execution to post-listing support within one integrated ecosystem.

Before moving to our financial highlights, let me share a brief perspective on the industry, environment and opportunities. The overall capital market environment continues to be strong, supported by healthy domestic liquidity and raising participation from both institutional and retail investors.



Gretex Corporate Services Limited
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The sustained inflows into mutual funds, portfolio management services and alternative investment funds are depending market breadth and creating a stable base for capital formation. India's equity markets are witnessing renewed momentum in primary instances with increasing activity across both SME and main board IPOs, driven by robust investor appetite and improved regulatory frameworks.

These positive structural trends reflect the growing maturity and resilience of Indian capital markets. With our strong positioning across merchant-making and broking, we are well-placed to capitalize on these opportunities.

With that backdrop, let me now take you through our financial performance for the quarter.

Total income stood at INR67.4 crores in Q2 FY26, a strong increase of 197% compared to INR22.7 crores in Q1 FY26. EBITDA rose sharply to INR19.6 crores from INR2.4 crores in the previous quarter, reflecting growth of over eight times. EBITDA margin expanded significantly to 29% from 10.6% in Q1 FY26.

PAT grew multi-fold to INR12.9 crores in Q2 FY26 compared to INR1 crores in Q1 FY26, an increase of over 13 times, with PAT margin improving to 19.2% from 4.2%. The strong sequential performance was driven by increased IPO mandates and expansion in market-making operations. During the quarter, we successfully completed 5 IPOs, 1 delisting, 1 open offer and 7 mandates in valuation and advisory services.

Beyond the reported numbers, our mandate pipeline provides strong visibility for sustained growth in the coming quarters. Our momentum continues to be strong with a healthy and diversified mandate pipeline. We currently have near about 21 IPO mandates under execution, comprising 16 SME IPOs on NSE Emerge, BSE SME Platform and 5 Mainboard IPOs, reflecting our growing acceptance among larger and mid-sized corporates.

In addition, our broking subsidiary, Gretex Share Broking Limited, is actively engaged in 19 market-making mandates, including 16 for SME-listed companies and 3 for institutional clients. This strong pipeline not only demonstrates the trust our clients place in our capabilities but also provides clear visibility of sustained business growth over the coming quarters.

Looking ahead, our focus remains on expanding our product offerings and strengthening our market presence. We plan to refile our Category-3 AIF soon and launch our Portfolio Management Services next year to enhance our wealth management capabilities. On the capital markets fund, we aim to increase participation in main board IPOs and improve strike rate and pricing outcomes through stronger governance and investor readiness.

Our subsidiary, Gretex Share Broking Limited is also preparing for its listing very soon, which marks an important milestone in our journey. The listing will not only enhance the company's visibility and credibility but also unlock value for shareholders while providing a stronger platform to expand its market-making and broking operations.



Additionally, we are exploring selective inorganic opportunities in retail broking and building equity research capabilities to support origination and client engagement. Over the next three years, we are targeting to facilitate fundraising of around INR20,000 crores through private equity placement and IPOs while continuing to focus on sustainable growth, compliance and long-term value creation.

As we move ahead, our focus remains on disciplined execution, scaling both our merchant banking and broking businesses sustainably. We are confident that the opportunities within India's evolving capital markets will continue to expand and Gretex is well positioned to capture this growth with consistency and credibility. We look forward to maintaining transparent communication with all our stakeholders. Thank you and we can now open the floor for questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Parth Patel from Patel Investment. Please go ahead.

Parth Patel: Good morning, sir. Am I audible?

Alok Harlalka: Yes, you are audible.

Parth Patel: Thank you. Congratulations on the maiden call, sir. I just have a few questions. First is based on the financials. So, if you see, last quarter was pretty dull for us and this quarter we jumped the revenue a lot, around INR67.4 crores. So, just wanted to know what happened which made the last quarter so dull where we had only INR22.7 crores of income and what led to such a huge jump or contributed to it?

Alok Harlalka: Okay, fine. See, if you understand our business model that we are into the listing space, okay. Whenever we, I mean, the revenue generated only because of the listing happens. So, in the first quarter, if you see in the entire capital market, major listing doesn't happen because just in the first quarter, April, May, June may not have that kind of readiness from the company side to get listed.

