

ICICI Securities Limited
Earnings call held on July 21, 2022 for the financial performance of the
Company for the quarter ended June 30, 2022.

Moderator: Good evening, ladies, and gentlemen, and welcome to the earnings conference call of ICICI Securities Limited for the quarter ended June 30th, 2022. We have with us today on the call Mr. Vijay Chandok – Managing Director and Chief Executive Officer, Mr. Ajay Saraf – Executive Director, Mr. Harvinder Jaspal – Chief Financial Officer, Mr. Vishal Gulecha – Head, Retail Equities, Mr. Kedar Deshpande – Head, Retail Distribution, Product and Services Group, Mr. Anupam Guha – Head, Private Wealth Management, Mr. Subhash Kelkar – Chief Technology and Digital Officer, Mr. Ketan Karkhanis – Head Digital Client Acquisition and Co-head New Solutions Group, Mr. Prasannan Keshavan – Head, Operations, and Mr. Nilotpal Gupta – Head, Data Science Unit.

For the duration of this presentation, all participants' lines will be in the listen-only mode. I will be standing by for the Q&A session. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

The business presentation can be found on the company's corporate website www.icicisecurities.com under investor relations. I now hand the conference over to Mr. Vijay Chandok – MD and CEO, ICICI Securities. Thank you and over to you, Sir.

Vijay Chandok: Thank you very much. A very good evening to all of you and welcome to ICICI Securities quarter one earnings call for fiscal 2023.

So, I am sure that by now you would have all perused through our investor presentation which has been uploaded as was pointed out on our website. I shall start this discussion with highlighting some of the industry performance for the quarter which has just ended and then take you through some of the key areas that we have been focusing on during this quarter.

So, the first thing that we have seen was apparent in this quarter was there was a clear moderation in the industry. In a way when we look at this moderating trend it started off sometime in the month of October last year, so Q3 FY22 is when it started. It continued in Q4 FY22 and it quite sharply intensified in Q1 FY23. And this is visible from trends on multiple parameters, and I will just take you through the parameters where this moderation is clearly visible.

First in the growth of new Demat accounts that are getting opened. So, when you look at this indicator, you will find that this has been losing momentum and on a sequential basis the new Demat accounts actually declined by 25%. The second parameter is the NSE Active for the industry, this grew by about 5.5% sequentially and that this growth rate is the slowest that we have seen since 2019 December. Currently this number has now stacked up for this quarter to about 20 lakhs NSE Active. And what is interesting is that this momentum is showing a declining trend on a monthly basis with industry adding only 5 lakh customers on NSE Active in May which came down further to little less than 3 lakh customers in the month of June. The third parameter I want to talk about is the cash volumes. Cash volumes for Q1 further reduced with retail equity ADTOs declining by 15% sequentially. Within this quarter if you look at the June retail cash ADTOs it actually declined 22% vis-à-vis May and 35% vis-à-vis March, clearly indicating that there is a weakening trend as we enter into Q2.

Coming to F&O trading activity. Here I would say that F&O trading activity fared better relative to the cash segment with growing retail derivative ADTOs, however what is noteworthy is that the pace of growth has moderated. It actually moderated in the last quarter compared to Q3 to 25% and a further moderated sequentially in the current quarter to 11% compared to Q4 of last year.

Coming to the overall ECM activity which is there in the industry again this showed a de-growth sequentially, rather it showed a growth

sequentially and this was largely because of the LIC IPO. If you look at the residual primary market activity, it was actually quite weak.

Coming to mutual funds, the gross flows in equity mutual fund declined by 15% and 16% on equity and debt respectively and the flows into SIP however continue to show an increasing trend and it increased by about 3% sequentially, however what was noteworthy is that the SIP count addition declined sequentially by more than 20%. In such a context of a very clearly moderating industry, our revenue has actually grown on a YoY basis by about 6.3% and came in at about 794.8 crores. This is on the back of our efforts to diversify and texturize revenue and was led principally by growth of non-broking equity revenue and also the distribution income. However, when you look at it on a sequential basis you will find that it has declined by 11% and this is clearly attributable to the moderation in the industry that I just mentioned.

When we talk of profits after tax, profits after tax actually declined 12% on a YoY basis and 20% sequentially and came in at about 273.6 crores. If I were to explain the decline on YoY basis it is on account of lower revenue in the institutional businesses, all other businesses have actually grown on a YoY basis and the higher cost base was the second reason why this is actually declined. Higher cost base was on account of the increasing spends that we have been doing in identified focus areas comprising talent and capabilities primarily in technology, analytics, and marketing. When you look at on a sequential basis the decline can be attributed to weakness across both primary and secondary market activities and also to an extent on account of seasonality in some parts of the distribution business.

Under the circumstances of a difficult quarter, I would say and reemphasize that we are completely committed to our medium-term strategy that I have shared with you in the past, however our immediate focus as a company has remained in four important areas. The first one is improving market share across various areas of business, second is in

diversifying our revenue mix, third is judicious cost containment without compromising on growth opportunities and lastly building a pipeline of business and products to be future ready.

Now coming to market share, I will draw your attention on some of the important elements. We have been making investments in the derivative segments and we have started seeing some early encouraging signs. If you look at our retail derivative market share it improved from about 3.3% to 3.5% on a sequential basis. However, when you look at it on a monthly basis June market share came in at about 3.6% and as we have entered into the new quarter, we continue to see increasing number of customers orders and even market share. Looking at MTF we maintained our leadership position with the market share which marginally increased, it went to about 22.4%. We recently launched commodities and the commodities have been shaping up well and we continue to gain market share there, it came in at about 4.4% in the current quarter sequentially from 4.1% in the last quarter. With respect to NSE Active our market share remained stable at about 8.4%. With respect to Demat account sourced our market share increased from 5.5% to 6.5% YoY. Mutual fund AUM actually increased by 10 bps to 1.7% from 1.6%. While on the above parameters we gained market share our retail equity market share I would say remained broadly range bound and stood at about 9.7%. We continued to introduce new tools, new plans, new propositions to strengthen our offerings across all businesses and our market share focus in difficult markets is going to be a very important deliverable from our side and we will remain committed to that.

