ICICI Prud.Asset Man

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Operator: Ladies and gentlemen, good day and welcome to the ICICI Prudential Asset Management Company Ltd. earnings conference call for the quarter ended June 30, 2026. Joining us today on the call are Mr. Nimesh Shah, MD and CEO; Mr. Naveen Agarwal, Chief Financial Officer; Mr. Abhijit Shah, Chief Marketing and Digital Business Officer; Mr. Vipin Bhandari, senior member from the business team; and Mr. Harshil Sanghavi, Lead Investor Relations, who will be available to address your queries following our opening remarks. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Nimesh Shah, MD and CEO of ICICI Prudential Asset Management Company Ltd. Thank you, and over to you, sir.

Management: Good evening everyone. I trust you have had the opportunity to review our earnings presentation and the investor materials that have been shared on the stock exchange and our website. I will start straight with the industry. As you know, markets have behaved relatively well from where we were on March 31, 2026, to where we are on June 30. There has been a positive movement in the markets, and everything you see in the numbers is a reflection of that.

Overall, the industry quarterly average AUM grew by 15.4% year-on-year, reaching 83 lakh crores. The sequential growth in quarterly AUM appears to be muted; however, a comparison of closing AUM between the two quarters indicates strong momentum, reflecting 11.6% growth. Equity and equity-oriented AUM stood at 45.2 lakh crores. As market sentiments improved during the quarter, the equity market witnessed a broad-based recovery across segments. Small caps outperformed with a return of 24%, followed by midcaps at 17.2%, while large caps lagged behind, delivering a recovery of only 8.9%. As analysts, you understand that much of what happens to the P&L is dependent on these particular numbers, specifically the last figures I mentioned.

During the quarter, net flows for the equity category were more than 1 lakh crores. Categories like midcap and small caps were at the forefront of attracting the highest amount of equity net flows. Categories like thematic funds and hybrids, specifically multi-asset funds, faced a reduction in net flows when compared sequentially. While the industry saw a steep fall for the month of May 2026, net flows for the month of June 2026 rebounded by 26% month-on-month, coming back to pre-Middle East crisis levels. June 2026 recorded SIP contributions of 31,781 crores. Monthly SIP inflows remained largely stable throughout Q1 despite volatile market conditions, demonstrating the resilience and stickiness of retail investor participation.

In the debt segment, the overall quarter witnessed redemptions by institutional investors and tighter liquidity conditions, resulting in a sequential moderation of 6% in quarterly average AUM. Passive AUM grew by 25.3% year-on-year to 14.673 lakh crores. The industry continued to have positive new customer additions, reaching 6.2 crores, which represents an increase of 12.1% year-on-year. I now hand over the call to Harshil for covering the performance of our company.

Management: Thank you, Nimesh. Good evening everyone. For the quarter ended June 2026, our total mutual fund quarterly average AUM reached 11.17 lakh crores, which is up by 18.3% year-on-year, thereby maintaining our position as the second largest AMC with a market share of

13.4%. In active schemes, we continue to maintain the highest market share of 13.5% with a quarterly average AUM of 9.25 lakh crores. As of June 30, 2026, we continue to maintain our leadership position in equity and equity-oriented schemes with a market share of 14% and a quarterly average AUM of 6.31 lakh crores. On a year-on-year basis, we outperformed the industry growth rate by 3.6%, recording growth of 19.8%. It is important to note that in Q1 FY27, we continue to receive one of the highest net flows in the industry.

The quarterly average AUM of our equity-oriented hybrid schemes grew to 2.22 lakh crores. This represents the largest market share of 26.6% as of June 30, 2026. For the quarter ended June 2026, our margins on an annualized basis stand at 66 basis points for equity, 36 basis points for debt, 32 basis points for liquid, 12 basis points for passive, and 30 basis points for arbitrage. There is no negative impact on account of changes in the TER regulations.

As of June 30, 2026, we have a unique customer base of 1.73 crore. Notably, in this quarter, we added seven out of every 10 new customers from the industry. In June 2026, our systematic transactions, which include SIP and systematic transfer plans, moderated marginally to 4,872 crores from 5,104 crores in the month of March 2026. Similar to the industry trend, we saw a moderate dip in the first 2 months of the quarter followed by a rebound in June 2026 as compared to May.

