NWML/SEC/2026/93

February 2, 2026

The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001.
BSE Scrip Code: 543988

The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.
NSE Symbol: NUVAMA

Subject: - Transcript of earnings conference call

Dear Sir(s) / Madam(s),

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our intimation dated January 16, 2026, regarding the earnings conference call to discuss the Company's performance for the quarter and nine months ended December 31, 2025, please find enclosed herewith transcript of the aforesaid earnings conference call held on Tuesday, January 27, 2026.

The same is also made available on the website of the Company www.nuvama.com.

We wish to confirm that no unpublished price sensitive information was shared/discussed in the aforesaid earnings conference call.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Nuvama Wealth Management Limited

Sneha Amit Patwardhan
Digitally signed by Sneha Amit Patwardhan
Date: 2026.02.02 16:58:38 +05'30'

Sneha Patwardhan
Company Secretary and Compliance Officer

Encl: as above

"Nuvama Wealth Management Limited

Q3 FY '26 Earnings Conference Call"

January 27, 2026

Disclaimer:

This document is subject to errors and may or may not contain words which have been included / omitted due to human error while transcribing the conference call. Any and all information should be verified with the company by the reader.

MANAGEMENT: **MR. ASHISH KEHAIR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NUVAMA WEALTH MANAGEMENT LIMITED**
MR. BHARAT KALSI – GROUP CHIEF FINANCIAL OFFICER – NUVAMA WEALTH MANAGEMENT LIMITED
SGA, INVESTOR RELATIONS ADVISOR

Moderator: Ladies and gentlemen, good day, and welcome to the Nuvama Wealth Management Limited Q3 FY '26 Earnings Conference Call. I will now hand the conference over to Mr. Ashish Kehair, MD and CEO, for opening remarks. Thank you, and over to you, sir.

Ashish Kehair: Thank you. Good morning, everyone, and thank you for joining us today. I wish you all a very happy and healthy 2026. Today, as usual, I have with me Bharat, our Group CFO, and SGA team, our Investor Relations Advisor. We'll walk you through the performance for the quarter, discuss the key drivers of our results across the segments and then also share a bit of strategic outlook for the period ahead. We can then jump to the Q&A section.

Starting with the summary of the results. I think we continue to build on our growth momentum supported by the core businesses, which are our strategic priorities. We are seeing the benefits of the value proposition built around the exhaustive platform, which can basically service the full wallet of the client. And this, I think, positions us well to continue to capture the growing trends in our industry across the segments in which we operate.

Revenues for nine months grew by about 8% and we witnessed growth across most of the segments, except the core capital markets, which is IB and IE. Wealth, Asset Services, we saw a decent amount of growth, and operating profit after tax for nine months was about INR780 crores.

Coming to a bit of outlook on the market. I think while the global conditions remain challenging, it's genuinely an extremely volatile environment given the geopolitical stance of U.S. But domestic growth, as there is consensus, now should begin to recover. The policy support through tax measures and RBI action has improved the credit momentum which would support the gradual recovery in the corporate earnings in the Indian markets.

I think with this backdrop, the overall capital markets look to be supportive and with the increasing investor confidence and rising participation, it is continuously translating into healthier flows. I mean the domestic flows are still strong in the capital markets.

Turning to Nuvama. Over the last 2-3 years, I think we've gone through multiple phases of transformation. Our initial focus subsequent to demerger was to ensure a smooth transition and establishing ourselves as an independent company with our own governance framework, brand, rating and operating system.

This was followed by listing about nine quarters ago. Since then, our focus has been firmly on driving organic growth across each of the segments and also to unlock synergies across the different segments through what we call One Nuvama program. I think this approach has worked well till now.

Profits have grown by about 45% CAGR over the last 3 years. nine months now, as I said, was INR780 crores compared to nine months FY '23, which was about INR253 crores. With this scale, we now are also looking at a set of strategic initiatives aimed to drive better value discovery for the company across each of the segments over the near term.

Starting, let's say, with asset management, business has been historically focused on AIFs and a bit of PMS. We are now expanding this platform to include SIF. As you are aware, we've already applied for a mutual fund license, and we have the in-principle approval. Only the final approval is pending.

Once that is done, in the next 2 to 3 months, we will launch the SIF, and it's just a migration of our existing well-positioned AIF strategies, which we will transition here. And I think that gives a significant better value proposition for the client, which will then bring about growth.

We are also looking at potential M&A opportunities in this segment. I mean, we are open to all kinds of ideas, but the primary interest is in alternates where there are managers where they have skill sets of managing money, but do not have the platform to raise capital. So, we plan to bring some of these under fold if we get decent opportunities in the market.

In Wealth Management, I think domestic is doing reasonably well, and we have the path well laid out as to how to expand and add capacity and continuously innovate on the product side and invest on the technology side. I think one major trend which is playing out and which will be visible in the next maybe 5-7 years with greater amount of prominence is that client portfolios will have a decent amount of offshore allocation.

So, our offshore platform build-out, we are dialing up. And I'll talk about more when we are talking about the private business and the wealth business. And this can also be done through both organic and inorganic routes.