Second, coming to our focus area in the current difficult situations is diversification of revenues. Talking about diversification of revenues if you look at our non-broking retail equity revenue it grew by 87% YoY and sequentially by 9%. This is largely driven by the growth in the MTF book and the average MTF book on a YoY basis increased by about

97%. Distribution income grew by 28% on a YoY basis driven by a strong performance from mutual funds, insurance and all the remaining other products. ISEC Mutual Fund, AUM excluding direct actually was up by 11% YoY, Equity AUM was up by about 20%, revenue from mutual fund, insurance and other products grew by 21%, 61% and 34% on YoY basis. The total distribution income on a sequential basis declined by 10%, but this is primarily on account of seasonality associated with the insurance business. Our own PMS book grew by 10% on QoQ basis and crossed 800 crores currently. As a consequence of the above, when you look at it on a YoY basis the contribution of broking revenue to the overall revenue came down from 53% last year same time to 38% currently and contribution of allied revenues within equity increased from about 25% last year same time to about 45% and contribution of distribution income actually increased from 16% last year same time to about 19%. So clearly diversification as a theme has been playing out and within equity texturization of revenues as a theme has been playing out.

Now with regards to cost containment, I think the noteworthy point for us to share is that the cost which has been increasing in absolute rupee terms 7 quarters in a row actually declined on a sequential basis by 2%. This is because we reduced discretionary cost in the context of a weak market conditions. While the decline itself is marginal, I think it is important to note that it is a clear commitment and the direction that we have taken of containing what we called discretionary cost and focusing only on growth-oriented cost elements, and we will continue to look at costs in a similar manner as we enter the remaining part of this fiscal year.

Talking about the last aspect which is what are the products that we are launching to be future ready, I would say that with the view to put an enhanced focus on the trading statement would be rolled out a slew of products, these are what we branded as Smart Order Platform, Easy

Options, Trading Views which provide a much superior experience. We also have a pipeline of products like Flash trade, Single Screen Training, trading platform for high-volume trader which we have called Meta Cockpit all these are getting launched during the course of this quarter. We launched a product which we branded LIFEY as a digital assistant, this is to facilitate investors to select investment options for meeting their life goals. We consciously upgraded and continuously upgraded our Markets and Money app to launch several of the tools and products that I described above and also insurance and loan products and also focused on improving customer journeys and in that context I am actually quite pleased to report to you that our markets apps today is rated better than most of the competitive apps that you find in both play store as well as app store and as I am comparing including with the new age players clearly endorsing some of the efforts that we have been taking in improving our digital offerings to our customers.

We also launched iLearn which is a new age learning platform, it is replete with short videos, podcast and we have also introduced an investor community platform, which is showing an initial traction which is pretty encouraging, and it is also helping us increase engagement. Recently we received approval from our investment committee of the board to take over the business of a company called Multipie it is a networking platform for investors, this is of course subject to legal due diligence being satisfactory and once this is done, we believe along with the brand, the business and the people should further assist in modernizing our efforts to educate and engage and create network of investors on our platform. We also recently entered into an exclusive partnership with HSBC Bank which is for them first of its kind globally to offer a 3-in-1 broking account, just like we do to our ICICI Bank partners to their partners in India. This will clearly provide us access to provide equity products to their HNI customer base.

On the issuers and advisory services business, markets were weak, so we used this time to build a strong pipeline and today we have a pipeline of about 82,500 crores across 42 deals and there are many more deals that we are engaged in and we feel quite optimistic that as soon as market sentiment improves, many of these deals will get executed and we are keeping several of them in a ready to launch state.

So, as we move forward, I think it would be fair to say that the near-term outlook remains uncertain. However, despite these short-term headwinds, we continue to believe strongly in the medium to long term story of the segments of industry that we operate in. And we will continue to look at all these opportunities with an agile mindset and remain committed to expand our presence and market share across the products that we offer, of course, in the segments of savings, investments and wealth, loans and insurance to the various customer segments that we offer.

That is all I thought I will share with you. I will end my commentary and throw it open for whatever questions you may have. Thank you very much for a patient hearing.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Digant Haria from GreenEdge Wealth. Please go ahead.

Digant Haria: My first question is that if we look at the cash ADTO in the last 12 months they have fallen by roughly 30% or 40%. But derivatives ADTO even on a Q-o-Q basis haven't fallen much. So, maybe someone like me would read that F&O trading is probably the future, how much ever we may like it or not, F&O trading is occupying the center stage of the entire equity markets. So, in that context my first question is on the F&O that six months back, Vijay you said that, in F&O trading we need three things, we first need the pricing right, second is we need the tools and the ecosystem to help the traders and third is actually getting the

customers and making them stay engaged. So, where exactly are we on this journey because we see the market share gains but if you can give some more color in terms of where exactly in this stage are we?

Vijay Chandok:

Thanks Digant. A pleasure to talk to you after a long time. So, you are very right, I think you cited some numbers, 35% broadly was the decrease in the cash ADTO and if you look at derivatives, while on a YoY basis the growth was some more than 2.2x on a YoY basis. I think what is to be noted is that sequentially while it is growing, it is growing at a slower pace. So, yes, all the numbers that you mentioned, I completely I can resonate with what you are saying. Just one point I would comment on this, is that as a company as a firm, our approach is always diversification, not be dependent on just one singular revenue or a market opportunity. Right now, it is growing. Is it an important opportunity? Definitely important opportunity. Are we committed to increasing our presence there? 100%.

And how are we going to do this? As you correctly pointed out three things, actually just to refresh I pointed out four things. I had mentioned pricing, I had mentioned reliable platform, then I had mentioned about tools, and I had mentioned about what you said which is the basic ecosystem of APIs and other research stuff that you can add to this. Absolutely. Pricing, I would say we have done with. Stability of our platform I think is very much something that we have established. I made a comment in my speech. I think the proof of the pudding is, just go to the app store, just go to the play store, take our rating, we have got more than 11,000 ratings which customers have given us on the Play Store. Compare it with any other new-age app and you will find that we are right up there. I think we have kind of sort of made big-big progress there and it's a big movement that we made there.

So, I would say a platform as clearly been created. Number of tools are launched; number of tools are coming. Even as we speak, I am sitting with a test version which we are going to launch maybe tomorrow or

maybe at worst on Monday which will throw more tools into the market. These tools are being really loved by our customers as reflected in what their comments come in the social media and direct mails that come to us. That is what has helped us gain market share. The market share on a month on month has increased by 20 basis points sequentially as we have entered into July, it's too early days, I would still wait for some more stability to give any sort of comment there. But I think the trends are encouraging. We will launch more of these tools. We have got a bunch of about 7 or 8 such tools that we are launching. So, they are all coming and then it's a question of increase in popularity. Completely resonate with you that derivative important, we are going to invest in that, and we want to increase our penetration presence and make that as an important line item of revenue. But that is not going to be our only line item of revenue. We are also going to be focusing on other areas clearly.

