

February 03, 2026

**To,**  
**BSE Limited**  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai - 400001  
**Security Code: 532892**

**National Stock Exchange of India Limi**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400051  
**Symbol: MOTILALOF5**

**Sub.: Transcript of Earnings Conference Call with Investor(s)/Analyst(s)**

Dear Sir/Madam,

This is with reference to our earlier letter dated January 21, 2026 regarding Intimation of Earnings Conference Call ("Con-Call") with Investor(s)/Analyst(s) held on Wednesday, January 28, 2026 to discuss Financial Performance for Q3/9M FY 2025-26.

In this regard, pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), please find enclosed herewith the Transcript of the said Con-Call for your reference.

The aforesaid Transcript of the said Con-Call is made available on the Company's website i.e. <https://www.motilaloswalgroup.com/Downirviridir/1425467096MOFSL-Q3FY26-ConCall-Transcript.pdf>.

Further, we hereby confirm that no Unpublished Price Sensitive Information was shared or discussed during the said Con-Call.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Motilal Oswal Financial Services Limited**

**Kailash Purohit**  
**Company Secretary & Compliance Officer**

Encl.: As above



**Think Equity**  
**Think Motilal Oswal**

# Motilal Oswal Financial Services Limited

## Q3 & 9MFY26 Earnings Call Transcript

This document is a transcription of the conference call conducted on 28<sup>th</sup> January 2026.

Click [Here](#) to listen to the original audio.

For past recordings [Link](#), transcripts [Link](#), Investor Presentation [Link](#) and Excel Data Book [Link](#)

Please contact [ir@motilaloswal.com](mailto:ir@motilaloswal.com) for any queries.

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### Manish Kayal- Head Investor Relations

Good afternoon, everyone. I'm Manish Kayal, Head - Investor Relations. I welcome and thank all the participants on behalf of Motilal Oswal Financial Services Limited to attend our Q3FY26 earnings call. We hope that you had an opportunity to go through our [investor deck](#) and press release uploaded on stock exchanges & our website yesterday. We have also uploaded our [Excel data book](#), which has all the operational and financial numbers. Please note that today's discussion may include forward-looking statements. These forward-looking statements are based on our macro assessment and the actual outcome may vary.

With that, I'll introduce our management participating on this call:

- Mr. Raamdeo Agarawal, Chairman of the Motilal Oswal Group
- Mr. Motilal Oswal, Managing Director and CEO
- Mr. Navin Agarwal, Group Managing Director
- Mr. Ajay Menon, CEO, Wealth Management
- Mr. Prateek Agrawal, MD and CEO, Asset Management
- Mr. Ashish Shanker, CEO, Private Wealth Management
- Mr. Sukesh Bhowal, CEO, Housing Finance
- Mr. Sanchit Suneja, Group Chief Strategy Officer
- Mr. Shalibhadra Shah, Chief Financial Officer

We'll start this call with an opening remark by Navin Agarwal, and then we'll have a Q&A session.

Over to you, Navin.

### Navin Agarwal, Group Managing Director

Thankyou Manish.

Good afternoon, everyone.

### Key Financial and Operational Highlights

Let me start by sharing some key highlights

#### Q3FY26 Performance

- Q3FY26 continues to witness strength in most of our businesses. Growth was led by our annuity businesses. Our operating profit after tax grew 16% YoY to ₹ 611 crores led by Asset and Private Wealth business growing by 32% on YoY basis. These businesses now contribute over 50% to the

operating profit of the group, and we expect the share of these businesses to continue to rise in the quarters ahead. Q3FY26 PAT includes the impact of ₹ 14.4 crores towards employee benefits under the new labour code. PAT growth adjusted for the labour code expense was 18%.

- These results form a good base of a year that had virtually no benefit of MTM in either the AMC, PWM or Distribution businesses of the group and also the impact of significant changes in F&O regulations in the Wealth Management business. For context, versus this 18% growth, our 10-year operating profit growth has been strong at 31% CAGR.
- Our consolidated annual recurring revenue now stands at 65% of the total net revenue for Q3FY26. We believe, the share of ARR revenues will continue to rise in the years ahead.
- Based on the strong performance, board has declared an interim dividend of ₹6/share, up by 20% vs ₹5/share declared in the previous year. Since our listing in 2007, we have never diluted equity while consistently paying out dividends and executing three buybacks. This has only been possible due to our unique capital allocation model, wherein our large investment book serves as a strong backbone to all our operating businesses.

Before I deep dive into quarterly performance updates, I want to reiterate that each of our businesses offer huge headroom to grow in the next decade. Following 5 points will corroborate this -

- Savings invested in Equities are just 5% in India vs 40% in US
- Retail ownership of stocks and participation in Broking is just 10% vs 55% in US, which augurs well for our WM business.
- India's Mutual Funds AUM to GDP is at just 20% vs 120% in US, a positive for our AMC business.
- For our Alternates franchise, AUM in India has grown by 54% in past decade to reach USD 400bn. This is expected to cross 2Tn USD in next decade. This number is currently around 25 Tn USD globally and continues to grow strongly.
- For our PWM business, investable wealth which is also the TAM that we are targeting is expected to grow by 15% over the next five years to reach ₹ 240 Tn or around USD 2.5 Tn. This augurs well for our Private Wealth business.

The tailwinds across all the key businesses of the firm continue to be quite robust.

MOFSL is the largest integrated capital market player with promoter's holding of ~70%. We are ranked amongst Top 150 companies on TTM PAT and amongst top 200 companies by market cap. We see improvement in these rankings given our continued higher earnings growth potential vs markets going forward.

## **Segmental Performance**

Turning now to our segmental performance, starting with Asset and Private Wealth Management business.

### **Asset and Private Wealth Management Business**

#### **Asset Management Business**

- The Asset Management business (AMC + Alternates) continued its momentum during the year with strong market share gains. Net flows in Q3FY26 were robust at ₹ 11,600 crores. Our AUM stood at ₹ 1.89 lakh crores as of 31st December 2025, up 33% YoY. We continue to invest in talent, distribution reach and marketing.
- The operating leverage from rising AUMs should also be a driver to our profits going forward.

- We continue to build on our sales team to service expanding distribution network. Net flows of the AMC (MF, PMS & AIF) business increased to ₹ 10,699 crores in Q3FY26.
- 91% of our AUM outperformed their respective benchmarks in the past 3 years.
- The AMC business continues to gain market share with mutual fund AUM market share at 2.7%, highest ever. There is still headroom to increase further given that our net flow market share is much higher than 2.7% and stands at 7.6%.
- Our quarterly SIP flows crossed ₹ 4,500 crores, 1.5x of the same quarter of previous year with highest ever market share of 5% resulting in a SIP AUM book of ₹31,814 crores as on Dec'25.
- We launched the consumption fund in Q3FY26 and raised ₹ 1,100 crores.
- Our alternates AUM grew to ₹ 34,284 crores.
- Our head count has increased to 620 in Dec'25 vs 536 in March '25 & 300 in March '24. We have more than doubled our manpower in the last 21 months.
- In our Alternates business (PE, RE & Private Credit), Indian Business Excellence Fund (IBEF) V has cumulatively raised ~₹ 8,000 crores and expect the final close in Q4FY26 with a target size of ₹ 8,350 crores, nearly 2x our last fundraise. By context, in our first fund we raised \$ 62.5 million, \$ 125 mn in Fund II, \$ 250 mn in Fund III, \$ 500 mn in Fund IV and \$ 950 mn in Fund V. We have been doubling our fund sizes for the last 17 years across the five series of funds that we have launched.
- We launched our private credit fund in January 2026. This is our entry into the emerging private credit segment. We believe, Alternates business provides multiple opportunities that we haven't explored yet and remains a very large TAM to target for us as the wealth of the country rises over the next 10 years.
- With the above fundraises in Alternates segment, it will boost our recurring revenue base of the group.
- Our Private Equity business has a fee-earning AUM of ₹ 17,853 crores across the growth capital and Real Estate funds
- During the current quarter, we have recognized accrual income as select funds have progressed to a stage where recognition criteria are met and systematic accruals have commenced. The income is currently accruing from only two mature schemes, indicating significant headroom for scaling up, as newer fund vintages advance along their life cycle.
- As you know, the fund sizes have been doubling with the latest fund being close to \$1 billion. Hence, we expect these accruals to be recurring and growing contributor on QoQ and YoY basis to our Alternates business going forward, as visibility and certainty of realisation have materially improved based on the substantial outperformance with the funds delivering IRRs of 20%+, way above the hurdle rates for these funds.
- Overall, these accruals represent a structural, high-quality ARR income and scalable earnings lever for our group profitability, with predictability improving as the alternates platform matures. This is in-line with the best practice followed by large global alternate listed platforms.

### **Private Wealth Management**

- Our Private Wealth business is on a strong growth path. Our AUM grew 31% YoY to ₹ 1.95 lakh crores.
- We have 8,200+ families, grew by 41% YoY, served by a high-quality RM team of 410+.
- We expect the RM productivity to improve as only 34% of the RMs have a vintage of 3+ years.
- Our revenue stood at ₹ 816 crores for 9MFY26, up 16% YoY. We are second among listed players by revenue in this segment.
- PAT at ₹ 280 crores for 9MFY26, up 14% YoY. Cost-to-income ratio improved to 53% in 9MFY26.
- Share of Private Wealth business in group PAT has increased over the years as a result of operating leverage and comprehensive proposition straddling HNI & UHNI segments. We expect the share to continue to rise going forward.

### **Wealth Management Business**

- In our Wealth Management business, PAT stood at ₹ 181 crores, flat YoY.
- Our distribution book grew 34% YoY to ₹ 42,775 crores.
- NII income recorded 21% growth YoY, supported by robust book expansion. Our total loan book AUM grew 25% YoY to ₹ 6,630 crores. Our MTF market share is close to 7%.
- Our ARR book grew by 33% YoY. It is Important to note that our share of broking revenue in the Wealth Management segment has declined from 60% in FY21 to 37% in Q3FY26, led by sharp focus on growing our distribution income & NII.
- Our brokerage revenue grew 15% QoQ in Q3FY26. Cash volume market share was robust at 6.9%. F&O Premium market share stood at 8.4%. Blended ADTO market share stood at 7.8%. Our Broking business continues to retain leadership as a full-service broker. We believe we are the largest broker in the cash segment on revenue market share.

### **Capital Market Business**

- In our Capital Markets business, PAT grew 15% YoY in Q3FY26 to ₹ 70 crores. The IE business continues to increase research coverage. We have 350+ stocks under our coverage & plan to increase this to 400 by the close of this year. With this, we'll be the largest research house in terms of coverage of stocks with the ambition to increase this number materially in the years to come.
- Within the Investment Banking business, we have successfully completed 51 deals in the 9MFY26 with cumulative issue size of ₹ 77,150+ crores and our fee income in 9M delivered 52% growth on YoY basis to ₹65 crores. We were ranked #1 on number of QIPs and IPOs for CY25 in the League Tables.
- We have strengthened our team over the past few quarters across both businesses and continue to be positioned as a preferred banker to our clients

### **Housing Finance Business**

- In our Housing Finance business, disbursements was robust at ₹ 364 crores after adjustments for the one-time change in disbursement recognition. Excluding this adjustment, disbursements have grown by 47% YoY to ₹ 578 crores.
- AUM grew 24% YoY to ₹ 5,379 crores.
- Gross NPA and net NPA stood at 1.4% and 0.9% as of Dec'25.
- We expect the Housing Finance business to witness strong growth over the next 2 to 3 years.
- Business has a strong capital adequacy ratio, low leverage, giving us enough growth levers without any external capital dependency.
- Business continues to invest in people. Our Sales RM base is up 39% on YoY to 1723 from 1238 previous year.

### **Outlook with concluding remarks**

- To conclude, our recently published the 30th wealth creation study highlighted that India offers multi-decadal trillion-dollar opportunities led by long period of sustained economic growth. The resulting wealth effect will benefit capital market players in general and more for integrated players like Motilal Oswal.
- In the past 17 years, our GDP went up from \$ 1 trillion to \$4 trillion. Interesting fact is that the market cap CAGR has been higher at 1.5x the 20-year GDP CAGR. We expect next 17 years will quadruple the GDP to \$ 16 trillion with cumulative savings of \$ 47 trillion during the same time frame and a multiplier effect of market cap to GDP.
- Financialization theme should gain further traction with increasing penetration in multiple products that Motilal Oswal offers. As leaders in each of our business segments indicate huge

headroom to grow at high rates over the next 5 years, we believe that we should continue to perform far higher than the market rate of growth

We'll now open the floor for Q&A. Thank you.

**Moderator:** Thank you very much. The first question is from Mahek from Emkay Global.

**Mahek - Participant:**

I have two questions. First on the distribution income for both the Wealth and the Private Wealth Management businesses. So, while it saw a dip particularly on account of lower transaction income booked during the quarter, could you help us with some color on your expectations, particularly for the distribution income in Q4 on a Y-o-Y basis? So that was my first question. And secondly, on the Asset Management business. So, while the net flows market share has seen a slight of decline on a Q-o-Q basis after gaining consistent market share in the last few quarters. So just wanted to know your thoughts on the same.

**Navin Agarwal, Group Managing Director:**

We don't give quarterly distribution growth guidance. But as we have highlighted, the transaction-based revenues will see volatility on a QoQ basis. The external market conditions at a broader market level have been quite weak, and that has impacted the TBR revenues of most of the players, including us. The good news in the meantime is that, our ARR revenues have scaled up meaningfully. We see these revenues further scaling up as the private credit offering of the group is launched & revenues for which should come through in Q4FY26. The focus is to strongly grow the ARR revenues while opportunistically building on the TBR revenues whenever market offers an opportunity.

On the AMC flows, the net sales market share this quarter has been 7.6%, way above the AUM market share & 91% of the AUM of the firm continues to outperform the benchmarks on a 3-year basis.

There are some interesting facts that I'd like Prateek to share about the asset management company, which will give you some understanding of what we have done over the course of the last 1 to 2 years and how this will play out over the next 1 to 2 years.

**Prateek Agrawal, MD and CEO, Asset Management:**

Our 3-year performance is important because most distributors and digital channel focus on 3-year performances. On last 3 years basis, 91% of our active AUM is beating the benchmark. Most of our funds bring out the top position in their respective cohorts. On the Alternates side, 60% of our AUM beats the benchmark on a 3-year basis. On net sales, we are at 7.5%, similar to last quarter. Passives market share have moved up at around 6%

In the near term, our peak on the active side was in Oct'24. After that, we have seen a small dip. But as yet, we continue to get positive inflows. On the people side, we have added to the teams very strongly over past 2 years. In FY24, we were 300 people, which increased to 493 in FY25 and as we speak it is 620. Of these 620 people, people on the investment side have increased from 29 in FY24 to 36 in FY25 & as we speak, we are at 43. We have hired 11 new managers over the last 2 years and have significantly strengthened & diversified our investment capabilities.

In terms of growth prospects, people look at 3-year track record for growth. We have 6 schemes, out of those two schemes are top 2 in the industry in terms of net flows and one is in top 5 for 9MFY26. We

have a strong runway for growth with 2 more products in major categories. A large cap and small cap would complete 3 years in FY27 and 9 products will complete 3 years in FY28. We believe, as more and more products cross the 3-year hurdle; our overall market share should then settle at a higher level.

**Moderator:**

The next question is from the line of Nidhesh from Investec

**Nidhesh – Participant:**

Firstly, on the operating expenses this quarter, we have seen that the opex across all businesses have declined on a sequential basis. So how should we think about this? Is it because the top line has been a bit soft? So, we have cut down on cost or there is a variability in opex? How should we model it? And how should we think about the trend in operating expenses?

**Shalibhadra Shah – CFO:**

The transactional revenues across our Wealth Management, Private Wealth and Capital Market businesses have been lower sequentially. A lot of costs in these businesses are variable costs which were lower during this quarter, especially the people cost in line with the transactional revenues. Our operating margins remain intact, on a 9-month basis

**Navin Agarwal, Group Managing Director:**

We have very strongly added to our aggregate manpower in FY23, FY24 and FY25 which is a tad lower in the 9MFY26.

**Nidhesh – Participant:**

Yes, because we see that the headcount has also declined, I think, on a QoQ basis?

**Navin Agarwal, Group Managing Director:**

As of 9MFY26, it's a tad lower, led by the contraction in the Wealth management revenues and the headcount. There has been very strong growth in all the other businesses.

**Nidhesh – Participant:**

Second is how much of our distribution AUM, both in Wealth Management and Private Wealth management is coming from our own AMC?

**Navin Agarwal, Group Managing Director:**

It is very small; the Asset Management firm has grown very strongly over a period of time. It has come down to just over 10%.

**Nidhesh – Participant:**



Sure. And lastly, on AMC, so with the change in the top leadership at AMC, how are we planning to stabilize the top leadership? Are we looking for an external candidate and by what time we should see a new CIO at AMC?

**Navin Agarwal, Group Managing Director:**

We have significantly augmented our investment team. There are already co-fund managers for those schemes, they will continue business as usual. In terms of additions to the investment team, we had a very busy schedule of new product launches in the last couple of years & it's also in FY27 and FY28, we will see the benefit of many of these funds crossing 3 years vintage. We still have important categories that are open. The hybrid category has become a very large category in the mutual fund industry, and we have less than 0.5% of our AUM in the hybrid category vs industry having substantial AUM.

We will continue to add to our investment team, including our leadership like we have been doing in the past. The investment team size has more than doubled and 11 new FMs have been hired. We will need to augment this further just to support the new fund NFO launch pipeline that we have filed with SEBI, which are coming up for launches. In a large category like the financial services, we did not have a fund there. We have launched one in this category in the month of January of Q4FY26.

Augmenting overall investment team & leadership through internal promotions as well as external hiring is something that we'll have to do, including the leadership transition that we recently announced.

**Moderator:**

The next question is from the line of Lalit Deo from Equirus Securities.

**Lalit Deo – Participant:**

So, I have 2 questions. So firstly, on this Wealth Management and the Private Wealth Management business. So, we saw some moderation in the net flow side. However, on a 9-month basis, it's still strong at around more than 30% of their opening AUM. So how should we see the net flow momentum for FY27? That was first question

And secondly, on the AMC business. So, in this particular quarter, we recognized a carry income of around INR 58 crores, now we mentioned in the remarks that it will sustain in the coming 3 to 4 quarters. So, what should be the steady number for that carry income like over the next 12 to 15 months?

And just lastly, on the lending book, like we have -- like on a 9-month basis, it has grown by more than 30% on the overall lending, both in Wealth Management as well as Private Wealth Management. So for FY '27, how should we look at?

**Navin Agarwal, Group Managing Director:**

As far as the net sales for Wealth Management & Private Wealth Management business is concerned, Q4FY26 should also be strong as we are looking at the first and hopefully, the second close of our private credit fund, that should be a very strong new addition. Our Private Wealth and Wealth Management businesses are distributing this product which is exclusive & only distributed by our internal team, that impact should come in.



We continue to see a slowdown in the overall markets and net flows in the last quarter. However, given the significant ramp-up that we have seen in the private banking size that we have, we would expect many of those RMs to bring in the AUM. We would look at continued strong net sales growth in both of these businesses in FY27 over FY26.

We have been very underrepresented in MTF segment, NII in the Private Wealth business and in LAS. This is a focus area for the group given the strong credit rating of AA+, controlled gearing and strong net worth. The Dec'25 net worth is 23% higher than Mar'25 net worth, one of the highest net worth growths in the industry across businesses. The net worth is strong, credit rating is strong & borrowing capability exists at very, very attractive rates because of the strong AA+ rating. We believe that NII will be a very important growth driver in FY27 compared to FY26.

Turning to accruals, only 2 of our funds have crossed the threshold. Because of that, we've reported ₹ 58 crores accrual income this quarter. We believe this is just the beginning. These numbers should at least repeat, if not increase, in the coming quarters. You can easily multiply this by 4 for the next year and then take growth from there YoY in FY28 and FY29 as more vintages get into the maturity phase

**Moderator:**

The next question is from the line of Dipanjan Ghosh from Citi.

**Dipanjan Ghosh – Participant:**

I was just asking that in terms of your carry income booking strategy, what is the prudent strategy that we follow in terms of how much do you book in which quarter prior to the exit? Second question was on the Wealth Management side, the Private Wealth side

Can you give some color on the RM, relationship manager, supply side and in terms of competition and attrition, how are the trends for the industry? And third question is in terms of the white spaces available on the Alternates side of the business for the next 3 to 5 years, if you can give some color on that?

**Shalibhadra Shah – CFO:**

In terms of the additional returns accrual, the methodology followed as per our policy is that, if the fund returns are above the defined threshold over hurdle, we accrue the carry in the last 3 years of the maturity of that fund.

This basis has been consistently followed. Every quarter, the NAV is trued up to recognize the incremental change in returns of that fund. It will be a recurring line item, on a QoQ and YoY basis.

**Ashish Shanker, CEO, Private Wealth Management:**

Over the last 3 years, our RM strength has gone up almost 2.5x. While the competitive intensity is extremely high right now, but still even at a private banker level, they are choosing platforms which are extremely stable and platforms which help them become productive faster.

Given the kind of disruption that we are seeing around us, we are emerging as an Employer of Choice because of the strong brand institution and the capabilities that we have invested in over the last 2

to 3 years. We continue to see good talent coming in, and we have an extremely robust pipeline of private bankers who will join us in the next couple of quarters.

**Navin Agarwal, Group Managing Director:**

On the Alternates business outlook, we started with two products, Private Equity and Real Estate. In Jan'26, we've launched the third product, Private Credit. Going forward, we believe that there are at least 10 more categories of products that are left to be launched. If you benchmark the leading Alternates platforms globally almost every year or every alternate year you will see us launching a new strategy.

Across the 5 fund vintages for our growth fund, our fund sizes doubled from \$ 62.5 million to \$ 125 million to \$ 250 million to \$ 500 million and now \$1 billion. We expect this strong growth to continue, given the difference present between a domestic growth fund and a global growth fund right now. This is something that we expect to continue.

Other important input is that within our funds, the share of offshore raise has been rising fund on fund. In IBEF V, we had 45% of our AUM being raised from overseas compared to ~31% for the previous fund & 26% for the third series. We expect this to go up in the next series even further because we had substantial unfulfilled demand on the offshore side for the fifth series. We have many vectors of growth for this business, and this should be one of the fastest-growing businesses in our portfolio.

**Moderator:**

The next question is from the line of Aravind Ravichandran from Sundaram Alternates.

**Aravind Ravichandran : Participant**

I need to understand like in Wealth and Private Wealth Management, especially distribution income, why are we seeing such a volatility across quarters? Is it because of flows volatility in like Alternates business? Like how to understand this? If you can help me with that? That is my first question.

And second question is on like opex, especially in Wealth and Private Wealth Management. How to conceive this like is it going to be -- since we have hired -- ramped up our RM and other basis, especially in the last 2 years, is it going to be primarily like getting the better business out of the existing RMs? Or is it going to be bit more balanced in terms of RM hires and other employee hires as well as better productivity from the existing RMs? Yes, these 2 questions.

**Ashish Shanker, CEO Private Wealth Management**

On the flows front in last 3 years, bulk of the inflows have been led by monetization events, whether it is unlocking of promoter stake or ESOP. Typically, these flows are dependent on markets. If you see on a quarter-on-quarter, there will be variability. However, if you see on a YoY basis, we've been steadily capturing market share.

In fact, if you look at the net flow addition for the last quarter and compare it with some of our competitors, we've gained a lot of market share there as well. So, on a QoQ basis, you will see some variability in flows. But on a YoY basis, we are steadily gaining market share.

**Aravind Ravichandran : Participant**

About distribution revenues, like why is it volatile, especially in Wealth and Private Wealth Management across quarters?

**Navin Agarwal, Group Managing Director:**

As Ashish just explained, the TBR part of the revenues are volatile. But the flow volatility comes out of what happens to the market and the resulting impact on the monetization & resulting deals. But on a YoY basis, you should continue to see reasonably strong growth.

Also, sometimes we have very large captive fund closures. We had our growth capital fund closure in the second quarter of this financial year where net flows got really bumped up. In Q4, we will have the first and the second close of our private credit fund, which is only captive. When we have these very large fundraises which are completed in a quarter, there will be spike in the net flows as well.

**Shalibhadra Shah – CFO:**

Also, to add, ARR distribution assets in both WM & PWM businesses have grown. For 9MFY26, in Wealth Management it grew 36% YoY and in Private Wealth Management it grew at 31% YoY. ARR revenue line item moves in line with the growth in the ARR assets and yields have been pretty stable there as well. So, ARR revenues are very predictable on the distribution side and as explained, the impact is only because of the transaction flows. Also, transaction revenues related to distribution witnessed strong growth on 9-months YOY basis.

**Aravind Ravichandran : Participant**

Understood. Understood. And my question on opex. In Wealth and Private Wealth Management, how should I view the opex growth, especially in the view of our ramp-up in RMs in the last few years? Is it primarily going to be productivity increase? So like it's just going to be yearly rises for employees, not much from addition of employees? Or is it going to be balanced in terms of opex growth, especially from the employee expenses side?

**Navin Agarwal, Group Managing Director:**

Our cost-to-income ratio for this business peaked in FY'24. FY'25 was that lower than '24. We've seen some further benefits in the current financial year. It's about 100 basis points lower cost-to-income ratio for this business. I think you should see this trend continue as the RM vintages progress to 3 years. We have ~60% of our RMs with less than 3-year vintage as we speak.

**Aravind Ravichandran : Participant**

Okay. Okay. So focus is going to be there. And just one last question, like especially in Wealth Management business, in order to improve our distribution income potential like further and further, do we need to invest in any like a huge RM or other employee base to increase ARR mix, especially other distribution income, especially in Wealth Management?

**Ajay Menon, CEO, Wealth Management**

On the overall distribution side, we are surely hiring the RM. But at the same time we are able to increase the overall pie through a lot of digital initiatives plus a lot of investments on the tech side with AI for cross-selling. We are looking at cross-selling in a big way across our network, which has

still lower penetration at around 14% and can be much higher going forward. So, the scope to grow is immense even further now

**Moderator:**

The next question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited

**Sucrit D. Patil : Participant**

I have 2 forward-looking questions. My first question is to Mr. Agrawal, Mr. Raamdeo Agrawal. Given the evolving macro-outlook and market volatility and ever-changing client behaviour across retail and institutional space, how is Motilal Oswal adapting its business mix and go-to-market tactics to expand client engagement and wallet share across broking, wealth management and investment banking.

In particular, how are you balancing growth with profitability in your initiatives such as alternate asset management and financing business while maintaining quality of service and competitive differentiation? That's my first question. I'll ask my second question after this.

**Raamdeo Agrawal, Chairman**

This is the heart of the entire strategy that Motilal Oswal remains not only the largest capital market company across all the businesses put together but also have a very strong balance sheet. As Investment Banking becomes more powerful, as the market cap goes from INR 5 trillion to INR 10 trillion in the next 7 to 8 years there will be emergence of very large banks.

And the deal sizes will also go from \$1 billion, which is very common currently, to \$5 billion / \$10 billion single deal. In that case, you need a very large banks with large balance sheet and large profitability also. We are trying to make it as a talent powerhouse because ultimately, the talent, net worth and profitability is going to make a difference. We are seeing that the businesses have tailwinds in some years, like broking from year 2021 to 2024. Then regulators came and put some restrictions to the F&O business. So Broking business which become very large, got a setback for last 1 year. But other businesses which are non-broking businesses became very large.

In this quarter, we have grown 16% in terms of operating profit to it's history's highest ₹ 611 crores for the quarter and very high-quality profit despite the fact that broking revenue has been muted.

Going forward, as the capital market businesses become from 200 million Demat accounts to more like 500 million Demat accounts in the next 7 to 8 years and the market cap goes from ₹ 5 trillion to ₹ 10 trillion, we are seeing big opportunity in every business. In current businesses, we'll keep growing vertically and horizontally we'll be adding few adjacencies, like in Alternate business we have started with the private credit. We'll be looking for other opportunities in the same front where the businesses could be very large as the economy grows.

To summarise, the relevance of capital market remains center of the economy and as per my wealth creation study now the financial wealth will drive the real economy. In that situation, emergence of capital market companies will be a very important and that's where, we have positioned ourselves and hedged our bets by putting it across in all the businesses.

**Sucrit D. Patil : Participant**

My second question is to Mr. Shah. With financial markets constantly appearing -- experiencing bouts of volatility and varied liquidity conditions. How are you thinking about margins sustainability, capital efficiency and risk management across the key business verticals? Additionally, can you shed some light on the capital allocation framework and balance sheet priorities as you scale Wealth and Asset Management operations alongside traditional broking and transaction-based?

**Shalibhadra Shah – CFO:**

Our net worth has been very strong at over ₹ 13,000 crores. On the capital allocation side, our last decadal average dividend payout ratio has been ~20% of operating profits and the residual cash after that continues to flow in our treasury investments which has efficiently generated ~18.5% IRR since inception. On the risk side, we ensure that, keeping sufficient cushion to leverage and sufficient margins for the mark-to-market risks so as to see that our gearing in capital market business remains within the 2x limits and risks adjusted returns are sustained. At the same time treasury capital actually becomes the base for the operating businesses to grow their profits and free cash flow. Moreover, as highlighted in earlier question, large portion of our costs are variable for sustainability of margins. All of this has resulted in generating operating ROE of ~24% and overall ROE of 26% in the current year.

**Moderator:**

We'll move on to the next question, which is from the line of Dev Shah from Haitong Securities

**Dev Shah: Participant**

Congratulations on a good set of numbers. Just wanted to ask on the wealth management piece. The cash and F&O premium market share has been declining over the last couple of quarters. Just anything to read into that? And further, the revenue composition in the wealth management section from relationship managers has been steadily declining and external wealth managers has been rising. So, I just wanted some clarity on that.

And secondly, on the alternates piece, are there any further fund launches planned over the next couple of quarters? And what are we thinking about SIPs as a product category? Yes, those are my two questions.

**Shalibhadra Shah – CFO:**

On the market share – our F&O premium ADTO market share has actually grew up by 20 bps on YoY basis to 8.4%. Cash market shares have been lower YoY as our Cash ADTO has been lower by almost 20%. Our cash market share is lower because, we have an research and advisory model, where we advise the customers based on the market situation. At the same time, when the markets are booming, the overall positioning on the advisory and research comes in where the market share goes up. In last 4 years, our market share has almost doubled. In the current market, mix of trading volume has gone up versus the delivery volume and we have a healthy share on the delivery side. So, marginally the mix change has also impacted our cash market share. But we believe that on a medium to long term, our cash market share continues to rise.

On The composition of revenues in the Wealth business – we have both the channels, one is our direct channel, which is operating through our own branches and the second channel is our external wealth managers. Mix of this one can't control or guide because we would expect both these channels to continue to grow. Also, we don't guide on the mix.

**Navin Agarwal, Group Managing Director:**

On the Alternates side, as I highlighted earlier, we launched a private credit fund in Jan'26. We are quite underrepresented on the credit side. So, we will be launching a few more credit products over the course of the next 1 to 2 years. We will share those details with you as and when we are ready to launch those products. Over the next few years, there will be many more categories that we will be entering as this business is in the highest nascency compared to all our other businesses today. As a consequence, even the growth rates of this business should be higher. Luckily, all of these are ARR revenues with very strong sustainability and predictability.

**Moderator:**

Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Shalibhadra Shah for closing comments. Thank you, and over to you, sir.

**Shalibhadra Shah – CFO:**

On behalf of Motilal Oswal Financial Services, we thank every participant for attending the Q3FY26 con-call. In case you have any further questions or clarifications, please do get in touch with our investor relations desk. Thank you and have a great day.

Please contact [ir@motilaloswal.com](mailto:ir@motilaloswal.com) for any queries.

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