Asset Services and Capital Markets, our focus remains on growing our client base and expanding our footprint across different geographies, bringing newer clients into India, especially in the HFT category and on domestic side on PMS and AIF. And we've done significant amount of work on backward integration here.

We are going to add RTA services, which is fully for PMS and AIF. Pretty much most of the things are done, and we should be live in the next 3 months. And we will also add trustee solutions so that it becomes a one-stop shop for the domestic PMS and AIF managers and will help us to get significantly higher market share.

And lastly, our One Nuvama program, which we launched in 2023-24 to accelerate synergies between segments and look at opportunities which can create more value, I think this will evolve. We'll continuously assess which segments are most synergistic and how we can organize the businesses to ensure that such synergistic opportunities continue to be leveraged by us.

Coming to the key highlights of our business segments for this quarter, starting with wealth management and before we go to wealth and private, there are two broad trends which we've been witnessing. I've been talking about this in the previous calls also. I think that it makes sense to just distill and talk about the two clear trends which we are seeing and which is going to shape how firms will grow in this business.

One, the competitive intensity is growing. And at least that's a validation that we are in the right space. In addition to traditional brokers, we are also seeing several private equity-backed platforms that are aggressively building teams.

While this competition historically was restricted to ultra-high net worth, we are also seeing it now move to the HNI segment and the affluent segment. I think over the long term, firms that combine people with an exhaustive platform approach will be best positioned to sustain and win. And that will require investments and a lot of patience. I don't think these businesses can be built overnight.

Second, important trend which I'm witnessing now is product innovation and availability of size is becoming extremely important. And when I say size, it basically comes in two components. One is your distribution capability, your reach, your placement capability because that has become a big attraction of getting new product manufacturers to come to you.

And second, in certain pockets of clients, your balance sheet availability because India is also moving towards leveraging their investment assets. And I think it has become now an integral component if you want to succeed in the wealth management business. I think these two are extremely important.

Otherwise, it will become difficult even to attract good quality people to come to your platform because as an RM, if I join a platform in which I cannot really service my client, I am depleting my value in the long run. So I think these two trends are extremely visible right now.

Coming to numbers, Nuvama Wealth, let's start with our strategic priorities, which is managed products and investment solutions. We continue to grow this reasonably well. During nine months, revenues from MPISs grew by about 48% and closing assets increased by about 30% year-on-year. This now contributes to 60% of our overall wealth revenues and generated about net new money of INR6,500 crores. So, I think we are broadly on track to deliver 28% to 30% of NNM.

Coming to lending, I had mentioned about two quarters back that we will now start growing the book. As of end of Q3, our closing book was about INR4,300 crores compared to INR2,800 crores, which was at the beginning of the financial year. So, we were able to grow the book by more than 38-39% and NII also grew by about 30% in Q3.

On the RM front, as I said that over the last 12 to 15 months, we have evolved our strategy, and given the complexity and the sophistication of clients, which we are now handling here, I think we are migrating the quality upwards. So, the number of RMs may not actually reflect the investment which is being made in this segment.

The whole population quality, we are basically changing the orbit to 2 notches above just to meet our client needs. And we continue to invest in our partner business, which are external wealth managers. We feel very, very enthused and excited about that whole segment and the growth that brings about. And there is a white space there for non-mutual fund distribution, where I think we are playing a pioneering role.

Nuvama Private, starting with ARR. This revenue stream now contributes about 60% and has grown by about 30% year-on-year for nine months FY '26. Average ARR assets are now about INR50,000 crores plus and delivered a blended retention of about 90 basis points. Product pipeline here remains robust. I think we can sustain the growth trajectory.

We've also strengthened the leadership across our advisory platform, which is branded as Infinity. It is basically a combination of discretionary, non-discretionary and RIA, all three. We've increased our leadership strength there around coverage of key clients, fund management and the core advisory team.

I think these additions will further help us sharpen the value proposition and grow that part of the book. Quarterly net new money may seem a bit moderated here, but there are no structural concerns. I think we should not look at it quarter-to-quarter. Overall, full year basis, I think we are broadly on track to deliver 25% growth on the opening assets here.

On the talent side, we continue to attract high-quality talent despite significant competition here because as I said, the platform essentially offers a unique value proposition for RMs. I'm confident that if they leverage the full platform, their ability to generate revenues and service the clients significantly superior to majority of the other platforms that exist in the industry today.

Over the last 12 months, we've added about 10% of the capacity, taking the count to nearly about 150. We strengthened our teams in Hyderabad and Bangalore and also established new locations, Jaipur, Surat and Kanpur.

Coming to offshore, our build-out in Dubai and Singapore continues to move well. We've added incremental capacity in both the locations. We now have established partnerships with multiple banks and asset managers and can offer a full bouquet today, both for inbound and outbound customers. The Dubai office has already broken even, and we expect Singapore to follow in the next maybe 2 quarters or so. And about 5% of our overall private revenues now come from offshore.