Maybe the investor side may not be ready to invest. So, that's the reason first quarter, if you see a major listing doesn't happen. So, second quarter always has a better, I mean, demand in the market so that the company can get listed. So, that's how the second quarter was quite better for us because we listed major companies in the second quarter. That's the major reason of having the major revenue in second quarter.

Parth Patel: Got it. So, it's a recurring thing, if we can consider it that first quarter will be a little dull, but we will get it back up from the second quarter onwards?

Alok Harlalka: Yes, this is a practice in the market. In the entire capital market, if you see, major listing doesn't happen in first quarter, always compared to quarter 2 always better.



- Parth Patel:** Okay, got it, sir. Secondly, I saw in the IP that you have 21 IPO mandates that are being executed right now. So, I just wanted to see what is the kind of closure timelines that you are seeing and by what time will we see the revenues coming in?
- Alok Harlalka:** So, according to us, if you talk about all the, as I said, 16 IPOs SMEs that we have with us, okay, at least 10 to 12 IPOs are going to be listed by this financial year and remaining can be in the next financial year. And out of five main boarders which we have, so we are expecting at least two to three listings should be done within this financial year. Remaining can be in the next financial year.
- Parth Patel:** Got it. So, and what kind of revenues are we expecting, if we can disclose?
- Alok Harlalka:** See, to be very honest, if you see the, I mean, if I am expecting the total top line can be, I mean, in terms of raising money, I think the mandate which we have is maybe INR50 crores to INR60 crores IPO of all SMEs multiplied by 10, then INR500 we can raise for SMEs. And for the main board side, if you see, maybe INR600 crores to INR700 crores we can raise. So, maybe INR1,000 crores or INR1,100 crores we can raise in this financial year. So, maybe 4% to 5% revenue could be there.
- Parth Patel:** Got it. So, around INR40 crores to INR50 crores?
- Alok Harlalka:** You could say like this.
- Parth Patel:** Okay, sir. And I just had a last question. So, I believe you are also planning to list Gretex Share Broking?
- Alok Harlalka:** Yes.
- Parth Patel:** So, I just wanted to understand the logic behind listing that company as well and where is the regulatory process on that way which stage has it reached?
- Alok Harlalka:** See, if you see in all the SME companies, if you see that market making is the compulsory obligation. So, considering that, if we do all the IPOs then definitely the investment is required. And even we don't invest in the market making as a marketing obligation in an IPO, even we invest post that as well as a market maker.
- So, we see an opportunity in SMEs where we acted as a merchant banker as well. So, the reason we need more liquidity to have good, I mean, strength in the market as a market maker. So, that we wanted to have raised money for the same. So, that's the reason we have decided to go for an IPO on main board for this our Gretex Share Broking Limited, whatever money we are going to raise. So, definitely we'll be using that to have more pipeline, which is already there in our kitty to invest in the market as a market maker.
- Parth Patel:** Got it. So, hopefully, none of it will be offer for sale and most of it would be used for growth?



- Alok Harlalka:** Yes. Major money will be using for growth only. We may have some portion, but we have not decided yet. Still we have not filed the documents. So, still we are in the discussion with our BRLM what to be done.
- Parth Patel:** Okay, sir. Got it. That answers my question for now. If I have any other, I'll join the queue again. Thank you and all the very best, sir.
- Moderator:** Thank you, sir. Our next question comes from the line of Aniket Redkar, an Individual Investor. Please go ahead.
- Aniket Redkar:** Thank you for the opportunity.
- Alok Harlalka:** Yes, Aniket, please.
- Moderator:** I'm sorry, but Aniket has left the queue. We'll go ahead with the next participant. Our next participant comes from the line of Neha Duri, an Individual Investor. Please go ahead.
- Neha Duri:** Thank you for taking my question, sir. So I wanted to ask regarding the competitive advantage which we have in the merchant banking sector in SME and main board IPO advisory space. Can you shed some light on that?
- Alok Harlalka:** I didn't get your question. Can you repeat me again?
- Neha Duri:** So, what differentiates us in the SME and main board IPO advisory space and how historically we have executed, our track record and contributed to our positioning among merchant banking peers?
- Alok Harlalka:** Okay, fine. Thank you. So, to be very honest since we are into this market from 2014, so we understand very well that when SME have started in 2012, there were no, I mean, you could say that kind of experience by any company or any merchant banker how to take it ahead. So, when SME have started, so a lot many challenges were there in terms of convincing the promoter for getting their company listed in terms of raising money by the investor's side, that is a good opportunity to invest.
- So, looking at that scenario at that time, so we had a lot many challenges, a lot many experience we had and we have done so many, a lot many seminars, webinars you could say during COVID as well with the help of exchanges. So, t you could say that has created the visibility vis-a-vis, you could say an experience because exchanges that time was very much supportive for any company that to be listed on exchanges, on their respective exchanges.
- So, that time I can say that the experience which we had was tremendous because when there are -- when that time regulators were in this supportive mode to get the company listed, so obviously we had a good experience. Today, now you could say that if now today if you ask any company to be listed, now exchanges are quite strict in terms of listing the company, in terms of I mean the documentation and the criteria, they have done a lot many changes.