Digant Haria: Right. Absolutely sir, my question was just because this is the only area where probably I think we are not the strongest. All other areas there is very little to ask because you have done a good job anyway.

Vijay Chandok: Completely agree. We will deliver in this area. We have to deliver, and we are committed to that.

Digant Haria: Perfect, sir. And specifically on the wealth part, the whole distribution part, not just wealth but the whole distribution part, do you see any pricing pressure coming in the market or across products like MF, insurance, and wealth management, is there no pressure on pricing?

Vijay Chandok: Digant, this is a competitive industry. I think clearly one cannot run away and wish away from the fact that there is lot of competition, entry barriers are relatively low, so pricing pressure is always knocking on our doors whichever product that we offer. So, the name of competition requires us to clearly be innovative, be more relevant and being reasonably priced. We have always moved that look at pricing with an

agile mindset, we managed to hold our positions and increase market share. You mentioned distribution products. I think under-penetration is so massive in the distribution products that there is space to grow despite competition. Pricing pressure, yes, will remain. Our approach to pricing pressure is trying to innovate, add value and try and maintain pricing. A classic example I can give you just to make my point is on the mutual fund side. I think mutual fund there is enough and more competition from direct plans. However, you have seen that despite that we managed to inch up on market share. If you look at our SIP market share, SIP market share has grown, actually it is now in the vicinity of about 1 million SIPs getting triggered on a monthly basis. This used to be 650,000 about six quarters back. So, that's growing, we have been gaining market share there. If I recollect it is about 3.4% market share, it used to be much lower than that 5-6 quarters back. So, we will continue to invest. The LIFEY product I just alluded to is another such product which will help us do goal planning, planning for marriage, planning for buying a car, planning a holiday and so on and so forth and therefore what investments I should take. They are pretty cool tools that will connect well with both affluent younger mass affluent segment as well as the newcomers. So, the idea is to grow the SIP franchise, add value and be reasonably priced. Competition is there, sir.

Digant Haria:

Right. Thanks so much for the detailed answers. Just lastly, just a suggestion that since you alluded that in these difficult markets or markets which are not very buoyant, market share will be a very big focus for us. So, we used to share a slide at the end of the presentation where we can get the market ADTOs and our mutual fund AUMs and all of that. So, that just made our lives easier to track that market share. If we can just reinstate that slide, that would be great. That's just a suggestion from my side. Thanks.

Harvinder Jaspal:

Hi Digant. Harvinder here. Just a quick clarification. So, we have over the last 2-3 quarters started giving a much more detailed breakup in a

separate file called disclosures, an Excel file which has all the market shares, ADTOs on various parameters, a detailed revenue breakup.

Vijay Chandok: It is already there, sir. Just dig it up from there. And if you need any help we can always clarify. It is already there.

Digant Haria: Thank you so much Harvinder and thanks Vijay for very detailed answers always. Thank you.

Moderator: The next question is from the line of Madhukar Ladha from Elara Capital. Please go ahead.

Madhukar Ladha: On the retail, equity, and allied revenue, I see other fees and charges. That has grown quite well to 32 crores in this quarter. Maybe you can explain that. On the second thing, other distribution is holding up quite well. I wanted to understand what are the drivers to other distribution and what sort of will move that line item? And finally, within retail brokerage how much is from the cash side and what percentage is F&O, if you can sort of give that out. Lastly, what is the adoption of Neo been? Those would be my four questions. Thanks.

Harvinder Jaspal: Madhukar, so the first question, others within the allied revenue, that has grown from about 17 crores to 32 crores, that's primarily on account of increase in lot of these transaction-based charges that we have introduced. So, it's an entire portfolio of charges under Neo, prime, etc., small-small charges. So, that quantum, the overall cohort is starting to grow. That is the primary mover and shaker. You have seen that the interest income is at about 150 crores, prime fee went up from 26 crores to 30 crores. This other fees and charges, this is the...

Madhukar Ladha: This also includes the Neo charge, right?

Harvinder Jaspal: Other charges are completely Neo oriented.

Harvinder Jaspal: So, it is the Neo first time fee, it will be the payment gateway charge, Demat charge, exchange transaction charge, call and trade charge, all those types of charges are on transfer, yes, payment transfer charges. So, that cohort has started to grow. That is question number one.

Madhukar Ladha: Broadly from the non-ICICI Bank base customers, would that be right to say?

Harvinder Jaspal: Largely that could be true, but it could be a mix. So, for example, within prime also there will be some Demat charges. But yes, Neo customers and Neo customers could have ICICI Bank and non-ICICI Bank customers both. Neo is a trader's proposition. Many of our existing customers also opted for Neo. So, it could be a mix. It will not be correct to classify it only one way. And I will answer the fourth question also linked to this. Neo adoption is now roughly touching about 50% odd in terms of the overall trade. And the overall subscription is about 2.5 lakh. So, this is the Neo contribution. You also asked about distribution revenue, it is holding up, what are the drivers for that. So, on a sequential basis...

Madhukar Ladha: Other distribution.

Harvinder Jaspal: So, other distribution is a whole long range of products, for example, our wealth products, fixed income products, loan products, some of these products have kind of, they are holding sequentially. The decline that we saw was primarily on insurance and mutual fund which you must have noted. But these other products specially these categories, we have seen holding up behavior.

Madhukar Ladha: Which categories exactly?

Harvinder Jaspal: What I mentioned, the fixed income distribution, loan distribution, wealth products, AIF, PMS, sequentially these are the ones which are holding.

Madhukar Ladha: Understood.

Harvinder Jaspal: Sorry Madhukar, there was one more question in between which I missed. I think you mentioned something about F&O?

Madhukar Ladha: Yes, the split in broking revenue between cash and F&O if you can, I remember early it would be a rough sense will sort of about 60%-65% broadly would be cash.

Harvinder Jaspal: Broadly, it will be around that range. I mean it keeps varying in and around that range, Madhukar.

Madhukar Ladha: Okay. Right, I will come back in the queue. Thanks a lot.

Moderator: Thank you very much. I request to all the participants please restrict to two questions per participant. If time permit, please come back in the question queue for a follow up question. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Hi, good evening, everyone. Firstly, when you were continuing on the F&O question which we had from the first participant. While there is so much of traction, the regulator seems to be talking about restricting the activity of retail in terms of in F&O and so we are hearing that lot of data has been sought from brokers by exchanges as well as the regulator. So how do you think that this is panning out and what could be the measures according to you that could be brought to restrict trading activity of kind by retail participants of any and the second question is on the prime customers where we have not seen any addition in this quarter. So, what is the reason there and how do you see this traction going ahead. That was my two questions.