Our distribution mix for our mutual fund equity quarterly average AUM is follows: MFDs account for 36.2%, national distributors account for 15.9%, ICICI Bank share is 7.7%, other banks contribute 10.7%, and direct represents 29.5%. SEBI introduced the Specialized Investment Fund (SIF) under mutual funds, which is well-positioned between traditional mutual funds and alternative investment products. ISIF is a distinct brand assigned to SIFs launched by ICICI Prudential Mutual Fund. We have launched four strategies: ISIF Equity ex-Top 100 and ISIF Hybrid Long Short were launched in previous quarters, while ISIF Active Asset Allocator Fund and ISIF Equity Long Short launched in June 2026. Our quarterly average AUM of SIF is 2,678 crores.

Regarding GIFT City, we have launched our first offering in GIFT City, the ICICI Prudential Smart Navigator Fund, which is an inbound fund. It is encouraging to see that the fund is gaining traction and witnessing growing investor interest. Now let's move to our alternates business. Just to clarify, comparative data has been restated by considering the effect of the acquired business of ICICI Venture. Our alternates business comprises listed equity-focused PMS and AIF, private credit, real estate, private equity, early-stage private equity, and offshore advisory. For the June quarter end, our alternates quarterly average AUM stood at 79,446 crores. Within alternates, our PMS AUM grew to 28,996 crores. Our AIF quarterly average AUM stands at 22,737 crores.

For the quarter ended June 2026, on an annualized basis, the gross yield on our PMS and AIF business was 1.91% and the net yield—which is after reducing the fees and commission expenses attributable to the PMS and AIF business—was 0.95%. Yield on assets under advisory was 30 basis points.

Coming to AI, our focus is to deliver value across three core pillars: customer and distributor experience, operational efficiency, and investment management. On customer and distributor experience, our goal is frictionless interaction. Today, a customer can use our natural language search engine on our website, which has already processed over 5 million queries. For our customers and partners, we have embedded an engine in our mobile apps and distribution portal that delivers hyper-personalized prompts to help engage better with clients. On the operational efficiency front, 60% of our customer queries over email are replied through AI. We are actively expanding such capability by transitioning outbound SIP renewal calling to an AI-driven process. In investment management, through our proprietary platform, we are building a conversational layer over our investment data. At present, we are using AI to generate summaries of reports, videos, and DRHPs to suit our requirements. It enables faster processing of data and gives our investment professionals a head start so they can focus on alpha generation and judgment. I now hand over the call to Naveen for covering the financial performance of the company.

Management: Good evening everyone. Let's cover the financial performance for the quarter and yields that are presented on an annualized basis. As we mentioned earlier, all data have been restated by considering the effect of the acquired business of ICICI Venture. Our operating revenue stood at 1,564 crores, representing growth of 17.6% year-on-year. Our operating net revenue mix from mutual funds was 90.02%, alternates 8.54%, and advisory business 1.44%. Other income of 185 crores turned positive from negative vis-a-vis last quarter on the back of positive mark-to-market.

Operating expenses amounted to 464 crores, which was an increase of 11.7% year-on-year and 14.3% quarter-on-quarter. The sequential increase was largely on account of employee expenses. As you would recall, we mentioned in our previous call that the ESOP-related expenses have been debited from this quarter, while in the previous year's P&L there was no such charge. Particularly in Q4 FY26, any provision we had made in the previous quarters of the last financial year was also reversed.

Our operating profit before tax, which indicates the core profitability of our business, reached 1,100 crores. This represents a 20.2% increase year-on-year. Profit after tax stood at 965 crores, up 23.1% year-on-year. For the quarter ended June 2026, our gross yield and net yield on an annualized basis stood at 52.4 basis points and 48.3 basis points, respectively. Net yield is arrived at after reducing fees and commission expenses on PMS and AIF business, which is shown as an expense item in the P&L. For the quarter ended June 2026, our operating margins stood at 36.9 basis points as compared to 36.1 basis points for the quarter ended June 2025, which was a year ago. Thank you for your attention. I look forward to discussing our performance in more detail and addressing any questions you may have.

Operator: Thank you very much. We will now begin the question and answer session. The first question comes from the line of Rahil Shah with HSBC. Please go ahead.

Rahil Shah - HSBC: Hello. Thank you for the opportunity. My first question is regarding the drivers of change in market share, both in terms of equity AUM and SIP flows. Can you give more color on how much it is driven by mark-to-market differences versus the actual change in net flows? Regarding net flow market share, where you mentioned you are receiving the highest, is it higher or lower sequentially?