So, because of that experience when the beginning were there. So we had an opportunity you could say that to learn that, how to take the company, SME company to be listed because we understand that SME company has a lot many challenges once the listed. So, considering all those experiences, definitely we had a good I mean good knowledge, good I mean support from regulators at the beginning, so that we have an opportunity.

So, with that we had a lot many experience. So definitely when you have a lot many experiences, then definitely I mean getting the company listed are more, I mean we understand very well when you select any companies, the quality of company we understand very well which is the right way of doing it. So, that is how we get an opportunity to select good companies through our experiences and considering this main board.

Now we understand that now regulators are quite strong, I mean quite strict in terms of listing the company, the kind of quality of company and the compliances. So, we understand very well that now SME should be I mean migrate, I mean should be act as a main board company because now we have seen the maturity of SME platform in last 10 years, so looking now we are seeing that most of the SME companies should act as a main board company as well.

So, that is how we also understand that if you see some of our company which have got listed recently, so we are also telling them to behave like a main board, they should have concall quarterly as well, investors call as well, so they have started doing that. So, we understand very well that if any SME company is getting listed today at such a good valuation, then definitely they should start focusing to act as a main board, so that the investor will have more knowledge about the company.

So, with these experiences we can say yes, we can decide for the SME company which are the best company to be listed vis-a-vis the main board because since we have educating companies to act as a main board, so obviously on main board space as well we can do better for our entire I mean stock market vision.

So, that is how we understand that SME main board is now competitive. So we should look forward gradually to list main board company and obviously we have the experience of 58 companies on SME, so we understand very well which are good for the equity market, so that is how we are working right now.

Neha Duri: Understood, so experience can be our key differentiator.

Alok Harlalka: Yes.

Neha Duri: So is there any criteria which we follow when we onboard a client?

Alok Harlalka: Yes, we have our internal criteria, you could say that, we generally we don't take company having less than INR10 crores PAT, that is our internal criteria. We take a new mandate which has a PAT of less than INR10 crores, that is our internal mandate for SMEs. Obviously, for the



main board obviously the criteria are quite stringent than compared to SME, so obviously for the main board we all get the criteria of main board only.

Neha Duri: Understood. My second question was in line with the mix across your merchant banking and broking. So, I wanted to know your client mix, like what size sectors you have?

Alok Harlalka: See, on the broking side you could say as I have said in my speech that we have about 300 clients on board, where if you see that maybe I mean I mean 20% clients are there who works regularly, remaining or not very much actively. So our focus was from the beginning is not to have retail and client base in the broking as well.

We were always focusing to act as a market maker, where we had a good revenue and parallelly we have also added the institutional broking desk as well. So, we were focusing on that. Now, currently since we are planning to go for the listing, so we should have the inorganic growth because it is typically if you ask me to get the accounts from the public to open their demat and trading account with us, it's not easy to do.

So that's what we understand that inorganic growth is quite possible. So, currently in our broking desk, in our broking we don't have much active clients apart from 10% to 20% of the clients which we have are actively working, remaining are just seasonal trading you could say and majorly revenue we are having from our market making activities, some revenues from as a client, client have given some brokerage to us and remaining revenues from the institutional only. So, there is no big names in our broking desk as well except the institutional broker you could say.

Neha Duri: So, I wanted to ask if these clients are spread across the sectors or we have any sector concentration?

Alok Harlalka: No, all are HNI sector you could say, there is no sector specific we have. So whoever are there, some of the clients are our investor who also invest in our IPO as well, so those people have open, so there is no specific sector you could say like this.