Vijay Chandok: Okay. So yes, you are very right, Prayesh when you said that regulator has been asking a lot of questions in fact all of us in the industry including, I am sure your company as well would have been probably called in for these kind of conversations. I think, when you get behind

the skin of what exactly the regulator is looking at, I think they are concerned about. A. The growing volumes, it is pretty high. B. The fact that a lot of younger less experience people who have come into the markets are participating in F&O market and obviously from a sustainability of and stability of the market viewpoint, they do not want anyone to actually get adverse experience of making these investments. So, their intent is clearly to protect the retail investor and also to ensure that there is stability in the market. So, I think they are clearly coming from a risk on lens so to speak. The type of data that they have been asking and the kind of conversation that have been going on is reflecting information to satisfy themselves that indeed there are enough controls, enough risks, enough sort of transparency that has been shared with the customer so that he clearly understands what he is getting into and he has a sense of what is either making or not making in the market. So that is where they are coming from, Vishal has been having direct discussions. May he can add a little bit of color and talk a little bit about the prime and what is the outlook there.

Vishal Gulechha: Yes, so I think the regulator is definitely interested in seeing very robust directives in the market but at the same time they want to take all precautions to prevent any kind of undesired experience to this retail customer. So, I think, we are completely aligned with that thought and two counts. One is the kind of tools which we are bringing it declutters the entire derivatives is space does not let customer, go too far from the reality, and keep customer within those the practical aspects of derivatives like you will see one of the products, which we have launched recently. The option which clearly tells these option traders that do not go too far and trade in something where you can lose money, so these kind of initiatives, we will keep taking. Secondly, how do we help our customers in terms of research recommendation. So, I think we are increasing our intensity there as well. So as to give a very guided to customers in derivatives. Also, in terms of due diligence, etc., when customer comes to trade. I think those steps will be welcomed by the

investor community and we as well and we will abide by whatever new framework.

Vijay Chandok: I just want to put one comment that wherever we have seen any kind of regulatory sort of interventions it kind of probably have short term impact which may be sort of reducing volumes and activity but I think over a period of time the market sort of absorbs it and moves on and comes out emerges more stable. I think for example I can say that in this round of market correction which has been quite, I would say visibly there, we have not seen too much of leverage in the market and I think that is why while I see pain in the market. I do not see panic in the market. I think good from a regulatory stability point of view so I think short point is that things should be eventually okay even if there are some actions and in any case our dependence on one product never been part of our strategy, we are broad basing, we are not overtly dependent on one product. We will continue to keep that length as we move forward.

Vishal Gulechha: Coming to Prime. Prime, in Q1, I would say that you know the performance or the subscription was slightly muted in comparison to Q4 but that is more to do with the market conditions and you know the inflow of new set of customers but bearing and that also is not too out of the place. I think, we will be down by only about 12% in terms of overall prime numbers in comparison to Q4 but when we look at any other quarter before that, I think the Q1 will still be far better than what we have done previously. So, it is more market reflective, or actually in new account demat market share is gone up about a 100 basis-point in the quarter.

Prayesh Jain: Thanks for that. Just a further clarity on this F&O thing, so when we source the information from the customer while allowing him to trade in F&O or what major things in balance sheet do we keep by allowing the customer to trade in F&O.

Harvinder Jaspal: Yes, so there is format which regulator has also defined that customer before entering into derivative segment should fulfill what kind of condition. So be it, the financial documents which customer should give to activate derivative segment or demat statement, or a bank account should be six months old etc., so I think, we do comply with all those and before enabling any derivatives customer all these steps are completely ensured. So that is guideline defined by investor and we are complete and the product construct is also very contained. So, I mean, that responsibility is with us that we create products, which kind of gel well with this kind of people, promoting products like stop loss where the downside is contained and as I said promoting products like easy option where we don't promote too much out of the money options in which the loss has been higher historically also. So, I mean those are the steps which we are taking on continuous basis as well when customer comes in for the first time.

Moderator: Thank you. Next question is from the line Nilesh Shetty from Quantum Advisors. Please go ahead.

Nilesh Shetty: Yes, hi thanks for taking my question. I just want to understand, see few quarters there has been burst of new clients' additions. I am assuming, there has been substantial marketing spent to acquire those clients. I do not know, if there is a life cycle costing number, when do these clients become sort of net positive for you. I am assuming there is an EBITDA drag because of large marketing expense that have been undertaking but at some point, these clients which are dragging margins start adding to profitability. So is there some sense, you can throw that.

Harvinder Jaspal: Hi, Harvinder here, so we measure internally and keep tracking something which we called as a payback period. The amount of time that we take to recoup by way of revenues whatever spends we do, or directly to acquire a customer. At our form level, we have our payback period of slightly more than a year. So about 13 months or so, give or take one or two months plus or minus month-on-month there could be

variations and most specifically within the digital clients that we are requiring where there is a lot of scale and it is a more recent channel there the payback currently is slightly higher. It is about 24 months, two years, vis-à-vis company level average of one year. And what we have seen is that we started this digital acquisition journey about 2 years back. So first 5,7,10 cohorts are already deep in the money in terms to starting to already make profits and every subsequent month we keep seeing some of the cohorts turning into the green zone. At a portfolio level this is what the current rank is.

Vijay Chandok: I just add one point, we have been very careful not overextending ourselves on spend. In fact, I think at an overall level the numbers do not really move the overall PBT number by too much.

Nilesh Shetty: Okay, I think in the last call you suggested you might, I mean there would be substantial spend on the technology side. I think the number was around 60 crores or something. Is that primary on the balance sheet or you will be expensing through the P&L and how will the expense meet.

Harvinder Jaspal: Yes, so first of all let me clarify the numbers, so we have had a capex spend of about Rs.70 odd crores in FY 2022 and an opex spend of about Rs. 80 crores. So that is the total outlay in FY 2022 already. We had said that our census that we have almost more than 2x is the kind of growth. But currently, we expect a more moderated spend on technology. Just getting it deferred between instead of 4 quarters maybe 6-7 quarters. So that is the stand that we are taking. It will be a similar mix of CAPEX and OPEX, so part on balance sheet and part on opex.

Vijay Chandok: Yes, but just a point to be taken away is that you know the kind of aggressive guidance we had spoken last time, we have started looking at it in a more judicious way. Focused more on the high impact here and now growth oriented spend and what is good to have we will defer it for a later time.