Management: Rahil, if you look at it on a one-quarter basis, given the high base of equity AUM, the change in market share would predominantly be driven by mark-to-market. Net sales in one quarter would not make that much of a difference. As we mentioned in the beginning, mark-to-market received in the industry is a function of how each segment has performed—whether it is small cap, midcap, or large cap. The change in our market share has also been predominantly on account of mark-to-market. To reiterate the indices, small caps in this quarter showed a return of 24%, midcap 17.2%, and large cap 8.9%. That is reflected in the mark-to-markets and the respective AUMs.

Rahil Shah – HSBC: Understood. And in terms of SIP flows?

Management: SIP flows for the month of June have seen a rebound vis-a-vis May, while from March to June, you see a small fall. Rahil, always look at this from a quarterly basis. There are many changes that happen month-on-month, so numbers normally stabilize over a quarter. Do not analyze month-on-month numbers too much.

Rahil Shah – HSBC: If I can request the quarterly number, as we don't have that, it would be helpful. A related question on the distribution mix: the growth from the banking channel, including ICICI Bank, shows sequential degrowth compared to healthy growth of 3-4% for other direct and national distributors. What explains this divergence? Have banks slowed down selling mutual funds, or is there another factor?

Management: If you look at the distribution mix, it is spread across all channels. We continue to serve mutual fund distributors, national distributors, and ICICI Bank. When I look at the number for the June quarter vis-a-vis the previous quarter, I do not see much change in the mutual fund distributor category or on an overall banking basis. The mix for June and March is pretty much in line.

Rahil Shah – HSBC: Absolute terms show a 4-5% increase in AUM from direct or national distributors, while for banks it is flat to lower. What explains this divergence within a quarter? Is there anything specific to read into it?

Management: Are you referring to industry numbers?

Rahil Shah – HSBC: No, your ICICI AMC numbers. I multiplied the mix number with the AUM.

Management: In our case, as of June, the direct share was 29.5% of the equity AUM. You should look specifically at the equity AUM rather than the total.

Rahil Shah – HSBC: I am looking at equity. I will take this offline. No problems.

Management: Yes, sure.

Operator: Thank you. Your next question comes from the line of Piran Engineer with CLSA. Please go ahead.

Piran Engineer – CLSA: Hi team, congratulations on the quarter and thanks for taking my question. Naveen, what was the ESOP cost in Q1?

Management: We indicated last year when the ESOPs were granted that the cost for the three-year period would be between 125 to 130 crores. For this financial year, the cost was indicated between 64 to 68 crores.

Piran Engineer – CLSA: Will that come equally each quarter, or was it front-ended in Q1?

Management: It will be in proportion based on the Black-Scholes method. It is charged based on the total vesting period and is not front-ended.

Piran Engineer - CLSA: Understood. So the 200 crore quarterly opex is the base to take as a thumb rule for modeling employee expenses?

Management: Correct.

Piran Engineer - CLSA: Fair enough. Regarding the SIP number on slide 17, is that for the month or the quarterly average?

Management: Those were numbers for the month of June.

Piran Engineer - CLSA: So April and May were lower than 4,872 crores?

Management: The trend has been pretty much in line with the industry. What happened in the industry matched our numbers.

Piran Engineer - CLSA: Has the stoppage ratio gone beyond 100, or has the ticket size per customer gone down? Are fewer people participating or is there a lesser amount per person?

Management: Piran, it is not that new SIPs have not been coming in. At the industry level, new SIPs have come. If the net SIP trigger number has fallen, it is because the stoppages of old SIPs have been more than the new SIPs. From a count perspective it does not matter as much as the net result of new versus old SIPs reflected in the trigger number.

Piran Engineer - CLSA: And the debt AUM decline this quarter—is it seasonal or due to bond yield spikes and market uncertainty?

Management: The reduction in debt AUM is largely due to institutional investors redeeming amidst tighter liquidity conditions. Corporates are investing more in working capital due to the geopolitical situation. When they invest more in working capital, their surplus liquidity decreases, and investments in mutual funds decrease accordingly. It is a matter of liquidity in the system.

Piran Engineer - CLSA: So it is not seasonal to Q1?

Management: Not really. It is more about how corporates in India are behaving rather than seasonality.