Neha Duri: Okay, understood. Thank you. Thank you for taking my questions and all the best.

Alok Harlalka: Thanks.

Moderator: Thank you. Our next question comes from the line of Sana Mishra, an Individual Investor. Please go ahead.

Sana Mishra: Hi sir, good morning.

Alok Harlalka: Good morning.

Sana Mishra: Thank you for the opportunity. So, my first question is, are there any plans to adopt AI-based screening tools or automated due diligence workflow to reduce human error and improve compliance?



- Alok Harlalka:** No, not yet.
- Sana Mishra:** Okay, and sir, what is the status of your internal ERP system for mandate tracking? Is it fully integrated across the department?
- Alok Harlalka:** Yes, it is fully integrated across the department because see, since we have this industry is quite small, so tracking the clients is not a big deal. So, it is very much, we do not need to have a system in place to have a mode tracker because as we said that we are now quality conscious, we do not see much things to be carried basically. So, we have limited mandates, I mean the follow-ups are there, so we do not need to have a proper system in place to just manage the small needs you could say like this.
- Sana Mishra:** Okay, sir. Thank you.
- Alok Harlalka:** Yes, thank you.
- Moderator:** Thank you. Our next question comes from the line of Vikrant Sahu from RK Advisory. Please go ahead.
- Vikrant Sahu:** Very good morning, sir. I just have a few questions like what is the strategic intent behind issuing one lakh equity warrants on a preferential basis and how we are planning to use the INR3 crores raise and what should investors expect in terms of potential dilution and impact on the capital structure?
- Alok Harlalka:** Can you repeat your question again first? What was the first question?
- Vikrant Sahu:** What is the strategic intent behind issuing 1 lakh equity warrants on a preferential basis and how we are going to use the 3 crore raise?
- Alok Harlalka:** Okay, fine. See, basically to be very honest people were wanted to, I mean invest in our company since there is a huge growth was supposed to be there and though if you have seen that a lot many updates were there in terms of filing the document in terms of getting an approval. So, lot many developments were there. So, people were keep asking us that to, they wanted to invest in our company.
- So, in that sense, promoter holding was not too good. If you see our promoter holding were about 67% odd. So, we wanted in our percentage of promoter holding. So, we don't want to dilute much since we have lot many pressures that we were decided to let's say, let's do only small dilution so that people will have positive thought in our company that year they wanted to invest. So, I have accepted their request to be a part of this journey first.
- And secondly, the amount which we are raising. So, as if you know that our this Gretex Share Broking Limited is the subsidiary of this, I mean a company. Okay. So, we may raise that money as well for, I mean, meeting the requirements in our Broking because day to day on a daily basis,



we wanted to invest, we need to invest money in Broking as well to have more participation in the market as a market maker.

There is a liquidity requirement all the time in the Broking. So, this money which we are going to raise, some portion we may also go for this working capital and some portion we will be using for invest in our Gretex Share Broking Limited as well.

Vikrant Sahu:

Okay. Got it. Now, one more question I have, like the recent SEBI restrictions on taking new merchant banking mandates. What SEBI observed, what gaps were found and what fixes you have made and also how does this experience shape your approach in organic growth in the Broking business?

Alok Harlalka:

Yes. See, if you talk about the order of this SEBI, which we had last for 21 days barring. So, because obviously this order is in the public domain, you can see an order was -- see if you do any IPO, obviously though you have to do some due diligence, which is the part of your action as a merchant banker, right.

So, if you make any books, so obviously being a human being, so you could do some kind of mistakes. So, there were three findings if you see in that order. One was of network of Gretex corporate, which is a merchant banking arm, was less than INR5 crores for a span of eight to nine months in the 2018 period, when the market was not good that time at all.

So, because of that, that was one findings. Second findings were there that we had done one IPO where we have not mentioned that one of the object of the issue was to invest, I mean, company was supposed to pay X amount of money to one of the entity where that object was against the security deposit of one commercial office space. So, we have not mentioned that that property were under construction.

So, which was a typing error you could say like this. Third one was just having a mistake, a typical error in terms of loan account number. There were two loan account numbers. We had - my person had mistake, done the mistake that instead of 1 has written 2 and of instead of 2 has written 1. So, that mistake was there. So, these observations were there, which are only just to have a you could say that typical error, you could say there is no intention to do something wrong in this industry.