Moving to asset management. Commercial real estate fund, the AUM has now reached about INR3,000 crores as of the end of quarter 3. And on the deployment front, we are already at about 40%. And there are a few good deals in the pipeline. Once that is done, we should cross 50% comfortably.

These are all marquee transactions which have happened. You would have seen the coverage in some of the newspapers, Category A buildings in Category A locations, I think they will all end up whenever we exit in some REIT. And these can have a sustained continuous ownership.

So we are thinking of what structure to create to provide exit and still continue to earn on them. And given the fact that we are already at INR3,000 crores and 40% is deployed, I think another one or one and a half quarter, we should be able to mop up another INR1,000 crores and wrap up the full fund at INR4,000 crores.

On public markets, net flows were subdued, primarily for 3 reasons. I think volatility has been significant in the public market space over the last 12 months. There were a few scheduled maturities in this segment. And I think competition from SIF is also creating an impact and which is why we fast forwarded our MF application the minute the SIF rules came.

And we are hopeful that by quarter 1, we should be able to launch our SIF subject to the approvals coming in. And we'll be able to migrate our existing strategies into this. And thereafter, I think we will start seeing growth coming back.

Even between Q2 and Q3, I think the growth in the gross flows have come back, but because of the scheduled maturity, we saw some amount of outflow, but it was significantly less than what we saw in Q2. So, from a trend perspective, it is improving. There are 2 new launches in this segment.

We are launching a dynamic asset product, which will be an evergreen product, can get money from clients across seasons. And we are also getting a REIT / InvIT product filed, which will give clients exposure. We're trying to get a vehicle which can give them exposure to both listed and unlisted spaces and should be able to launch by the end of this quarter.

On private markets, I think right now, we are in consolidation phase. We are completing the deployment of the existing fund and also starting to exit some of the older funds. We've listed Sudeep Pharma, one of the largest positions in one of our earlier funds. And there are 2-3 more listings, which are going to happen in the next 6 to 8 months. I think subsequent to that is when we see the volume pick up.

So overall, if I were to look at these three strategies and were to look at the next maybe year or so across the three segments because commercial real estate, we would have finished deployment and somewhere by the end of Q1, we would have launched our second fund.

So that should contribute to may be INR2,000-INR3,000 crores and about INR1,500 crores should come from public markets and balance between private markets and credit, which we expect to launch again in the next 3 to 4 months. So FY '27, maybe another INR7,000-INR8,000 crores of net new money is what we would target from this segment.

Coming to Asset Services. Revenues grew by about 15% year-on-year, nine months and 7% quarter-on-quarter, which basically shows the recovery of this business subsequent to the loss of large client, which happened in the first week of July, basically at the beginning of quarter 2.

Third quarter, basically, we saw meaningful improvement in client assets and float balances. Our closing float balance in Q3 is now already above Q1 levels. And therefore, I mean, subject to regulatory situation remaining the way it is, I think Q4 earnings will be at par with Q1, and we will form a base for again coming back to growth numbers in the next 12 months in this business.

We've reasonably expanded our client coverage here. We are, as I said, going to newer geographies, opening up India to newer set of funds, which have not earlier looked at India. And on the domestic side, essentially backward integration of our RTA and trustee services will help us increase the market share here.

Coming to core capital markets, institutional equities and investment bank, I think this is where we saw a bit of moderation in the numbers. In this also, institutional equities was essentially flat between the 2 quarters. And as compared to last year, there was a dip because last year, in this quarter, I think the F&O rules came in the middle of the quarter.

So we've had half quarter available at higher volumes. And on the IB side, fixed income continues to do well. It was mostly the ECM billing. So while we did the mandates, we had the issues, I think the billing essentially moved by one quarter. So therefore, you saw some amount of dip this year. As I said, fixed income in that part of the business now contributes about 50%, and that continues to do well.

I think this is it from my side right now. I will hand over to Bharat to cover the financial numbers, and then we can jump to Q&A from there. Thank you.

Bharat Kalsi: Good morning, everyone, and thank you, Ashish. Ashish has anyway provided the comprehensive overview on the business environment, our strategic initiatives and the broader market context, I'll not take much time, given we have 1 hour call.

I'll try and cover the group level financials more in detail, business level financial, Ashish has covered, at least touched on almost all key parameters around growth, MPIS, ARR and the strategy around each business.

If you look at the overall financials, our consolidated client assets are now at INR4.6 lakh crores, which is due to the net new money as well as the mark-to-market on the asset. It was INR4.35 lakh crores as at the end of the previous quarter.

Our revenue was at INR755 crores. This grew by 4% and on a nine-month basis, our revenue is around INR2,300 crores, which is a growth of around 8%, but I think looking at the total revenue may not be the best way to look at it. We should look at the individual business segment contribution.

Within this growth of 8% on a Y-o-Y basis or 4% for the quarter, wealth businesses have grown by 18%. Wealth businesses contribute almost 57% of the total revenue, which was almost 50% in the same period last year. Q3 FY '25, this was 50% and now we are at 57%. We are moving towards wealth becoming one of the largest revenue contributor in the total revenue line. So that is one part.

