

January 19, 2024

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

BSE Limited  
Listing Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

Dear Sir/Madam,

**Sub:** Earnings call transcript for the quarter and nine-months ended December 31, 2023

**Ref:** NSE Symbol - ISEC & BSE Scrip Code - 541179

This is further to our letters dated January 10, 2024 and January 16, 2024. The Company had hosted earnings call with investors and analysts on Tuesday, January 16, 2024 to discuss the financial performance of the Company for the quarter and nine-months ended December 31, 2023.

Please find attached the transcript of the 'Earnings Call' for the quarter and nine-months ended December 31, 2023. The same is also made available on the Company's website at [www.icicisecurities.com](http://www.icicisecurities.com)

Thanking you,

Yours faithfully,

**For ICICI Securities Limited**

**Rupesh Jadhav**  
**Chief Manager**

Encl.: As above

Member of National Stock Exchange of India Ltd, BSE Ltd and Multi Commodity Exchange of India Ltd.  
**SEBI Registration:** INZ000183631  
**CIN No.:** L67120MH1995PLC086241

**ICICI Securities Limited**

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“ICICI Securities Limited's Earnings Conference Call for  
Quarter and Nine Months ended December 31, 2023”

January 16, 2024



MANAGEMENT: MR. VIJAY CHANDOK – MANAGING DIRECTOR & CHIEF  
EXECUTIVE OFFICER  
MR. AJAY SARAF – EXECUTIVE DIRECTOR  
MR. HARVINDER JASPAL – CHIEF FINANCIAL OFFICER  
MR. VISHAL GULECHHA – HEAD (RETAIL EQUITIES)  
MR. KEDAR DESHPANDE – HEAD (RETAIL DISTRIBUTION  
& SERVICES GROUP)  
MR. ANUPAM GUHA – HEAD (PRIVATE WEALTH  
MANAGEMENT)  
MR. KETAN KARKHANIS – HEAD (DIGITAL CLIENT  
ACQUISITION & PRODUCTS GROUP)  
MR. NILOTPAL GUPTA – HEAD (DATA SCIENCE UNIT)  
MR. R. BALAJI – CHIEF TECHNOLOGY OFFICER

**Moderator:** Good evening, ladies and gentlemen, and welcome to the Earnings Conference Call of ICICI Securities Limited for the Quarter and Nine Months Year Ended December 31st, 2023.

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 Gulechha – Head (Retail Equities); Mr. Kedar Deshpande – Head (Retail Distribution and Services Group); Mr. Anupam Guha – Head (Private Wealth Management); Mr. Ketan Karkhanis – Head (Digital Client Acquisition & Products Group), Mr. Nilotpall Gupta – Head, (Data Science Unit) and Mr. R. Balaji – Chief Technology Officer.

For the duration of this presentation, all participant 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 “\*” 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](http://www.icicisecurities.com) under “Investor Relations.”

I now hand the conference over to Mr. Vijay Chandok – M.D. 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 the ICICI Securities Q3 Earnings Call for Fiscal 2024.

I'm sure that by now you would have already perused through our “Investor Presentation,” which is uploaded on our website carrying details of the “Financial Results” as well as the “Key Highlights of our Performance.”

I take this opportunity now to provide you the context of the Financial Results of ICICI Securities.

**So first, let me just talk about the industry:**

The retail equity ADTO was 9% up sequentially. Here, it may be noted that the growth of this was largely contributed in the month of December which registered a growth of 44% compared to a decline of 8% for the month of October and November over last quarter. So December was an outlier month actually.

Retail derivative ADTO was up 10% sequentially and here it may be noted that the growth was again largely contributed by December registering a growth of 23% over last quarter compared to growth of 3% in the month of October and November. So October, November were muted both for cash equity as well as derivative and it was December, which actually played out truly. New client additions were down by 5% sequentially and up 62% on a YoY basis. SIP momentum continued during the quarter for the industry and primary market mobilization registered a growth and improved on the back of improved market sentiment.

**Now, coming specifically to the performance of ICICI Securities for the quarter:**

Client additions were stable compared to last quarter and customer assets registered a growth both in the wealth segment as well as at an overall Company level driven by mark-to-market impact as well as incremental flows that came into the Company.