So, considering that when this inspection has happened in 2023, you could say the observation was there. Then finally this order has came because that person was requested to do the, I mean, maybe one month or two months license should be cancelled. So, we were fighting with the SEBI and all.

So, today you could say that finally, they accepted -- they have agreed that yes, this kind of things may happen when you do some good IPOs. So, this mistake can happen. So, considering that when we have justified everything with the officers. So, they have understood and finally, they have come out with the -- this just for 21 days barring for taking, not to take new mandates. That's it. So, consider that this thing can happen with anyone.



This is not a big deal. We have not done something fraud or something like that, that we have, we have hidden something. So, considering all factors, they have accepted our request and finally they have passed an order for just 21 days barring for not to take new mandates, nothing else.

So, if you see the orders of lot many merchant bankers have done so many things. So, SEBI has barred for them maybe for 6 months, 1 year, 2 years, something like that. So, they understand that what kind of issues are there, then only SEBI decides. So, considering all facts, that's what they have done this with us.

Vikrant Sahu: Very well explained. And one more question I have, like the client conversion cycle from initial discussion to mandate signing, has it shortened with your growing track record?

Alok Harlalka: Sorry, I didn't get this. Please repeat your question again.

Vikrant Sahu: Yes, I was asking what is our typical client conversion cycle from initial discussion to mandate signing?

Alok Harlalka: Okay, fine. You could say as on today between 4 to 6 months.

Vikrant Sahu: Okay, fair enough. Okay, I guess I got my answer. So, thank you so much for your time, sir.

Alok Harlalka: Yes.

Moderator: Thank you. A next question comes from the line of Parth Patel from Patel Investment. Please go ahead.

Parth Patel: Hi, sir. Thank you for taking my questions again. I just have a couple of questions on the finance part of the company. So, if you see in this quarter, our other income went down to negative 12 crores. So, I just wanted to know what caused the decline in other income?

Alok Harlalka: Just a minute. Let me have a look what you're talking. You're talking about other income?

Parth Patel: Yes, in console statement?

Alok Harlalka: Can I take this question after five minutes? Let me have a look that, let me have this look of this financial statement and then I could talk to you on this matter. Is that okay with you?

Parth Patel: Sure. And my second question is on the line of our margins. So, EBITDA and PAT margins both has been quite volatile. So, for modeling purposes, I just wanted to know what is the sustainable level or an annualized level that we should consider for both EBITDA and PAT?

Alok Harlalka: See, this margin, are volatile, you see we have two components. One is fixed and because in a margin making division, we have fixed costs. In terms of salary, rent, electricity, whatever those are fixed costs and there are some portion of variable to our employees, then we give some kind of -- you could say that commitment, we take some commitment, if you get this listing done by this much time.



So then you could have this percentage of, I mean, you could say bonus kind of stuff. Apart from that, there is no variable at all. So, if you see the -- there is a growth in the top line. So definitely same, I mean, whichever additional growth are there will be the bottom line.

Parth Patel: Okay.

Alok Harlalka: Yes. If, let us say, if you see the quarter 1, so whatever cost you have seen, major, 70% to 80% will be the fixed cost. Remaining can be the variable small portion vis-à-vis second per se if you see the jump in the top line, you will not see, I mean, jump in the cost as well. So, there is a significant, I mean, there is a significant cost increasing in the second quarter?

So, that's the reason you are seeing the -- this differentiated there is no stagnancy in terms of bottom line in a, between FY, quarter 1 and FY, , quarter 2. You can't see this difference because as I said fixed cost remain fixed, small variables are there, whichever, whatever amount we are increases are there in second quarter, there will be no much expenses for the FY, I mean, second quarter as well. So, that's the reason you can see the difference in the bottom line.

Parth Patel: Got it. So, can we consider somewhere between 17% to 20% as the range for the bottom line?

Alok Harlalka: No, it will be more than that. See we have a fixed cost whether or not we have a fixed cost, we have to pay anyway. So, if we have a -- if we are increasing our top line, so our bottom line is not going to increase. I mean, I mean, the cost is not going to increase, the bottom line is going to increase anyway. So, you could say at least 40% to 50% margin has to be there.

Parth Patel: Okay, sir.

Alok Harlalka: And now I have other income as well with me now. So you are saying -- can you just repeat your question again?

Parth Patel: So, for this quarter, we had a loss of INR12 crores in other income. So, I just wanted to know what caused such a major hit?