Nilesh Shetty: Okay and just on the balance sheet, you know the margin funding business, I mean just you already your debt to equities is about 3x. I know its back by liquid assets. But how comfortable are you and how much can you push that number.

Harvinder Jaspal: Regulatorily, we can go up to 6x leverage ratio that's what mentioned in the SEBI regulatory on margin trade finance product. And just to understand the construct of the product, it is a secured lending. Because what happens is that the underlined security for which you are doing margin trade financing that is in a joint pledge. And that has been our experience also over a long period of time. So, we definitely, like this particular product and it's a part of our both diversification strategy and client acquisition strategy. We have enough headroom both from our financial perspective in terms of our ability to lever and from a regulatory prospective.

Nilesh Shetty: But is there an internal limit beyond which will not go or you are okay with going up to 6 times.

Harvinder Jaspal: So the regulatory limit sets the bar, today we have, so for whatever lending we do or assets we create, we need to take shareholder approval. Our current shareholder approval is of Rs.11,000 crores and so that is the current approval against which we are at about Rs.8,000 crores. Given the future direction, a medium-term direction, we will shortly be taking an approval of financing that from Rs.11,000 to about Rs.15,000 crores to keep an enough headroom over a medium-term. Also, if I may add that apart from the basic design of the product and by basic design, I mean substantially higher margins as specified for this particular product versus any overnight product overlay that with our own risk framework, which basically says that there is a set criteria, for choosing the securities which will offered under MTF its completely automated, its real time. So those are some of the parameters on which we have built this business. And in that sense I mean we would be happy to kind of scale this up.

Moderator: Thank you. The next question is from the line of Aejas Lakhani from Unifi Capital. Please go ahead.

Aejas Lakhani: Some of my questions have been answered, but the ones that are pending are one is team could you speak about the MTF and ESOP book a bit Mr. Chandok if you look at the exit MFT book that is tapered down to 5,200, so how should one look at that for the next quarter?

Vijay Chandok: MTF and ESOP to our mind is something that is an area of focus, but we will not be moving ahead without fitting into our risk framework. Now there is a risk framework with what we do, what type of customers we do with and there is a team which is very carefully administering this on the ground. In this quarter as you correctly pointed out sequentially there is a marginal decline. It is reflective of the fact that there is a weak market and inherently MTF is a product which is more suitable when the outlook of market is constructive and positive. In such a context what are we doing we found that the penetration number of customers that we have offered this product vis-a-vis the number of customers we have the penetration was a minuscule percentage and obviously it meant that there is a huge untapped opportunities sitting within our own portfolio rather than deepening within just the same customer doing more and that is the approach we have taken.

So, this quarter last quarter while the number might have declined the number of customers have actually increased which means that the gunpowder available for scale up at a short notice is there as markets improve and that is the approach we are taking. So, we are actually going to be playing this by risk framework and by market opportunity combination. We do not want to do growth for the sake of it, idea is granular, broad base your risk, spread yourself across larger set of customers and then when the market times are right then give him win to growth.

That said on the ESOP side as we had mentioned in some of the earlier meetings as well that we are following the RBI guidelines not more than 20 lakhs. However, this product inherently is something that customers want larger amounts. So, we have recently tied up with Chola Finance and under that arrangement we source the customer and manage the relationship, Chola provides the credit which is required beyond the amount that if it exceeds 20 lakhs so that we retain relationship there is obviously an earning that we get because we are the finder for that particular deal. So, there is some protection of revenue that we are able to manage on that and we will continue to use this channel to scale up. Right now it is working on a physical format, we are digitizing Chola into our platform so that this whole thing can become digitally delivered to him. So, that is what is going on and on MTF I think fair to say market share is around just holding up. In fact, I think slightly it has inched up we were last year same time around 22% it has gone to about 22.4%. So, idea is to maintain market leadership, broad base under risk framework, operate with the right customers so that when the times are right you can scale up fast.

Aejas Lakhani: And sir the ESOP book run down that we were expecting so is it fair from what I am listening to you that the run down could be much slower than our anticipated and some of it would get compensated through the Chola piece is that fair?

Vijay Chandok: See run down has been slower, but I think you should attribute this to a weak market. People who had taken ESOP position because these are all very strong companies so they do not want to just make an exit for the sake of it. They believe that there is more inherent value when markets they believe markets are right now in a transient state they will improve and when that happens they will sell. So, decline is slower than what probably you had anticipated. Having said that definitely both the MTF growth by broad basing and also I would say Chola's presence into our business should to some extent tiny the negative impact.

Aejas Lakhani: And Harvinder one question to you see you mentioned about those other fees and charges which were those transaction-based charges, so is my understanding fairly right that as the derivative fees increases because everything is neo linked that this number also will be reflective of the same?

Harvinder Jaspal: It will be a combination of derivative yes derivative, but a combination of derivative and equity and trading number of orders. See because it is quite diversified if you look at the nature of these charges something is based on number of times the amount gets transferred, something is based on how many calls you decide to make, something is dependent on how many systems happens. So, it is quite diversified. So, yes broadly the level of activity as it goes.

Vijay Chandok: If trader's business which includes intraday trade, intraday equity, and activity on equity and neo increases. I think it will all stack up here. It is not singularly attributable to neo.

Aejas Lakhani: And sir finally is there any veining off competitive pressures from the PE funded sort of brokers?

Vijay Chandok: I think market has slowed down, I mean one of the places where we did see competitive activity very heavy was on marketing spends on acquisition. One can sense that has faded out in the last couple of months. That is one place which one can probably get a hint as to what is the stance being taken by the new age players. Beyond that has it faded out I think too early to comment. They are still there, they are still prominent players in the market so we will wait and watch what happens.

Moderator: Thank you. The next question is from the line of Dipanjan Ghosh from Citi. Please go ahead.

Dipanjan Ghosh: A few questions from my side first is on the SIP theme if I see your data it seems that on a sequential basis SIP flows have seen a little weak

whereas for the overall market they were broadly stable so if you can give some color on that this was the first question, my second is if you can quantify the tech and marketing spent on the P&L during the quarter and third on the insurance business if you can give some color on what are the products that you are trying to push and during the quarter how it is shaping up?