The market share for retail equity ADTO went up by 30 basis points on a sequential basis. However, our derivative market share on ADTO registered a decline of 30 basis points on a sequential basis. Market share for SIP and MTF were stable compared to the previous quarter.

With respect to derivative ADTO market share, here, I just like to point out that the current metric of measurement for the industry has been discontinued from the month of January by the exchanges. Going forward, we would be disclosing the retail option premium market ADTO and there you could see from our presentation this was actually up by 23 basis points on a QoQ basis and 56 basis points improvement on a YoY basis.

As you know, our business is inherently cyclical and dependent on macro environment and buoyancy in equity markets, there has been a recent uptick in cyclicity which was supported by a host of local as well as global macro factors. So, revenue growth in this quarter was actually led by growth in cash equity brokerage and revenues from issuer services and advisory services. Both these businesses actually were beneficiaries of the cyclical upturn that we spoke about in the month of December.

We observed that the growth in revenues from MTF business is now contributing to about 12% of our PAT. Further scalability and profitability of this business would require additional and different sources of funding. And from a liquidity risk management and a regulatory perspective, this may impact its growth and

profitability. It would also depend on the availability of consolidated capital market exposure limits at ICICI Group level as per the applicable banking regulations.

It may be noted here that earlier there was a regulatory change that happened sometime back in the treatment of ESOP book. You may recollect this was pointed out to you also just drawing your attention back to that point. After this change that happened the ESOP book has run down and currently it is just about 300 crores as on date.

Expenses continue to be elevated on the back of investments being made in ramping up distribution given the opportunity and current environment as well as on account of investments being made in technology necessitated by enhanced regulatory focus on uptime, cyber risk and so on.

Our aggregated operating and capital spends on technology are expected to grow by more than 30% in the current fiscal over last year. Similarly, employee count has gone up by approximately 12% versus Q3 last year and expect to grow to approximately 20% versus last year by the end of this fiscal year. The full impact of these increases is not factored into our financial results of the current quarter and we do expect that expenses will remain elevated on account of these two factors in future as well.

We continue to grow with a focus on acquisition of quality clients, gaining market share in revenue generating segments, growing our distribution business with focusing principally on loans and mutual funds, while offering insurance only on the basis of customer life cycle need, focus would be on enhancing customer experience and continued investment in enhancing the franchise value as well as technology.

Overall, we believe that the medium-term to long-term prospects for the industry remain intact, while the short-term outlook continues to remain uncertain with global headwinds and the general election taking place in the first half of 2024.

I'll end my commentary now and throw it open for the questions that you may have. Thank you very much for your patient hearing.

**Moderator:**

Ladies and gentlemen, we will now begin the question-and-answer session. We have a first question from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

**Prayesh Jain:** Just wanted some understanding on why would the derivatives market share kind of drop for you in Q3 and could you help us understand as to what really transpired there in this quarter that led to this market share loss?

**Vijay Chandok:** Thanks for your observation. Nothing specifically that happened during this quarter that led to this. We actually have seen an increase, when you look at absolute numbers, there has been an increase in customers, there's been an increase in ADTO as well. However, when we look at the derivative market share, the way it is getting reported on an ADTO, you would note that there is another component in that retail which we have been sort of taking along because that was the only data available and the outcome is the function of how much is others in a quarter versus the next quarter. So, that could change the outcome of that percentage ratio. Fortunately, now we have a pure retail being given, but that's being given only for options premium and that is why we have simultaneously given that data also and that data actually has shown some improvement on a YoY basis by approximately 50 basis and on a sequential quarter some 20-plus basis points. So, specifically, we should view it in that context I feel.

**Prayesh Jain:** Secondly, on the distribution side, is there any strategy where you are completely exiting out of insurance? How do we read this life insurance distribution revenue just at Rs.68 million in this quarter?

