

ICICI Securities advances 8% on healthy March quarter results



Shares of [ICICI Securities](#) advanced 8 per cent to Rs 460 on the BSE in the intra-day trade on Thursday after the brokerage reported a strong set of numbers for the quarter ended March 2021 (Q4FY21). The company's consolidated profit after tax more-than-doubled on year-on-year (YoY) basis to Rs 329 crore on the back of a 54 per cent YoY growth in revenue at Rs 739 crore, coupled with significantly lower cost to income or C/I ratio.

The company said healthy revenue growth was aided by strong all round performance in equities & allied business, distribution business, private wealth management business, as well as investment banking business. The robust profit was also on account of growth in revenue and improvement in margins. Cost to income ratio stood at 40 per cent in Q4FY21 as against 57 per cent in Q4FY20.

ICICI Securities has a client base of around 5.4 million, of which around 3.5 lakh were added during the quarter, which is the highest-ever addition in a quarter. In Q4FY21, ICICI Securities expanded its equity market share (by volume) by 50 basis points (bps) YoY to 9.6 per cent.

That said, its cash [market](#) share dipped by around 100bp to 9.5 per cent quarter on quarter (QoQ). In the future & option (F&O) segment, the company's market share had dropped to 3.5 per cent in December 2020 post the implementation of new regulations. The company largely maintained its market share (around 3 per cent) in Q4FY21.

"Changes in product and sourcing strategy have yielded results over the past year. The 'NEO' plan has helped counter competition from discount brokers as well as some traditional brokers who offer discount plans. We are now seeing the digital sourcing model gain strong traction in terms of customer acquisition. After a few turbulent years, the Distribution business has stabilized. The impact of regulations on margin, coupled with overall trends in industry volumes, would be key to watch out for in FY22E," Motilal Oswal Financial Services said in a results update.

At 02:39 pm, the stock was trading 6 per cent higher at Rs 451 on the BSE, as compared to a 0.74 per cent rise in the S&P BSE Sensex. Trading volumes on the counter jumped an over four-fold with a combined 6.1 million equity shares having changed hands on the NSE and BSE till the time of writing of this report.

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