Vijay Chandok: So, on the SIP as we mentioned other market share is 3.5% there has been a bit of softness now, but the total number of SIP they continue to hold it is about 1 million in fact slightly inched up from last year. In terms of flows also it has been stable there I think a lot of initiatives like our money app, digital, client engagement with customer, simplified journey these are the some of the things which are helping in that particular business in terms of gaining share. Here also if you look at our SIP AUM there our growth has been slightly ahead of industry however the flows were slightly soft on SIP. I think your second question was pertaining to the tech spends. So, the tech spent and marketing spent as we said earlier also that sequentially we have tried to put a more measured focus on the areas that we spent. In marketing, spends actually registered a slight decline. So, they have been in the range of about 20 to 27 crores in the last quarter that has come down to slightly less than 20 crores for this quarter. So, that is on marketing spent. On the tech spent, we have been consistent so the range have been about 20 crores odd 20 crores to 22 crores and we are holding up that trend in terms of OPEX for the current quarter as well.

Dipanjan Ghosh: And on the third part on the insurance product that we are trying to push during the quarter?

Vijay Chandok: So, insurance primarily currently the portfolio is life insurance dominant there if you look at it our revenue was about 12.5 crores which was up almost 40% on a YoY basis from 7.5 crores to 12.5 crores. We are also building a line of general insurance products with our partnership through CoverStack and there we have designed and it is in the process

of getting fully launched and we have integrated with our partners. We now have about four partners through which we provide general insurance products and we have a two-wheeler, four-wheeler, health insurance these are the products in general insurance and we expect to start gaining traction in that soon. Right now it is still dominated by life insurance products. Also just to clarify on the last question the marketing spent I gave a slightly wide range of 22 crores, 27 crores it is smooth towards the upper end last quarter. So, about 29 crores was the spent for Q4 for marketing which is now come down to less than 20 crores.

Moderator: Thank you. The next question is from the line of Piran Engineer from CLSA. Please go ahead.

Piran Engineer: So, firstly just wanted to understand whether we were reducing brokerage rates for our prime as well as non-prime customers?

Harvinder Jaspal: On the rate per se nothing specific now. We had launched lifetime prime and prepaid plans in March. So, those plans basically offered on a subscription fee a lifetime benefit of the same reduced freight that we were earlier also offering that was the change that we made. On neo also the pricing remains the same. On the non-neo part also the rate in the pricing is currently the same. We have not made any changes.

Piran Engineer: Harvinder how do I reconcile your ADTO trends and your revenue trend like ADTO cash is down 15%, 17%?

Harvinder Jaspal: Primarily mix Piran because what has happened in the current quarter is that the delivery ADTO. So, the waterfall in broking yield is that delivery is at the highest level followed by intraday, followed by F&O. So, that is the waterfall. Right now delivery has been weaker in the current quarter and therefore intraday has gone up so it is primarily mix. On a unit rate there is no other pricing intervention that we have done.

Piran Engineer: Can you just some numerical color like retail ADTO is down 17% QoQ, would delivery ADTO be down like 35%, 40% or at least maybe 30%, 35%?

Harvinder Jaspal: Yes it is possible I may be separately kind of comeback to you with the number, but it is quite possible that within this the delivery mix could be lower.

Piran Engineer: Once again not to harp on this other fees of 32 crores I just want to understand have you started charging on something that you were not charging until Q4 and if not I want to really understand what explain doubling this, the Chola thing also included here?

Harvinder Jaspal: The Chola initiative is a very recent one that I think over the next couple of quarters we will start building up. On this as I said we do keep looking at various charges, it will be difficult to kind of give a full breakup of what charges and what aspects of charges as these being competitive, but yes there are charges that we keep evaluating and configuring. We keep benchmarking also with competition. So, which kind of makes the bouquet of these charges and they are dependent on various variety of parameter. For example, it could be the number of sell trade or demat fee or payments as I was elaborating earlier.

Piran Engineer: No, I am just trying to think that how do we analyst really model it being significant number, but that is fine I will take this separately, just lastly our non-employee OPEX going down how much of that is actually due to just lower customer acquisition volumes and therefore lower referral fees and all of that versus you all curtailing expenses on your own?

Harvinder Jaspal: Yes the two examples that I gave on both marketing is one example where we have done a bit of a curtailment. The variable cost has also gone down and that is evident in our operating expense line. So, that is the line which gives you the variable expense reduction on three counts. One is investment banking, second is brokerage related pass out. So,

whatever is the revenue share arrangement we have with various partners that has come down and third is what you mentioned which is planned acquisition going down. So, these are the three elements which are variable in nature which have reduced expenses, the fixed elements are some bit of marketing expenses we have curtailed and some of the other discretionary spends we have tried to put some curves on.

Piran Engineer: Sir one number questions like what percentage of prime customers are attrited every year?

Management: Prime as a proposition has been a retention tool if you look at our chart the inventory of prime customers has been going up it stands at about 1 million slightly about 1 million customers as of now. It is not a very material number not given out the exact number Piran, but it is not a very material number.

Vishal Gulechha: And also, we do see at times that customers try it and that is where we have made this proposition even more attractive by making it lifetime and additionally two more cards was also introduced to attract higher value customers. So, overall, I mean we contain things in Prime. Also, Prime has now been extended to NRI so there also we have seen some traction very initial days, but I think things are picking up now.

Harvinder Jaspal: So, with the lifetime variant Piran actually the attrition concept for Prime is actually not very relevant.

Moderator: Thank you. Next question is from the line of Sahej Mittal from HDFC Securities. Please go ahead.

Sahej Mittal: So, sir firstly could you throw some color on the activation rate of the customers which were acquired in like Q4 FY21, what is the status on those customers, what percentage of those customers are still trading, are still active with us?

Harvinder Jaspal: So, there are varied natures for example the cohort that we have acquired digitally has one kind of a behavior within that also we have elaborated in few earnings call earlier as well that there are few channels which have a much lower continuity rate where the second transaction, third transaction etcetera is lower. We have also seen a lower level of activity in the current quarter not necessarily at our platform only, but in general in market. So, that also puts a better pressure on the activation rate and the third aspect is in the industry also as Vijay mentioned that the number of newcomers. So, what happens it is a waterfall that there will be new customers who will keep coming they are active and some of the old customers keep getting dropped off that rate has come down. Some of the channels yes we have seen a sharp decline in activity rate in their first 12-month period and that is the reason why we have stated earlier that we are looking for more measured channel mix and longevity of customers, sustainable customer profile that is what we are looking at, we can expect a reduction in active client or activity level for some of these customer cohorts.

Sahej Mittal: I mean so if you could just talk about the customers we acquired after the lockdown started around April 20, May 20 are those customers still active, just to get a sense the current customers which we are acquiring are cross subsidizing the customers, the deactivation of those customers which are getting deactivated?

Harvinder Jaspal: As I clarified those customers are also active from a particular set of channels and some of the customers may have dropped off so it is a mix. It is not a month wise behavior that April customers have all stopped or May customers have all stopped. There is a particular persona or profile of our customer and there is a channel profile. Some of the channels have resulted in weaker continuity after 12 months as compared to some of the other chance. So, it is not a particular month where we can say that everyone is behaving very homogeneously.

- Sahej Mittal:** And if you can just share your retail cash market share, retail ADTO cash and the relative market share and how it has moved sequentially?
- Harvinder Jaspal:** We have disclosed that in a presentation and disclosure files it is 9.7% for retail cash market share and it is about 3.5% for retail derivative market share. Cash market share sequentially was 10 to 9.7 and derivative market share sequentially was 3.3 to 3.5.
- Sahej Mittal:** Just to check what is the status on the new app which you are trying to come up with the super app or sort?
- Vijay Chandok:** You are referring to the new app which is you are talking about the new sort of brand that we spoke about or you are talking something.
- Sahej Mittal:** During our last analyst meet the analyst day which we hosted we spoke about this app coming up so status on that?
- Vijay Chandok:** So it is getting made, it is coming up quite well I should say. We hope to do the launch sometime during the course of this year.
- Sahej Mittal:** Any timelines?
- Vijay Chandok:** We do have timelines, but these are internal timelines.
- Sahej Mittal:** Just to get a sense of the staff cost for the full year I mean the staff cost was up on a sequential basis despite a decline in our top line I mean how should we build it for the full year?
- Harvinder Jaspal:** It is flattish Sahej if you look at it is about 2% that is the kind of growth and we have to factor in the fact that Q1 you will have the impact of increments etcetera also coming in. So, it has been flattish over here and so from 172 to 175 so that has been the movement.
- Moderator:** Thank you very much. The next question is from the line of Nidhesh from Investec. Please go ahead.

Nidhesh: Sir one question we have started this journey of open architecture almost two years back so how much of our retail revenue is coming outside of ICICI Bank customers?

Harvinder Jaspal: On stock the ICICI Bank customers is still the lion share because they are the more vintage customer and the profile is also better. It is relatively much lower from the new open architecture as it started and gain traction about 14 months back if you really look at it and there is some kind of a between time. So, it is not the on an overall basis the contribution will not be very high, but the buildup and the scale is what we are seeing.

Niddhesh: Secondly we used to disclose that more than 50% of our revenue is coming from other customers acquired more than 5 years back is it still holds true for this quarter?

Harvinder Jaspal: So, 60% of our revenue coming from customers which are more than five years that is holding. Although, we are starting to get a decent traction in the recently acquired customers also, but that material is holding.

Moderator: Thank you. The next question is from the line of Sanketh Godha from Spark Capital Advisors. Please go ahead.

Sanketh Godha: We in the past guided that we have a target to get our cost to income ratio close to 45 I understand it is a difficult environment, sir so whether the target will be largely hit in the current year because of the weakness in the market. Though, you have highlighted there were some levers or related cost, but do we see the cost to income ratio to be upwards of 50 the way we have reported in the current quarter and on similar lines how do we read the employee cost which is around 22 % and the past we used to guide it is truly around 22, but last year it was less than 20. So, how do we see employee cost as a percentage of the total revenue to move going ahead?

Harvinder Jaspal: Sanketh so two things. One our guidance was about 40% by FY25 that is what our aspiration was. We had guided earlier and continuously continue to guide that in interim we do expect cost to go up. So, last quarter for example the cost-to-income ratio was 49% and we had guided that we do expect this to go up in the intervening period from these levels. Currently, if you look at it the absolute cost has actually come down if you exclude the finance cost that cost have actually come down by about 5%, but obviously it is more of function of revenue which is playing out right now in the cost-to-income ratio that we have seen. Our guidance continued to be the same that is the intermediate terms which is two to three years. We are focusing on getting a cost-to-income ratio to a lower level it will be a function of revenue and our cost initiatives. So that continues to be the case.

Vijay Chandok: I will just add one comment here Sanketh that we will be judicious in spent, but I do not want to compromise on growth opportunities. So, we are in the investment mode and we will judiciously in a agile way spent where we need to spent, but what is good to have we will probably defer it.

Sanketh Godha: Our employee cost you want to make it to the top line?

Harvinder Jaspal: I am coming to that so on the same basis when we had our employee cost-to-income ratio of 20% we have very clearly guided that this is not the long-term employee cost trend. We should definitely see an increase on this trend 20% was actually one quarter and we had explained also that overall I mean we should see an expansion over here. We are investing in very identified focus areas, in the area of technology, analytics, marketing, some of these areas we have identified and we are investing in building up talent. On an absolute basis as I was just responding to one of the earlier question, the employee cost has gone by 2% in a quarter which is after increments etcetera and increments this year has been better than the past trends in the industry as well. So,

despite that we have seen a 2% growth in absolute amount so that I think should give you some sense.

Sanketh Godha: Another question which I had is that open architecture probably added the customers, but probably not in the revenue, but just wanted to understand these open architecture customers somewhere have started contributing to the float investment part which was clearly missing when then we were just ICICI Bank customer company, any trajectory you are seeing which is meaningful where you can highlight and how to see this if regulator really comes up ASBA kind of a thing for the secondary market?

Harvinder Jaspal: The digital customers every month what we are seeing is their contribution to the revenue an absolute revenue is rising. They are becoming meaningful as I was just responding in the early part of the call. If you space it back from where we started, we started in April 2020 this journey on a small level from April 2020 to today June 2022 there are about 25 cohorts of customers that we have acquired. Of these cohorts the first 8 cohorts, 9 cohorts have already broken even in terms of their payback period and whatever we are getting is a straight follow through in the bottom line and this stock is becoming greater. So, every month it is not still substantial compared to the current existing vintage customers, but it is growing.

Also from the revenue of a current month I mean that is almost equal to the cost of acquisition of that particular month. The entire cohort is able to self-fund in a manner of speaking right now. So, from that perspective yes it is starting to contribute. Number two, these customers are a part of what is contributing to overall floats we have let us say about 1,000 crores plus of floats that we have now gained so roughly about 1,300 crores of float currently and these customers are also contributing to various charges small, small charges that we are living. So, idea over here is completely digital engagement, multiple charges, smaller products, and engagement. That is the plan over here and that is what

we are working. There are various properties that we have launched, various experiences recently we have launched something which we call iLearn, it is a app focused on learning in a completely new age format with snippets of videos, short articles, engaging formats and so on. So, all these things and there is a team which keeps on looking at various ways to engage these customers. We have also recently invested in marketing tech stack and social networking, industrial networking platform we are building some of those capabilities to try and engage these customers digitally to have longevity as well as have lifetime manual, but it is building up is the short point.

Moderator: Thank you. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Just on the part where we take the subscription revenues firstly how do we account that from a lifetime fee that you get, how do you account that and what is the kind of float that you would be earning on that, so basically what is the size of that pool?

Harvinder Jaspal: Once we have converted them into a lifetime variant there accounting is instantaneous. There are two variants which are in subscription mode the 299 variant and the Rs. 900 variant. These two are still in subscription mode which are annual fee. The annual fee get amortized over four quarter one year and the instantaneous lifetime fees is accounted in the quarter which we get the fees. So, that is the difference between lifetime and subscription. Your second question was pertaining to what is the total quantum. So, the total quantum of so we have about 1 million prime customers roughly 90% of them would be on the lower plans. So, that is the prime fee contribution in a quarter if you look at it and we have disclosed that prime fee revenue separately.

Moderator: Thank you. The next question is from the line of Bhuvnesh Garg from Investec Capital. Please go ahead.

Bhuvnesh Garg: Sir, I have couple of questions regarding your private wealth segments. So, you have given the AUM of private wealth so in that regard can you also give the number of customers that how many customers you have in private wealth and then how that customers base has shown over the last few quarters that is first. Second thing is about acquisition that how are you acquiring these customers, is there any separate vertical to acquire these customers apart from normally the way you are acquiring mass affluent customers and third is the customer mix that how many of these customers are from the ICICI Bank channel and then how many of these customers are at ICICI and fourth one is on your team within the private wealth that how many RMs are there and how the team is structured to cater to these customers and finally your vision on this private wealth firstly what is your target customer segment and where do you see your private wealth AUM growing and it is a contribution in overall revenue those are my couple of questions?

Vijay Chandok: You asked a bunch of questions let me go one by one. Your first question is that how many customers are there in private wealth. First of all, I will take a minute to describe what is private wealth definition by us, any customer individually has got a crore of rupees of AUM with us is what we call as a private customer. If you look at the total number of such customers today, we would have crossed 70,000 customers and during the quarter we added about 1,600 customers to this cohort. The total aggregated AUM from all these customers 70,000 customers would be slightly lower than 2.8 lakh crore as on June 30th, so that is the total AUM.

If I have to describe what is the profile of this customer and little about their persona I think it is fair to say that most of our customers that we have acquired are not typically be born rich customers, but they are grown rich customers. These are customers who started off their careers as either a self-employed person many years back and he has scaled his business up and he has become a rich person today or alternatively a

professional who has risen the ranks in a corporate set up and today he is belonging to a senior management position and he is the wealthy person in his own right.

Therefore, if I were to translate this into a typical AUM that this person has got he would be typically between let us say 2 crores to 3 crores at the lower end of the spectrum at his AUM level and go up to 30 crores, 35 crores of AUM at the higher end. This whole segment is a sweet spot. This segment we believe is the fastest growing wealth segment in the country.

Number two it is a segment which is I would say very fertile from a they are more DIY style rather than the segment which is very pampered style the born rich guy and therefore they relate very well with the brand. They have come to us because they have partnered with us in the past and they have grown over the period of time. Our strategy has been and our customer segment has been brand led rather than RM led and I think that is a very unique differentiation of our wealth franchise. We have very strong ambitions in this segment when we started focusing on this segment about maybe three years back it was roughly one-third the size of this in three and half, four years we tripled the size, we have brought sharp focus, we have improved revenues similarly by the similar sort of proportions and clearly we have emerged as today the largest I would say non-bank private wealth company in the country. We have overtaken everyone else in the process.

We will continue to put up our paddle on this and broaden our presence and deepen our presence. Today these are serviced by team of about roughly 300 relationship managers. They are also in turn supported by bunch of product experts in this space. So, if you add all these together it would be in the ballpark of about 350, 375 kind of people servicing this entire segment. What else did I miss.

Harvinder Jaspal: You are also checking about the rate of acquisition of customer?

Vijay Chandok: I mentioned about roughly 1,500, 1,600 customers in a quarter that is broadly the run rate.

Bhuvnesh Garg: Adjustment outlook I mean what are your targets in let us say two, three years where do you want to see the AUM growing its contribution in overall revenue?

Vijay Chandok: So, I think we feel that rather than chasing a target we will chase the opportunity. It is a massive under penetrated opportunity, growing opportunity we just want to maximize it. I think we are not looking at anything and we want to do the right thing because see it is very you go chase a number you will end up with a bunch of customers who will be very upset with you, we do not want to do all of that. We want to grow the segment in a right way because for us it is about longevity of customers that is how this DNA of this company has been because many of our customers has spent 15 years, 20 years of their life and we find that the lifetime value of these customers is enormous. So, for us it is about getting the right customer and serving him well and growing with him and we will do that in a very I would say focused and active manner and tripped in less than four years is what we have achieved following this approach and our approach will be to intensify it so let us see where we go.

Bhuvnesh Garg: And just one last thing on this if you can just give the breakup into non ICICI customers in private wealth this ICICI customers?

Vijay Chandok: I think it would be fair to say 100% of this 70,000 would be belonging to the ICICI fraternity even if there is any. We do not look at it like this, but our sense is that it will be close to 100 our head wants to just chip in so maybe he will add couple of comments around that.

Anupam Guha: You know from a client perspective again as Vijay just mentioned that we are fairly robust in the specialized team. We have in excess of 300 private bankers. So, we go out in the market and do open market

sourcing as well and that we have been doing over the years. Having said that as Vijay mentioned that we also have a lot of clients who have been part of the ecosystem for a long period of time where we have deeper mind and really grown. So, it is really a combination between a large part from the existing base as well as trying to look at it from an opportunity and trying to on board clients from the open market sourcing. I hope that answered.

Moderator: As there are no further questions I will now hand the conference over to Mr. Vijay Chandok – MD and CEO for closing comments.

Vijay Chandok: Thanks a lot. Thank you everyone for a patient hearing. Thanks for the support you have been giving us. We will connect with you in the course and if there are any follow up questions, unanswered questions please feel free to reach out we are all there to respond. Once again thanks a lot and good night.

Moderator: Thank you very much. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.