Operator: Thank you. The next question comes from the line of Madhukar with JP Morgan. Please go ahead.

Madhukar - JP Morgan: Hi sir, thank you for taking my question. On the fees and commission side, we are seeing an increase both Q-on-Q and year-on-year. This might be because the assets under advice have some fee payments. Could you explain that better?

Management: The fee and commission number is the distribution fees we pay for our alternate PMS and AIF. Unlike mutual funds, distribution fees for PMS and alternates are routed through the AMC. The increase you see is because of growth in the underlying business. If volumes for PMS and AIF go up, the underlying fee also increases.

Madhukar – JP Morgan: Got it. Thank you.

Operator: Thank you. The next question comes from the line of Piyush Kumar with Magnus Hathaway Investments. Please go ahead.

Piyush Kumar – Magnus Hathaway Investments: Am I audible?

Operator: Yes sir, please go ahead.

Piyush Kumar – Magnus Hathaway Investments: My question is regarding SIP inflows. As seen on slide 9, inflows are down 1% Q-o-Q. What are the reasons for this?

Management: We know how the markets have behaved. If you look at numbers over a longer-term period, compared to March or September of last year, the June quarter shows an uptrend. Even comparing month-on-month against May, there has been a rebound. As mentioned, these numbers should be viewed quarterly due to monthly adjustments. The industry level of 31,781 crores is still a very healthy number.

Piyush Kumar – Magnus Hathaway Investments: Which schemes are you most bullish on, and what trends do you see in the Indian market?

Management: A hybrid AUM is a large component of our total equity AUM. Our products are suitable for long-term investors. We believe if someone stays in our products for 7-8 years, they will get a good return. Overall, we believe in a moderate-return world. This suits our business as it makes expectations more realistic; customers ask more questions rather than investing out of euphoria.

We have created categories in dynamic asset allocation, such as balanced advantage funds, multi-asset funds, and asset allocator funds, which mix equity and debt. Indian customers are feeling the pain of volatility. Looking at the last 2 years, I was in Patna and a distributor told me, "For 2 years returns have not been made, there will be a lot of pain." His reply was, "No sir, it is fine in your funds," because he was referring to our dynamic asset allocation, which gave returns between 10% and 20% over 2 years while the market gave very little.

Additionally, we are excited about SIF products allowed by SEBI. Although the distribution is smaller because it requires clear exams, the products are beautifully constructed. The use of derivatives can be higher there to hedge positions in midcaps and small caps if we feel they are overvalued. We are a supermarket with products for the common man and HNIs across various asset classes. We believe family offices will move toward different AMC products, including commercial real estate, which provides good yields and escalations.

Operator: Thank you. The next question comes from the line of Prayesh Jain with Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain – Motilal Oswal Financial Services: Hi, good evening everyone. Regarding SIPs, where are you seeing the slowdown—direct channels, brokerage platforms, or distributor routes? Are smaller or larger ticket sizes closing down more?

Management: Let me give my perspective. Different types of distributors sell SIPs and customers use various platforms. A responsible distributor gives a long-term outlook, so those customers have realistic expectations. In other channels where sales were based only on past performance—like someone entering a small cap or PSU SIP in 2023 based only on 1-year returns—those might not sustain. It has less to do with the size of the SIP and more with the quality of the sale. If the portfolio is positive after 2 years, they continue; if it is negative, they may not.

Prayesh Jain – Motilal Oswal Financial Services: Regarding expenses, how do you think the full year will pan out for opex and employee expenses? Where are the investments being made?

Management: We don't give future guidance. For this quarter, employee expense showed higher growth for the reasons mentioned. When you look at our financials, you must exclude fees and commissions on alternates, as those are part of expenses but reflected in the net yield. If you remove those, our expense base is pretty much in line on a Q-on-Q and Y-o-Y basis.

Prayesh Jain – Motilal Oswal Financial Services: What product launches can we expect across mutual funds, AIFs, and PMS over the next year?

Management: We received various approvals and launched some SIFs in the first quarter. We are preparing the AMC for the future. We start creating track records on these products now so we can show them later. For instance, the balanced advantage fund stayed at 300 crores for 3 years before we publicized the track record. You will see regular launches in the next 9 months.

Management: We are launching ideas under fund of fund categories and a new category we are excited about: lifecycle funds. We have approvals for those and should be launching them along with a contra category that was approved. On the ETF side, we have multiple approvals. For SIF, four out of seven are approved, including a sector rotation SIF. On the alternatives side, we have commercial real estate and multiple ideas under real estate and equity.