Secondly, if you look from quarter 2's perspective versus quarter 3, there are 2 elements which I would like to highlight, both on the revenue side as well as on the cost side. If you look at the revenue side, there is a drop of revenue from INR772 crores to INR755 crores. There are 2-3 key components to it.

One Ashish anyway has covered, which was IB and within that ECM billing, which is just maybe a quarter-on-quarter movement, that's one reason wherein the revenue has dropped. And secondly, if you look at the private business, the transaction revenue has dropped from INR100 crores to INR65 crores or so.

Basically in quarter 2, we had a lot more syndication-related transactional revenue, the way it works is that when you do a transaction, the revenue gets booked in the same quarter. So it's not like there is a structural change. It's just that you have maybe more deals in quarter 2 and relatively lesser deals in quarter 3.

But having said that, our focus on this continues to be strong, like we'll have a lot more such deals coming in the coming quarters. This could be led by our commercial real estate fund, other third-party credit funds or whenever we launch our own credit fund, we will have similar transactions.

So, I think looking at a quarter-on-quarter for transaction revenue in private may not be the best way. And these can obviously be a little lumpy in a quarter. So, our trend of next 3-4 quarters is what I would suggest to look from transactional revenue consistency. Those are the 2 things on the revenue side.

Similarly, on the cost side, there are two things. One is the new labour code which got enacted on 21st of November, like everybody in the market, we have also revisited our past service liability, and that has led to a INR11 crore one time impact. For better performance measurement, we have shown the numbers without the new labour code impact in the data book as well as in the investor deck, but that's like a onetime impact of around INR11 crores.

And secondly, you will notice that there is a drop in the variable cost of businesses, which is mainly in the asset services and the capital market. So now given we are at the end of quarter 3, we have a lot more visibility as to how the year will end.

And hence, we have revisited our overall variable bonus for these businesses, and that is where you will see from an incremental provision perspective from a variable cost, there is a drop compared to quarter 2 but we are very comfortable with what we have done it, and we are very sure where we will end up at the year and this number seems to be pretty aligned with the bonus philosophy of our company.

So, to that extent, the variable cost has dropped. I think those are the two unusual from revenue as well as cost compared to quarter 2. Otherwise, all other key matrices are working very fine.

That is the reason you will see that the total cost has, from a quarter-on-quarter, it is down by 8% and year-on-year, it is up by 4%. On the opex side also, if you look at the number has moved from INR115 crores to INR107 crores. These are just a transaction which has happened in a particular quarter, nothing specific around here.

Our overall guidance in terms of maybe a 10% to 12% growth on the opex on a full year still remains intact. As I mentioned in my previous call, out of this 10-12% growth on the opex, 50% of that, so anything around 5-6%, we'll go towards the business expansion like opening up new branches, setting up verticals within businesses, and another 4% to 5% will be towards inflation link.

So, your rentals goes up, your AMCs related cost goes up. That's broadly the breakup of 10% to 12% expected cost increase. Those things will continue as we are working on a quarter-on-quarter basis. Overall cost-to-income ratio is now at 53%.

And for the 9 months, it is at 55%. PAT anyway, we have discussed, Ashish also covered. So, the PAT is both without labour code is at INR262 crores, which is a 3% quarter-on-quarter growth. But with the labour code impact, it is broadly same as it was in quarter 2.

I think those are the key numbers. Ashish, anyway, has covered a lot more on the individual businesses, and I think we can move to Q&A now, given we are left with half an hour. Over to moderator.

Moderator: We take the first question from the line of Manas Agrawal from Sanford C. Bernstein.

Manas Agrawal: I wanted an update on the HFT business within the asset services vertical. A, how is the activity trending? And B, your yields have moved up as an offset to Jane Street issues. How sustainable is that bump up in yield, so that is one.

B, I wanted an update on the litigation that you've talked about in your annual reports in the past with Anugrah. And C, on the PAG situation, if you have anything to share? Those are my questions.

Ashish Kehair: So, activity perspective on HFT, I think post the order of SEBI, we saw about 30-35 days when the market was adjusting to basically understand how the regulator is looking at it. And then I think regime change also happened somewhere around September and the signals from the regulator were reasonably positive and their whole discussion around weekly options and all also subdued.

So, I think activity now is actually back at similar levels, or even more, and volume is also reflective of that and newer HFTs have started signing up. So maybe it was a 30-40 day period of adjustment, and then it all came back.

Yields, Manas, as we've already mentioned earlier also is a function of the split of the collateral between deposits and G-Sec. It's a function of how the overall service is being priced. There's a broking relationship. There's a custody relationship. There's a clearing relationship.

We are able to operate as a single one-stop shop and can give a bundled pricing. Given the size of the clients and how they have looked at the overall pricing, right now, the proportion of deposits should be higher than G-Sec hence the yields have gone up.

If you ask me, we can forecast for a 12-month period. And in my view, it should remain between 2.6 to 2.9 kind of range, should not migrate much unless we see significant interest rate movement on the either side. Minor movement will be absorbed.