**Vijay Chandok:** So, yes, one of the things that we have sort of reviewed and taken as the call is to focus on life stage needs of customers and given we believe in quality customers, longevity of customers, we felt that it will be probably more beneficial in long-term to have focus on insurance more as a risk management tool and therefore risk and retirement solution selling is the focus. That pivot has been sort of implemented in the last quarter, which is what probably you would be experiencing in terms of outcome. Going forward, we will continue to pursue this strategy. Focus will be more on equities, mutual fund and of course the distribution of loan products and other banking products that we can.

**Prayesh Jain:** Is it anything going down from ICICI Bank strategy also to kind of be conservative on distribution of IPru Life products?

**Vijay Chandok:** It wouldn't be fair to say that it is anything which is slowing. We are independently discussing this internally and taking this call.

**Prayesh Jain:** Just looking at your derivatives brokerage revenue, it's kind of dropped sequentially from around 137 crores to 123 crores. against the ADTO, which has actually

marginally improved, there again I would say in terms of ADTO overall, so is the premium actually declined in October and November for NSE?

**Vijay Chandok:** No, no, no. Actually, the short point, then I can request Vishal to elaborate a bit. It is to do with yield migration.

**Vishal Gulechha:** So, as you know that in the month of August, we introduced another plan which was Prime 999 Plan, to attract the customers who are high volume traders and they're looking for final breakeven, etc., So we have seen in this quarter some bit of the migration from the earlier plan to the new plan which has happened and we have seen a few customers opting for new also. So, it was not something which was unanticipated. I mean when we introduce such plan, the objective is very clearly to get more such customers from market as well as to retain higher number of customers.

**Vijay Chandok:** Yes, we believe the franchise become so much stronger in that approach because the prices are really competitive in that 999 Plan.

**Vishal Gulechha:** And also another factor is that we had three less trading days in this quarter because every single trading day will have an impact on revenue. That was another factor which contributed, but largely it was the migration, otherwise we had the record number of unique customers trading in this quarter, we did ever highest, we had very robust orders flow also, new customers entry as well. So, other parameters were very much on track. I mean this was the only one thing which was marginally lower or muted.

**Moderator:** We have our next question from the line of Vikrant from Finverse Ventures. Please go ahead.

**Vikrant:** My question is like generally the corporate action that generally happens when there's some strategic of be it mergers, be it acquisitions or something. Now that we are going ahead with delisting, so I would like to know what is the objective behind going for this delisting?

**Vijay Chandok:** Delisting objective has been sort of explained in the past, but nonetheless, since you've asked, I'm going to request Harvinder to come in and just give the context and give the whole perspective around it.

**Harvinder Jaspal:** We have been discussing this in the last calls as well, but just to kind of give you the thinking behind it, see, if you look at our business, right, ICICI Securities and ICICI bank, the way we operate, we have significant synergies between the two

companies or the two group entities and this spans from banking perspective, from personal finance proposition perspective for all our customers including individuals, group customers. So, there are significant synergies. So that was one of the aspects. I'm just telling you about the thinking behind it and then we'll discuss if there are any follow-up as well. If you look at our business, our business is an inherently cyclical securities business and it depends on obviously market movement and the performance of market. So, for example, in the current quarter, we have benefited from the buoyancy which we are witnessing right now. So, as a result of that, we have seen it has reflected in the way our financial performance is and also somewhere have a correlation with share price performance at some point. On the second hand, what is happening is that if you look at the regulatory environment or the competitive environment, that is also fast evolving in our industry. On the other hand, it was thought that if you are able to combine these two entities or able to derive these benefits, on one hand you have a banking entity which is a larger customer ecosystem, a more secular stable business, and we have a strength in investment and securities. So, if you're able to merge both these entities, it will create value for all the shareholders at a much accelerated pace. However, there are some regulatory restrictions because of which the equity business is not possible under the RBI governed entity and so on and so forth. So, as a result of that, this transaction should be viewed in that context. It's like a merger and delisting is the consequence of that. So, after delisting, we would remain a separate legal entity as a wholly-owned subsidiary. And in this context, you would also see strategically, all the other bank based entities also have chosen to keep this entity, the securities business as an unlisted business. So, it's not unheard of or very unnatural. So, once that was kind of clear in our mind, then the next step was very obvious, I mean, there was an independent exercise done as prescribed by the regulation, the boards of both the companies considered a swap ratio, we had independent valuation which were issued by independent valuers for both the entities which was considered by the board, and we also had a merchant banker who provided a fairness opinion on that valuation. So, that is how the swap ratio was then arrived at, which if you look at the unaffected price, let's say, if you consider the price prior to, let's say, 23rd June, it applies almost a premium of 25%-plus on that, whereas normally what we have seen is if there are two groups entities merging, they are almost at a level price and not really much of a premium. So, in that context, this transaction has been kind of approached and it is now in the various stages of approval. Once delisted, shareholders of ICICI Securities will have access to ICICI Bank stock, which is much more liquid and from a more secular free trading business. So, this is where we are today on this particular transaction.



**Vikrant:** But I just have a counterview on this. See, we are a cash-rich Company, right, I mean, we have a decent amount of cash on our books and let's say as we all know that broking is a crowded space, but fortunately we have been doing very well. Now, as far as our MTF is concerned, so we are very well placed as far as to actually encash the opportunity as and when the market presents. For a franchise like ours, it is very easy, should we want to raise funds like I believe recently we did one exercise. So, I do not see, I mean, where the synergies are coming from, I mean, neither in terms of technology, because I believe technologically we are very much superior when compared to our peers. Now, in terms of the financial muscle I think we are very well placed. So, I fail to understand where the synergies would come from. I mean, see, stocks having more liquidity and all is fine, that's okay, that's a market function. So, let the market discover whatever price or liquidity they want to get in, get out. But I seriously fail to understand what kind of synergies would this bring in?

**Harvinder Jaspal:** So Vikrant, I think this has already got elaborately covered, but I'll just maybe take a moment to reiterate some of the points. See, if you look at ICICI Bank, that's a source of affluent clients for both banking who have their banking needs as well as personal finance needs. This is the kind of value proposition that both the entities together can serve to those clients. Secondly, you spoke about MTF. So, in MTF also, you require a lot of liquidity, right? So why we are able to generate liquidity is because we do have banking entity as a parent and that kind of a backing which necessitates some kind of a liquidity cost at their end, but it benefits our MTF book. So, that's another area of synergy. Then, you spoke about technology. You are very right, I mean, both the entities right from the very beginning have focused on the higher end of the technology and invested substantially in technology and there are lots of learnings, knowledge and economies of scale that both the entities derive in kind of progressing, which as a standalone entity it might be difficult.

**Vijay Chandok:** I think there are several areas of synergy, customer sourcing, customer acquisition is one big source, technology is a big source, we have banking solutions to offer to our clients which is another big source. So, I think these altogether would give us a tremendous advantage as a delisted, unlisted Company. And if you look at the industry, you will find that most players in our industry are in similar construct. It works so much better.

**Vikrant:** But the market seems to be thinking otherwise. As you have rightly pointed out that generally once that the swap ratio is announced and generally the price adjust itself to the swap ratio announced by the respective boards, I don't think the market is actually liking it especially the kind of performances that the management team of ICICI Securities is delivering, I think the investors or the shareholders probably think

that it is better to keep it the way it is because let the market discover the fair price because performance wise we are fantastic, I mean there's no doubt about it.

**Vijay Chandok:** Vikrant, I just want to say, please view the performance in the specific context that we had an exceptional December, we have had a cyclical upswing. So, these things are making the whole outcome that you see in some sense to be viewed with that background, that there's been a cyclical upswing.

**Vikrant:** Yes, yes, it's a cyclical business, no doubt about it.

**Vijay Chandok:** And therefore volatility, etc., is prone in our business.

**Vikrant:** Yes, yes, yes. I'm from the industry, so I very well understand this.

**Harvinder Jaspal:** Just to add to your question, see, it is very difficult to kind of comment on speculations around market price. From our part and from the process part I mean I would again at the cost of repetition like to reiterate that there is a scientific process followed for determining the valuation swap ratio, and with that swap ratio we have already filed with the NCLT. So, that is the swap ratio that is being offered. Of course, there could be different views across market. It will be very difficult to kind of comment on that. But, there is a rationale that we have put out in public domain at length, we have had a chance to discuss that as well. There is science and thought behind the way the valuation ratio has been arrived and it's the same valuation ratio which is being offered and progress in the transaction, which obviously we are putting up for vote. The process itself has a lot of stages and safeguards for shareholders to express their views and counter views. But our thinking, the way we went about it and where we are, I think this is what we can comment on, market price and speculations thereof would be very difficult to comment on.

**Moderator:** We have our next question from the line of Vikram from Vikram Securities. Please go ahead.

**Vikram:** What I'm saying is sir, that we don't have an indication when the delisting vote comes up. And second is do you need a majority of the minority or is ICICI Bank allowed to vote for the resolution of the delisting and when is the vote coming up?

**Harvinder Jaspal:** Vikram, it could depend on the NCLT regulatory process. It depends on when we get the date. It could take maybe a quarter, but it will really depend on the way the process progresses. And to clarify on your second point it's a majority of minority and ICICI Bank voting will not be considered in this. It is within the minority

shareholders. There needs to be a two-thirds majority, that is the regulatory requirement.

**Vikram:** Sir, a follow up question. Recently, in September you had disposed of a complaint by Unifi Capital. It was in a BSE filing. So what was the nature of that complaint?

**Harvinder Jaspal:** That is something that we have already explained and written to the complainant and accordingly disposed of.

**Vikram:** We have reason to believe that we wrote to all the board of directors

**Harvinder Jaspal:** It's a bilateral communication. This call is specifically to discuss the earnings results.

**Moderator:** We have a next question from the line of Aejas Lakhani from Unifi Capital. Please go ahead.

**Aejas Lakhani:** Mr. Chandok, a Couple of questions on the core broking revenue piece. Sir, one is that earlier we had started that journey to improve our derivative share and you had educated us that competitive pricing, algos, tools are required by trader and we've been in that journey for some time. So, how do you view the assessment of the derivative segment in your internal framework that you had set out? What are the growth levers for improving the cash segment if there's any specific actions you're taking? Could you also explain that 0.3% decline in derivative market share? I could not really understand that and on Mintr?

**Vijay Chandok:** You asked a bunch of several questions. I'll probably have to take one-by-one. Can you start from the beginning?

**Aejas Lakhani:** Sir, on derivatives, I wanted to check, how do you feel the assessment given the four or five pillars that you wanted?

**Vijay Chandok:** Yes, let me start with that, I think derivatives, if you see sequential quarters, growth has happened across number of customers, orders, virtually all parameters, record numbers have come. One quarter back compared to where we are we are at a higher level and that sequence has been continuing for a few quarters now. Your question on the internal framework, you'd mark it as satisfactory? I don't think I would mark this as satisfactory. I think we can do better. We continue to focus on making things better. I think the areas that would get more attention is now more of external communication because on two things I would say. External communication intensification is one area we are focusing on, and the other is while we have added a lot of features, we've added a lot of. tools, we've added a lot of

interesting pricing options, etc., I think the area that the whole team is fully focused is on handling load speed, salience. I think we have to do better on that because that becomes an important criteria, particularly when it comes to high velocity trading. So, that is an area which is still WIP. Some modernization is being planned there. And I would say, fortnight-by-fortnight, these new releases are coming to improve salience, speed and response time. Hopefully, those will be added areas on the platform to help us gain more traction on the derivative side. So, at this point in time, I would say it is less than satisfactory. Can you just come back to the second question?

**Aejas Lakhani:**

On the derivative bit, could you explain that 30 bps reduction in derivative market share? I could not understand that.