Alok Harlalka: Yes, actually, there is no loss. I think you are seeing the financial of consolidated, if I am not wrong, right?

Parth Patel: Yes, I am looking at the console.

Alok Harlalka: So, then in the console, we have this stock broking account, this broking accounting as well, okay. So, in the, in the stock broking, we have some stock where we have invested x amount and value of the stock as on September 30th is lesser than that. So, because of that, this value, this numbers are coming.

Parth Patel: Okay, got it. That's clear.

Alok Harlalka: Thank you.



Parth Patel: Okay, sir. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Aniket Redkar, an Individual Investor. Please go ahead.

Aniket Redkar: Thank you for the opportunity. So, sir, I have few questions. So, can you throw some light on the Merchant Banking Division in terms of the performance? I mean, how many mandates were executed during the quarter?

Alok Harlalka: We have not signed any mandate during this last quarter.

Aniket Redkar: Okay.

Alok Harlalka: Yes.

Aniket Redkar: Yes. So, sir, related to that only. So, in terms of SME IPO, S or the main board IPO, how many are there pipeline? as you see in the next two to three quarters?

Alok Harlalka: I think these have already disclosed. During my speech, we have 21 mandates in hand, where we have 5 main boards and we are expecting 10 listings should happen by this financial year. And at least two to three main board listings should happen within this financial year. This is our target.

Aniket Redkar: Okay, got it, sir. And sir, are you seeing any changes in the SME or startup listing? I mean, in terms of regulatory changes, are you seeing any opportunity or the challenges?

Alok Harlalka: See, I think there will be some challenges, there will be some opportunities going forward, because we have seen a lot many developments, even we still seeing some developments which are there from the regulatory side. And there are some, I mean, challenges. As a merchant banker, we understand what challenges we are facing.

So, obviously, I mean, so some changes may happen with our from ours, all the merchant bankers are in the plan to discuss with regulators to make some changes done. So that may happen. So on the positive side, we are thinking that yes, some changes must be there for getting I mean, for getting the good companies for the listing.

Parallely, the challenges which we are facing that because of some regulatory changes happens. So there are some challenges which we are facing, the listing which are supposed to be done or already done. So those changes may happen for the betterment of the entire ecosystem of SME.

So that's both the side we are thinking that, yes, changes are going to be there hopefully, from the regulatory side to strengthen the process of listing. Parallely, we are going to request to regulators that to make some changes done so that the existing listing which was already done and supposed to be done is not going to impact. So those changes can be there, I hope.



*Gretex Corporate Services Limited
November 19, 2025*

- Aniket Redkar:** So, sir, related to that only as we have seen the volatility in the Indian equity market and the macro uncertainty, are you seeing any delay in fundraising by the companies?
- Alok Harlalka:** Yes.
- Aniket Redkar:** Okay. And sir, so can you throw some light? I mean, are you seeing any attraction in coming quarters that people I mean, the companies do the fundraising in future?
- Alok Harlalka:** You're talking about for which company for Gretex only?
- Aniket Redkar:** Yes, sir.
- Alok Harlalka:** So you're asking that what what's your question again, please repeat me.
- Aniket Redkar:** So, currently the companies are delaying the fundraising decisions just because of the uncertainty in the in the overall market. So in future, I mean, say for the next two to three years, are we seeing any opportunity that companies will come up for the fundraising?
- Alok Harlalka:** See, if you ask me this parent company for GCSL, definitely not. Because as a merchant banking we have sufficient cash flow all the time. So we don't need any much cash in the parent company, but yes as a subsidiary, since we have subsidiary as well. So obviously, we need more and more money. So that's what we have, we are deciding to go for an IPO of our subsidiary. So there we need fund always. So that's how it is. So that's the reason we have wanted to list that company directly on main board.
- Aniket Redkar:** Okay, got it. Thank you so much. This is from my side and all the best.
- Alok Harlalka:** Yes, thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further question from the participant. I now hand the conference over to Mr. Alok Harlalka for closing comments. Thank you and over to you, sir.
- Alok Harlalka:** Thank you so much. Thank you all for giving us an opportunity with all of you. First time Gretex has this experience. So I'm sure we have given all the answer of your question and looking forward to seeing you again. Thank you so much.
- Moderator:** Thank you, sir. On behalf of Gretex Corporate Service Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.