On Anugrah litigation, I think one major step that has happened is that for the last 2 years, unfortunately, whenever the case was coming for hearing, no significant discussion could happen because there were maybe other issues which the Supreme Court was handling which was of higher importance. But this time, they have formally admitted the case.

Till now the admission itself was going up, down, up, down, formally admitted. And I think now the hearing will start. But I don't think any decision looks to be reached in near future. It may take a couple of years.

But our positioning, our understanding, our assessment of the situation, we are fairly confident that this will be favorable for the company because whatever we did was in accordance with the law then. On PAG, you had any specific question?

Manas Agrawal: No, just wanted to check any change in position. I think in the past, you have said that as management, there is something that you cannot change. But is there any change in the position?

Ashish Kehair: Not really. I mean, as I've always maintained that they are financial sponsor and there will be a change of ownership at some point in time. But at this point in time, there is nothing that has changed in the recent past.

Moderator: We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services Limited.

Prayesh Jain: Just few questions. Firstly, on Nuvama Wealth, if I look at the MPIS revenues sequentially, they have been flat. You had incremental money coming in from flows, they should have an equity mark-to-market positive, yet the revenues on MPIS appears to be flattish sequentially. So what would you ascribe that to?

Ashish Kehair: See, basically, composition of the MPIS also matters. Now if you break MPIS into 2 buckets, Prayesh, there is managed products and there is investment solution. So managed product is your classic AIF, MF, PMS, and investment solution is your fixed income, MLD, insurance and largely unlisted and syndication deals.

So if in the investment solutions bucket, there are certain categories which have different kinds of yields. So your overall flow may not directly correlate in terms of the revenue because that is like, just to give an example, I mean, if you do insurance, the earning is fairly different from what you get if you do fixed income versus MLD.

So I think that composition creates a bit of a quarterly variance. But as long as your net new money is on the upward trend. And if you look at the trend of the numbers in MPIS, I don't think there is any structural concern. There is 11 quarters of growth.

And if you look at year-on-year growth, it's about 48% on a nine month basis and 22% on a Q-on-Q basis. It's just INR3 crores down from previous quarter, which I don't think merits any concern from a trend perspective.

Prayesh Jain: Right? Generally, we've been used to seeing consistent growth, and that is a reason to just pointing that out. The other question was on your asset management piece, where you mentioned that there have been challenges to flows given the volatility in market on the listed equity side.

But is there also a point where because the number of accredited investors are increasing and they are looking to get the smaller ticket size and be more varied products. Is that any cause of concern with respect to incremental flows from an industry perspective?

Ashish Kehair: From the numbers, at least what we are seeing, that is not something which we have witnessed as of now, not really. No.

Theoretically, what you're saying can have a bearing. But I think it is not visible. In fact, not at all. None of our discussions internally has brought this topic up. In fact, in Nuvama Wealth, we are trying to position this to the clients that if they take accredited status, they can actually go ahead and do a large number of credit funds at a lower ticket, which will give them a much higher diversification.

But then what we faced practically on the ground is that the fund managers have a number of investors cap of 1,000, I think, so they don't really want to encourage this significantly unless they have the ability of launching multiple schemes. So we'll have to see how that evolves, this whole accredited investor thing.

Prayesh Jain: Got it. And last question on the asset services front, where in terms of revenues, we still are from the peak of what we had in the, say, 1Q FY '26 or even for that matter, 4Q FY '25 when we had about INR198 crores of revenues, we still had about INR172 crores. You had kind of alluded to the fact that we will be back to a revenue potential by fourth quarter. Are we on course to do that or probably we're still running behind on that?

And just an extension to that, you mentioned about adding more services here from an RTA perspective, do you think that, that will kind of add to cost in the initial period and then probably help you get better revenue and profitability over the medium term? Yes, those would be my questions.

Ashish Kehair: So when you look at the revenue in asset services, one component you earn from float, right? Now float-related earning has 2 components: the float balance itself and the yield. So from a float balance perspective, we will be back to full potential by end of Q1. But yields have compressed from Q4 and Q1 this year because of the rates going down.

So whatever residual impact and the difference in revenue, which you will see, will be because of the fall in yield and I think in Q1, maybe once the float goes even further up, we will be able to negate the impact of the falling yield.

On the services front, I think large part of the costs are already incurred. And these are not very high opex, capex. These are more licensed, like trustee services do not require a very high amount of expenditure and a marginal increase in market share we will be able to compensate. So I don't think there will be any sort of impact, which you will see in the numbers, which are worth discussing that we need to highlight, at least as of now, we don't see that.

Moderator: We take the next question from the line of Dipanjan Ghosh from Citigroup.

Dipanjan Ghosh: A few questions from my side. First, on Nuvama Private and Nuvama Wealth, if you can give us some color on the growth, net new money in recurring assets versus the redemptions, so that across like third quarter or maybe nine months or that we can get some color on how the gross money into the ecosystem has been shaping up?