**Vijay Chandok:**

If you look at the ADTO, the deduction reflected is 30 bps. While we report that as retail, it has a component of others included in retail. So it is not absolutely pure retail the way equity is getting sort of reported, and that's to do with the way data is coming from the relevant authorities. Recently, there has been a clarity, actually the clarity has come only in the month of January where options premium has been given as a data point which is pure retail the way cash side data is coming. And that is why we have given data with respect to retail options premium market share, how it has moved in a sequential quarter and on a YoY basis. And there you can see that an options premium which does not have any component of others. It has actually shown some improvement; 50 basis points on a YoY basis and about 20 to 25 basis points on a sequential quarter basis. The difference between the retail derivative market share that you see which has gone down versus the retail options premium market share which has gone up is that others is not included in the option premium part, whereas others is included in retail derivative part, and the calculation of numerator to denominator obviously you have something others, if the others part we don't address, then to that extent the output of the ratio would be impacted by the component of others which is not the case in retail. So, it's a mathematical sort of a comparison that happens understandably depending on how much is the others. That's what I was trying to explain. Pure retail, you will see both on cash side as well as on the derivative side, which is option premium, we have shown gains in market share. Your question was, "Are you going to do anything more on the cash side?" I think on the cash side, we've done a lot, it is just about acquiring quality customers and retaining customers, providing better service, better experience. As such, there are very little further enhancements that are actually on the plan and anvil. So, nothing much more planned on that side. Were there more questions that you had asked?

**Aejas Lakhani:** Yes. Mintr, could you speak because there's been an inordinate delay, so where are we in that process?

**Vijay Chandok:** Yes. So, Mintr, we have done all the work that was required in developing the engine and platform. But, in the meantime, there have been several changes that have happened in the marketplace in terms of opportunity getting front loaded, we've also seen the experience of some of the other players who've come out with the dual sort of a brand strategy and we find that there is a fair amount of time required in developing salience and volume in a separate brand identity. So, our thought process has actually undergone an alteration. And under that alteration, we are actually looking to use all the tech development that has happened in ICICIdirect itself. So we would be starting that process of integrating that into ICICIdirect and we will examine the possibilities of coming out with variations within ICICIdirect itself because there the brand is well established, I think we should get a faster uptick in the market opportunity and come out just like we've come out with different opportunities like plans like Neo, Prime, etc., to target different segments, we'll evaluate at the right time when we feel that the whole platform is ready to handle it, the possibility of addressing through a relevant plan for the trader segment even more sharper than Neo. So that is where we are with respect to the Mintr plan.

**Moderator:** We have a next question from the line of Darshan Engineer from Karma Capital Advisors. Please go ahead.

**Darshan Engineer:** First of all, I just have a broader strategic question. Since delisting, you have sounded a very cautious note on various business lines, say, if there was no delisting angle right now, maybe you would have given a very positive angle to each of your business segments and possibly you would have been very upbeat in your commentary as well, which was the case even when things were not so good and your numbers were actually used to be weak, at that time you still sounded very positive, but now because of this delisting angle, despite a very strong set of numbers, you are sounding very cautious. So, two parts to the question then. One, is it that the delisting and therefore the proposed merger is making you go slow on your strategic initiatives which otherwise you would have been more aggressive on? And the second angle is that say, if the delisting does not go through, in that case, I mean, would it again necessary to change in your strategy, because what this is leading to is that you had a lot of plans in place to gain back market share in different areas of business and you in fact had a very good progress in several parameters, but now we are seeing that there is a mixed track record. So, if it does not go through, would you again have a change in the strategy?

**Vijay Chandok:**

Darshan, I think on the contrary, it's very natural to have an upbeat outlook when markets are actually doing well because it is reasonable to expect that markets don't do well because they will do well in the future and that's what was reflecting in the past when I said that there is an upbeat sort of a tone in my narrative. Now, the markets are at all time high, so much volume is happening. To expect growth from here would be not right in my view and I strongly feel so. I think therefore is a note of caution. So, it's nothing to do with delisting or listing, we have to be nimble in our outlook, we have to be nimble in our strategy, we have to see what is happening in market, what is happening in the regulatory environment, what is happening with our own Company in terms of our strengths and keep assessing it in the context of market opportunity and be sure that you're true to that opportunity. So, that is what is driving these changes. Nothing to do with delisting, there's not even an iota of linkages with it. In future, "Will this thing go on?" I always maintain that we have to be nimble. Our approach is to gain and again in my investor opening comments I mentioned is to enhance the strength of the franchise. So, whatever we are doing is to enhance the strength of the franchise, and the enhancement of strength of the franchise should be reflected in growth in customers, particularly revenue generating parameters of customers. So, our focus is not on any indicator which is not revenue generating even though market tends to go a lot on those parameters which may not necessarily be revenue generating directly. We have identified sharp matrices of revenue generating which we published; it's available on slide six of our presentation. And we will try and keep on improving ourselves franchise to improve that so that we are able to deliver a more consistent outcome for our customers. So, there is no sort of impact of any of the developments that you alluded to. It is purely a reflection of changes in the market sentiment, outlook, volumes that are taking place. It would be not prudent to strike an optimistic note when things have already gone up so much.

**Darshan Engineer:**

The broader point that I'm making is that maybe you are doing a very good job as far as your parent, I mean striking a chord with your parent is concerned because otherwise I mean if there was no delisting angle, I think, I mean, you would have been clearly very happy with this set of numbers then and it shows the progress that you have made, I mean, some of the efforts that you had put in the last 1.5 to 2-years is finally showing up in numbers in the sense that I mean your other businesses such as distribution and all that are now doing much better than what they were say two years ago, I mean, you are no longer dependent only on broking for your profits. My only concern is that the price is indicating that the market is not happy with the delisting price that has been announced by the parent. But I mean it

clearly shows that there is a lot of potential in the business if it remains separate and not get influenced by the parent. That was my only point.

**Vijay Chandok:** I think your comments are noted. Thanks for it. We'll move to anyone who has questions on performance please?

**Moderator:** We have our next question from the line of Nilesh Shetty from Quantum Advisors. Please go ahead.

**Nilesh Shetty:** I just had one clarification on the retail cash market share, which is year-on-year up by 260 basis points, but you've put a note there that there is a revised disclosure by NSE. So just like-to-like, how would the cash market share is?

**Harvinder Jaspal:** So unfortunately the two data series like-to-like is a bit difficult, but my sense is in 260 it would be probably about 160.

**Nilesh Shetty:** And that is being driven by what, I mean, a very tough competitive environment, so how are you able to expand that retail cash market share?

**Vijay Chandok:** It's a combination of factors that we have invested in over the years. It's to do with the new apps that we have come out, new experiences, new tools, new research, new style of delivering the search margin finance. I think a combination of all this is played out which is focus on quality customers. So, it is more to do with concerted efforts of these 5-6 items that we have been sharply focused on over the last several quarters that is visible actually.

**Nilesh Shetty:** This is continuously dropping in NSE active clients, including drop in activation rates over a period of time is what is causing that?

**Vijay Chandok:** Sorry I didn't get your question.

**Nilesh Shetty:** The NSE active clients, I mean over the last eight quarters, I think we've dropped by 40%. So I don't know if it was the function of that open architecture where you went aggressively acquiring customers and now the quality of customers were not great and they stopped trading, but it's dropped materially over the last sort of 6-7 quarters.

**Vijay Chandok:** So, our focus is quality over quantity clearly. We realize that when we started this digital sourcing, initially since it was a learning curve we were going through, which we have also indicated in various calls. We would be acquiring, then later on, we started putting more and more filters to ensure that we get quality. So, quality is

what we are getting now, reflected in our numbers rather than just getting a quantity which again like I said, there is no point pursuing matrices, which is otherwise getting reported more widely outside, which has limited linkages to revenue-generating parameters. We are not pursuing that as an approach in strategy at all and that's nothing new, it's something that we've been saying interesting parameter to watch the NSE active, but don't get too carried away with that individually.

**Nilesh Shetty:** The distribution income from others, which is now almost half of mutual fund revenue, what would be the largest chunk there – it is essentially home loans or loans that you're distributing?

**Harvinder Jaspal:** So it will be loans, it will be fixed income distribution, some bit on PMS and AIF.

**Moderator:** Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to Mr. Vijay Chandok for closing comments. Over to you, sir.

**Vijay Chandok:** Yes. Thank you so much for a patient hearing and for all the questions that you've asked. If there are any more follow up calls as you go through our presentation and the stuff that needs to be addressed, please feel free to call in to our IR unit. Thank you very much and have a wonderful evening.

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