Management: The lifecycle fund is interesting. It will have a target year like 2031, 2036, or 2041. It gives clarity for someone retiring or saving for education in those specific years. SEBI has introduced a brilliant category.

Operator: Thank you. The next question comes from the line of Deepanjan Ghosh with Citi. Please go ahead.

Deepanjan Ghosh – Citi: Good afternoon. Your PMS business growth sequentially has been better than total equity mutual funds. I presume this is driven by flows rather than mark-to-market. What are the structural drivers and distribution strategies for the PMS business?

Management: Regarding the assumption about flows versus mark-to-market: in PMS, we have products with higher midcap and small cap compositions, so mark-to-market there would be higher. In alternates, AUM is reflected only when we call for the money. For commercial real estate or private equity, you won't see the entire sales figure reflected immediately if we only call for 50% of the funds today. Structurally, alternates allow us to take different risk metrics. In mutual funds, we focus on strict risk management for the average investor. In PMS and AIF, we can play with concentration risk—having 30 stocks instead of 50+. The customer understands they are taking higher risk for potential incremental returns.

Deepanjan Ghosh - Citi: You mentioned that AUM is reported as fee-earning AUM only as and when you call money. What is your aspiration for the commercial real estate and real asset funds over the next 2 to 3 years?

Management: Let the business become material first before we spend too much time discussing it. Today it is not large enough relative to the overall P&L.

Deepanjan Ghosh - Citi: The advisory business AUM has seen some moderation. What are the drivers there?

Management: Advisory is essentially international business. There has been significant FII selling in India, which is reflected in redemptions and lower AUM in our international advisory segment.

Deepanjan Ghosh - Citi: Regarding the SIP mix, is it possible to get a breakdown between hybrid, pure equity, or specific schemes?

Management: We have only shared the total number, not the breakup across schemes. Generally, SIP numbers trend with the schemes where we are larger, which means pure equity funds. However, we also see many SIPs in hybrids like multi-asset and BAF for customers looking for less volatility. We don't market SIPs separately; the product preference usually dictates the type of SIP. The data I see is spread across 20 different schemes, so a specific breakdown isn't particularly illustrative.

Operator: Thank you. The next question comes from the line of Shrayash Pimplé with Nomura. Please go ahead.

Shrayash Pimplé - Nomura: Thank you for the opportunity. I want to understand the 4,225 crore investment book. We saw 181 crores of other income for the quarter, which is about 17% annualized yield. Can you give a bifurcation of this investment book across large, mid, and small caps, and how much is subject to mark-to-market?

Management: On a broad basis, about 50% of our overall investment book is seed capital, which is largely driven by the SEBI formula. Most of it is driven by mark-to-market in the respective underlying asset classes. Between March and June, there was a market fall at the end of the March quarter resulting in a mark-to-market loss, whereas the markets were up at the end of June. You should take 50% as a ballpark figure for seed money.

Operator: Thank you. The next question comes from the line of Abhijit Sakhare with Kotak Securities. Please go ahead.

Abhijit Sakhare - Kotak Securities: Good evening. From an accounting point of view, are salary hikes spread throughout the four quarters or is there a specific impact in the first quarter?

Management: Salary hikes are on an actual basis. Salary increases happen once a year in April and are accounted for in that quarter. If you are comparing against the last quarter, we mentioned the ESOP charges started this year, and in Q4 there was a reversal of provisions. This makes the Q1 numbers look elevated on a Q-on-Q basis. The current number is the right base for the quarterly run rate.

Abhijit Sakhare - Kotak Securities: So this 200 crore figure is the quarterly run rate with no one-offs or seasonality expected. Is it possible to quantify the impact from the ICICI Venture business?

Management: It has not been material; it is a small number. You should take the June quarter number as the new quarterly run rate.

Operator: Thank you. The next question comes from the line of Mohit Mangal with Centrum. Please go ahead.

Mohit Mangal - Centrum: Good evening. You mentioned there is no negative impact from TER regulation changes. Is it fair to assume you passed all of that on to distributors?

Management: Yes.

Mohit Mangal - Centrum: Employee count increased 6% sequentially. What was the reason for that?