The second question is in terms of the cost -- variable cost reduction that we have seen, how comfortable are you on fourth quarter? I mean, Bharat gave some color on the fourth quarter, but I mean, do you have any more headroom, in case, let's say, the revenues were to kind of dip a bit in 4Q also?

And third question is on the IB IE business. If you can split up the margin profile of the business between DCM, ECM and your IE. And just one clarification, I think at the start of the call, you gave some color on the flow expectations in AMC in FY '27. Did I hear it correctly that you're expecting around INR7,000-9,000 crores of flows in that?

Ashish Kehair: So let me go one by one. In your gross ARR assets for private, I think would be order of magnitude about INR4,000-INR4,500 crores for the quarter. And net, we saw was about INR1,500-INR1,800 crores, so balance would be the adjustment in terms of redemption, or scheduled maturities and all that.

We don't track ARR, non-ARR in Wealth, so that maybe we will check and when we talk next, we can give that number. On variable cost, essentially, in this quarter, the adjustment was largely around 2 businesses: one was in Nuvama Private because in Q2, we saw the revenues go up.

So therefore, in line with that, the incentive and the bonus provisions went up and second was in the capital markets business. So in both, we have the flexibility to move up and down. And broadly, we try to track the variable provisions in line with the revenue so that we don't have a shock in any quarter.

In fourth quarter, it's not that we will have something unreasonable or large coming, which is disproportionate to the revenue percentage. So it should be in line with what we have been seeing till now. And our overall cost income range also should be in line. It will not be materially different.

In terms of the margin profile, for ECM, DCM, we've not gone to that level because there are a lot of resources, which are also common. But broadly, if one were to guess. I don't have actual numbers. DCM would be maybe slightly better margin because people cost could be slightly lower than ECM side, maybe one is at 40%, one is at 60% and blended we operate at 50% and institutional equity will range from 50% to 60-65% range, depending on the performance of revenues. When the revenues go significantly up, the cost income comes down and vice versa.

On AMC, yes, you heard right. I can tell you broadly how we are looking at the breakup. Essentially, if you are able to launch our new commercial real estate fund and do maybe INR2,500-INR3,000 crores there. And if credit is also launched, which we are planning maybe by Q1, latest by Q2 and one could do another INR2,000-INR3,000 crores there.

Once we migrate our flagship strategies of current AIF absolute return and long short into SIF, we expect flows to improve because SIF gives us significantly improved tax profile for the customers. And our absolute return and long short still are in the top quartile in terms of performance.

So I think that will start attracting flows. And it also opens up a large set of distributors. Maybe we will take time to onboard them because we are not a retail brand, but it opens up the INR10 lakh distribution IFA community as and when they qualify to distribute the same. So, I think combination of these three could essentially give us another INR2,000-INR2,500 crores.

So if we add all this up, order of magnitude anywhere between INR6,500 crores, INR7,000 crores to INR8,000 crores, INR9,000 crores without taking into private equity, I think that will be an added upside element. That's how the numbers add up.

Dipanjan Ghosh: Sir, just one small follow-up on the gross profile, if you can give the full number for nine months? Thanks, and all the best.

Ashish Kehair: About INR13,000 crores.

Moderator: We take the next question from the line of Mohit Mangal from Centrum Broking Limited.

Mohit Mangal: My first question is towards the net flows. So, I think if you look at this quarter, so Nuvama Private has seen a considerable uptake led by the transactional segment, while Wealth has seen a kind of a decline from around INR3,800 crores-INR3,250-odd crores. Now going to financial year '27, how do you see net flows actually spanning out? That would be my first question.

Ashish Kehair: So net flows become important in two things. One for Private, we should look at the ARR net flows. ARR net flows this year for Private right now is about -- nine months basis about INR6,500 crores. And order of magnitude, it should end up at around anywhere between 23% to 25% of the opening.

And let's say, we are right now sitting at about INR52,000 crores of assets in ARR. If we end the year at, say, INR54,000-INR55,000 crores and you take a range of, say, 20%-25% of that. We are looking at INR10,000-INR11,000 crores or maybe INR12,000 crores next year in Nuvama Private.

And if you come to sort of Nuvama Wealth, I think similar about 25% to 30% of the opening book, which we will have in the MPIS segment. So that's how essentially one should track the net flow numbers.

Mohit Mangal: Understood, that is helpful. My second question is on the cost to income. So I think you've guided for 10% to 12% increase in opex. So does that also cover the RM addition that we are doing.

Ashish Kehair: No, no. So, when we speak our lingo, opex means everything else other than people cost. People cost is different. So people cost I think if I look at a nine month consol, we would have grown by about 7% year-on-year. And by the end of the year, maybe it can be slightly higher, but order of magnitude is this only.

Opex is everything else other than people costs. So there, last year, we were about INR410 crores. I think this year, we should end up anywhere between INR440 crores to INR445 crores. So that's the 10% increase is what we talked about.

Mohit Mangal: Okay. Understood. This is very clear. And lastly, basically the RM addition, I think we are adding about 10% to our RM strength. So, I think this strategy will continue, right, over the next 2 to 3 years?

Ashish Kehair: Absolutely. Yes, yes.

Moderator: We take the next question from the line of Nidhesh from Investec.

Nidhesh: First question is on Private Wealth. So, there is an increase in yield in this quarter. What has led to that increase? And secondly, what is the run rate of transition revenue that we should build in this business?

Ashish Kehair: So, yield increase typically happens because of the composition of the products in the ARR basket, sometimes in the salience of Category II will increase slightly because there, you earn about 30-odd percent in year 1. So that gives a bump up. But on a BAU basis, I think any range between 80 to 85-90 bps is what we will continue to see there.

In transactional income, broadly, this year, we should see about 20% growth. So like last quarter, we saw about INR100-INR110 crores of revenue this quarter, we saw INR64- INR65 crores. I think anywhere between INR70-INR80 crores is a decent run rate till -- I mean, going forward is what we are meant to.

Nidhesh: Second question is on wealth management.

Ashish Kehair: Yes. Yes, go ahead.

Nidhesh: So on wealth management, can you give some color on MPIS income, how much of the revenue is upfronted, how much is, let's say, trail based, etcetera?

Ashish Kehair: The overall wealth management, around 60% comes from MPIS and about, say, 20% comes from NII and balances your broking and other. And if I look at full wealth management as a bucket, around 55% comes from ARR.

So if I subtract 20% of NII from there, around 30-35% will come from our recurring revenues within the MPIS bucket. So, 60% divided by 2, that's about 30% to 35% of that 60% breakup. So 20-25% would be upfront and 30-35% would be recurring.

Nidhesh: Understood. And last question is on Asset Management. In that segment, the yields are quite volatile among segments with private markets, public markets and real estate. So what is leading to this volatility in yields? And how should we model that?

Ashish Kehair: Actually, it's a temporary thing. In real estate, right now, we have reached about INR3,000 crores. As I said, another INR1,000 crores, we will hit the end of the fund. And after that, the yield will stabilize because every time till the closure when a new investor comes, at that point in time in that quarter, you charge fees from the beginning.

So, in any quarter, if, let's say, we moved from INR3,000-INR4,000 crores in 1 quarter, on that INR1,000 crores in that quarter from the beginning till the end of quarter 4, the full fees will be charged.

So, once we hit INR4,000 crores on commercial real estate, the fees will stabilize, which will be order of magnitude, 50-55 basis points. On private equity, you can assume it to be around 50-55 basis points. And on public markets, the fees have been fairly steady at around 60-62 basis points.

Nidhesh: Sure. So, there will be an element of carry also, right, in these businesses…

Ashish Kehair: This is right now zero carry. As of now, we don't take carry into consideration. We take carry as and when it comes. If we change that policy in the future, we will tell you.

Moderator: We take the next question from the line of Shrenik Mehta from IndoApls Wealth.

Shrenik Mehta: I just wanted to ask you a question about this institutional equity segment. We have been seeing significant declines over the last few quarters. What parameter would you use to say that there is potentially a bounce back, whether this is the number of active institutional clients? Or is it the overall cash volumes that will help us say that we will start getting back to year-on-year growth?

Ashish Kehair: I think two things. One is the cash volume and second is the derivative volume. These are the two components that essentially once they start moving up and if the market share remains intact, which typically, for us, remains intact, then you start seeing growth coming back.

Shrenik Mehta: Okay. And are you seeing any early signs of it?

Ashish Kehair: Yes. At least in this quarter, we have seen quarter-on-quarter, there is an improvement in the average daily turnover because on a year-on-year basis, Q4 will become full, I think, clean quarter where the F&O rules, if you remember, came middle of Q3 last year. So half of Q3 had higher numbers in F&O volumes, and then it sort of subdued. And Q4 onwards, you will get a base which is with the new F&O rule. So, this Q4 will be the first quarter with -- so I think you should see a year-on-year uptick start happening because the base effect will come into action.

Moderator: We take the next question from the line of Lalit Mohan Deo from Equirus Securities.

Lalit Mohan Deo: Just two questions. Firstly, on the lending book, we are writing that we are seeing some strong growth in the wealth business where we have scaled up to INR4,300 crores. So now how should we see this for the next year? And similarly, in the private also where we are at close to around INR2,400-INR2,500 crores. So how should we see the overall loan book?

Ashish Kehair: Ideally, see, we'll have to grow it in line with the business. So anywhere between 20% to 30% is what we will target for next year.

Lalit Mohan Deo: Sure, sir. And sir, just like we also touched upon this advisory piece in the Nuvama Private, which is Infinity. So currently what is like the overall current AUM over there? And like how should we see this in respect to the distribution business in the ultra HNI segment?

Ashish Kehair: I think right now, we are not separately disclosing. It's a part of the ARR AUM. We are also discussing internally on whether to call it out separately. So give us a couple of quarters, and maybe we can give you the numbers. But it's growing significantly within the ARR AUM.

Moderator: We take the next question from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Ashish, probably the question on asset services still remains to me because if I look at 1Q FY '25, your yield or retention was 1.4%. Now it is more than double of that, 2.88%. So just to understand, this model really works on retention or is it you calculate the growth number, how much you want to achieve from the clients?

And then accordingly, you rebalance the cash and G-Sec component so that incrementally revenue doesn't fall, whether building a model around the yield is actually, right? Or how do we understand this way to look at this business?

Ashish Kehair: So I think what you're saying is quite pertinent. Actually, last year, in Q1, we had the large client, right? Now the large client was disproportionately large as compared to others. So therefore, there was an adjustment. And actually, the answer to both your approaches is that yes, that is the challenge that if somebody becomes very large, then the correlation with yield will fall off because then you will target a growth and adjust the cash and noncash securities.

But if they are all within a particular range, then I think the yield works, which is the case right now. So I don't see this breaking suddenly in the near future and should be in the range of 2.6% to 2.9% in terms of the yield on the clearing balance.

Now why it was 1.4% and becomes 2.9% is how that clearing balance is split between cash and G-Sec, which what you said was absolutely right that if somebody becomes very big and they want to reduce the cash, then we will have to target a growth and therefore, adjust accordingly. But I don't think for the next 12 to 24 months, we have to model for that. We don't see any client going to that size.

Sanketh Godha: So incrementally 2.6% to 2.8% kind of a number is a realistic number to build in?

Ashish Kehair: Yes, yes, yes. That's right.

Sanketh Godha: Understood. And maybe for the first time, asset clearing AUM grew, so which means whatever migration need to happen from institutional to wealth or even the fall which happened from the large client. Now we assume this growth to come back kind of a thing in the assets under clearing?

Ashish Kehair: Correct. Correct. That's right. That's right.

Sanketh Godha: Okay. Okay. And lastly, I just want to check on SEBI came out with the paper that on FIIs, netting is allowed.

Ashish Kehair: That's only for cash, not for derivatives. Anyway, there is a margin-based business, so it doesn't matter.

Sanketh Godha: But in this revenue, we don't make any significant from the cash…

Ashish Kehair: No, no, no. cash-related float is insignificant.

Sanketh Godha: Okay. Understood. And lastly, Ashish, on the flow number. I know I ask this question typically that you gave a guidance of around INR20,000 crores for the year, closer to INR20,000 crores. And now we are at INR14,000 odd crores.

So we need to get closer to INR5,800 crores to INR6,000 crores for the fourth quarter to achieve that number, and you are seeing a growth of 20% to 30% on that number for the next year. So just wanted to understand, given the 2 core pieces that are Private and Wealth saw a sequential decline Q-o-Q, you are confident on delivering INR20,000 crores kind of a number.

Is there any macro factor because market sentiments have weakened meaningfully in last maybe 2 weeks, maybe 3, 4 weeks or 1, 1.5 months. Then your RM is interacting with the clients, how do you see whether the money will come, or they are waiting and watching something -- any color on those will be very useful to understand.

Ashish Kehair: So largely around the product calendar or the products which you have, which are non-correlated to equity markets is what gives us the confidence to be in line with that number because equity flows are equity flows. They will always keep moving at least in the higher net worth segment and ultrahigh net worth segment, they are not, as I would say, consistent as the SIP retail flows.

But the nonequity component, which is your alternates, fixed income, MLDs and within alternates, different categories, there you see a reasonable degree of certainty. And there, if you have a product calendar, which is decent, then you have a reasonable amount of control. I will never say 100% predictability on where the flows will be, but reasonable amount of control on the flows.

Sanketh Godha: So, Ashish, then in the current year around INR19,000 crores, INR20,000 crores and next year around INR26,000 crores net flow number is achievable...

Ashish Kehair: Yes. So, about INR19,000 crores, INR20,000 crores and next year between INR25,000 crores to INR26,000 crores is what we target, yes.

Moderator: Ladies and gentlemen, we take the last question from the line of Amar from Raedan Capital.

Amar: Yes. Can you just give me a summary for the FY '27 guidance overall and the new launches and products that we'll be introducing to FY '27?

Ashish Kehair: So, we don't normally give guidance on revenue and PAT numbers. But what we say is that we aspire to have a 20% plus growth. And this year, because of the adjustment of asset services, we will not end up at that. But I think once the base is formed, we should come back to that same level of growth, anywhere between 20% to 25% of the overall business. That's what we target. I don't think we give any guidance.

In terms of new products, at least on the asset management side, there's a Dynamic asset fund. There's a REIT InvIT fund. There will be a Credit fund. There will be a new Commercial real estate fund. These four, we have visibility currently.

Amar: Okay. And what will be the percentage of revenues if you could help them with that for the new launches?

Ashish Kehair: So, these are all asset management products. So, they will run at a management fee structure of anywhere between 1.5% to 1.75%, which gets split between the asset management and the wealth management businesses in terms of distribution and management fee and then there will be some carry. But each product will have a different structure.

Moderator: Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Ashish Kehair: Thank you. Thank you all for coming back again. Hope to see you again in the next quarter. Thank you.

Bharat Kalsi: Thank you.

Moderator: Thank you. On behalf of Nuvama Wealth Management Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.