Management: Count increases are mainly due to additions at the sales level. Campus hiring also typically happens in Q1, so employees join during this period. There was also a small addition from employees moving over from ICICI Venture.

Mohit Mangal - Centrum: Regarding debt, growth has come down sequentially and is at lower single digits year-on-year. Could you provide color on that?

Management: It reflects the behavior of institutional customers. When they need money for business and working capital, they move funds out of debt and liquid schemes. We witnessed this trend at the industry level this quarter.

Operator: Thank you. The next question comes from the line of Neeraj Toshniwal with UBS. Please go ahead.

Neeraj Toshniwal - UBS: Regarding the alternates net yield of 95 basis points, how will this trajectory move, as it has been volatile?

Management: We mentioned earlier that these net yields in the alternate business typically hover between 90 to 100 basis points. It is a function of the product mix composition but is in line with the range we have seen over time.

Neeraj Toshniwal - UBS: For new products like the lifecycle funds, what will the asset mix be between debt and equity? Do these products conflict with insurance endowment products?

Management: The largest component of the alternate AUM is PMS, which is long-only equity. Category 3 AIFs are also equity-invested. Category 2 funds, such as private credit or real estate, are more debt-linked. Lifecycle funds are on the mutual fund side and follow the SEBI-defined expense structure. SEBI has structured these to start with more equity. If you take a 2041 product, it is mostly equity initially, and as you approach the target year, the debt component increases. It is similar to the NPS structure.

Operator: Thank you. The next question comes from the line of Pranav Tendulkar with Rare Enterprises. Please go ahead.

Pranav Tendulkar – Rare Enterprises: What yields do we see for active equity funds at the industry level? Are they holding up? Secondly, do you see any structural change in investor behavior regarding SIPs?

Management: There is nothing new about SIPs; this is how India saves. Even before systematic investment plans in mutual funds, there were recurring deposits with banks. Regarding active equity yields, they should hold up in the current range. Barring structural changes in real estate and AIFs, we see them holding.

SEBI has done a good job regulating expenses; they decrease as the fund size increases. This makes it a great product for the customer. Over 20 years, it transitioned from a "push" product to a "pull" product because the charges are low. Active management at around 100 basis points increases the probability of beating the benchmark.

Operator: Thank you. The next question comes from the line of Divij Punjabi with Banyan Tree Advisors. Please go ahead.

Divij Punjabi – Banyan Tree Advisors: What is the current view on small and midcap valuations from a sales perspective? Are you still hesitant to push them?

Management: In an earnings call, we don't typically get into market calls. Overall, the way you position in the market is key. Following 2 years of mediocre performance, the situation is different from what it was in September 2024.

Divij Punjabi – Banyan Tree Advisors: Growth in passive has been quite good. What is the driver?

Management: There were significant inflows into gold and silver categories at the industry level. Passive includes ETFs and index funds. While the index fund base is small, ETFs attract many institutional investors. The growth numbers are a function of their behavior.

Management: It is also driven by their appetite or change of focus. Barring the flow increase in gold and silver, the numbers have been pretty much in line with the overall industry.

Operator: Thank you. The next question comes from the line of Gaurav Jani with PL Capital. Please go ahead.

Gaurav Jani – PL Capital: Regarding staff cost, excluding the ESOP charge and appraisals which are chunky, should staff cost rationalize in coming quarters?

Management: As I explained, on a year-on-year basis, employee cost is up 11%, which is the right comparison. The Q-on-Q increase is due to the one-time reversals in last year's Q4. The number you see this quarter is the correct base and run rate.

Gaurav Jani – PL Capital: I follow the base. But typically, after Q1, there is a moderation in staff cost sequentially because the appraisals happen in Q1.

Management: That assumption is not in line with how we function. Compensation changes happen effective April 1 and are accounted for in that quarter. It does not happen that we do appraisals in April and the salary increases in a later quarter. It is an annual cycle effective April 1.

Gaurav Jani – PL Capital: For the industry, quarterly SIP flow increased by only 1%. Would ICICI Prudential be in line with the industry or lower?

Management: Our numbers would trend with the industry on a quarterly basis. Our numbers for April, May, and June would be pretty much in line with the industry.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Naveen Agarwal for closing comments.

Management: Thank you everyone. We appreciate the interest shown by the analyst and investor community. Thank you very much and wish you all a very good evening.

Operator: Thank you. On behalf of ICICI Prudential Asset Management Company Ltd., that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines.