NWML/SEC/2027/68

November 13, 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 November 2, 2026, regarding the earnings conference call scheduled on Monday, November 9, 2026, to discuss the Company's performance for the quarter and half year ended September 30, 2026, please find enclosed herewith transcript of the aforesaid earnings conference call.

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We wish to confirm that no unpublished price sensitive information was shared/discussed in the aforesaid earnings conference call.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: 2026.11.13 17:05:49 +05'30'

Sneha Patwardhan
Company Secretary and Compliance Officer

Encl: as above

“Nuvama Wealth Management Limited

Q2 and H1 FY27 Earnings Conference Call”

November 09, 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 – NUVAMA WEALTH MANAGEMENT LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Nuvama Wealth Management Limited Q2 and H1 FY 2027 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashish Kehair, MD and CEO. Thank you, and over to Mr. Kehair.

Ashish Kehair: Thank you, Nirav. Good afternoon, everyone, and thank you for joining us for Nuvama's Quarter 2 and H1 FY 2027 earnings call. On behalf of all of us, I would like to wish our shareholders, clients, all the analysts, investors, everybody a very, very happy Diwali. Joining me today, as usual, Bharat, our Group CFO, and SGA, our investor relations advisors.

We will quickly begin with an overview of the performance and key developments, and then we can open the floor for the questions. Just to summarize, we delivered a reasonably good quarter of strong performance. Client assets now are about INR5.5 lakh crores. Revenue was about INR937 crores. Operating PAT about INR319 crores, with a yearly growth of 26%.

And ROE remains strong at about 29%. Special mention on both Wealth Management businesses now, over last three years, both these businesses have consistently compounded at more than 20% growth across all parameters. This quarter, I think the performance was not only well, but also a significant contribution came from our institutional businesses, particularly Asset Services and Capital Markets, which continue to scale well across different products and customer segments.

I think our integrated approach, which we have always mentioned, spanning multiple businesses within the financial services, capital markets ecosystem across asset classes, client segments, gives us multiple growth engines and also reduces dependency on any single market product or revenue source. It basically, in a sense, makes the business more resilient to any kind of adverse impact that may happen.

I think the second thing which we followed for the last couple of years that also is playing out now, in Wealth Management, we particularly said that, while many providers go and seek the equity managed assets of the clients, our view has been that asset class performances are cyclical, specifically equities.

For the last two and a half years, we kept harping on the importance to the clients of allocating to other asset classes. I think that has served us extremely well, which reflects in our strong net flows, despite the markets not doing anything for almost last two years. I think the second was a recognition that technology and what generative AI can deliver can actually be path-breaking.

Technology, of course, we always knew, but when the layer of generative AI came on top of it, it basically opened up many new avenues, not only to improve client experience, but also to improve efficiencies within the firm. I think this is also playing out reasonably well across all our businesses now.

I will move on to the business segment updates now. We start with Nuvama Wealth. Managed Products and Investment Solutions, which is MPIS, remains our core focus and growth engine. Client assets have now crossed about INR46,000 crores, and net flows were very, very strong. For the last six months, we have had more than INR6,000 crores, and Q2 was about INR3,300 crores.

Revenue for Q2 may look slightly moderated, but if you look at some seven, eight quarters, every quarter out of these seven, eight, the revenue growth was more than 25% Y-o-Y. This quarter, because last year Q2 had a very, very strong transactional income opportunity with our real estate fund, so that basically has had a base effect.

Otherwise, there is no structural change either in flows or yields for this. Lending, we have now kept saying that, this is an avenue which we will exploit for growth, and we have demonstrated this now over the last 12 months. Our loan book in this business is about INR6,000 crores, growing about 60% year-over- year.

You know that the composition is all liquid assets like LAS, ESOP financing, margin financing, or MTF, with LAS and ESOP being almost 75% of the portfolio. Yields also saw an uptick in this quarter with marginal improvement in NIM, because we have always maintained that a part of our borrowing happens through MLD, and some hedging gains and losses can lead to these changes in the NIM. For Q2, we were on the positive side of the same.

On sales capacity, we have added about 90 RMs over the last one year and continue to strengthen the franchise with deliberate focus on senior talent. The outcomes are actually encouraging. You can see them in the net flows, and also you can see them in the NPS scores, which have now reached an all-time high of 89 for us in this business.

Lastly, on the technology and AI front, as I said, we continue to embed this across different parts of the value chain. We rolled out a new AI-powered client profiling and meeting prep tool for RMs in this quarter. Efficiencies for this are visible, like net new money and client assets per RM have increased by 25-30% year-over- year. Overall margins or cost income ratios have improved by about 200 basis points year-over- year.

Now I move to Nuvama Private, and starting with our strategic focus there, the ARR assets. The ARR assets have now crossed about INR60,000-INR62,000 crores. Again, very strong momentum in net new money in Q2. We saw about INR5,000 crores getting added. Q1 was a bit moderated because we saw one outflow in advisory asset which was low yielding.

If I take Q1 plus Q2 put together, we are about 11% to 12% of the opening balance, and our guidance has always been that we will be between 22% to 25%, which I think we are on track. ARR now contributes about 64% of the revenue. On our initiatives to improve this even further, we spoke about Pinnacle as one of our UHNI offering, which brings together multiple things.

It basically brings advisory portfolio construction, governance support, curated opportunities, reporting in one single framework, and it is meant for our top clients. It basically improves the engagement with the client significantly, which automatically leads to an increase in wallet share. I think we are seeing an impact of this now happening. We may, over the next two to three quarters, start reporting to you specific impact.

Moving on to lending. Here also, we had said that we will leverage the lending book to improve revenues, productivity, and yield. Here, the book has grown by about 50% on an H1 basis, and NII also has grown by about 50% on an H1 basis.

Yields remain stable. I think there is still a lot of idle space available here to improve our lending book. On capacity here, we have added about 14 RMs to 15 RMs over the last one year, or almost 10% of our base, and we will continue to remain deliberate and measured in how we add RMs in the current environment.

One thing we wanted to point out, like we started reporting our ARR net flows from beyond Tier 1. Now about 40% of that is coming from beyond tier 1, which is not a reflection that whether we are really present there physically, but it is a reflection of how we are leveraging our distribution to access even places where we are not present.

Here on the AI front, we have added a liquidity events module which basically tracks all the IPOs and exits where promoters get money, and the whole end-to-end chain of tracking, allocation to RMs, and trying to convert is now moved on a digital platform, which gives us a far better cockpit view of the whole value chain as it progresses.

Here also, I see the impact on the productivity improvement in terms of ARR assets and ARR revenues per RM have almost grown by about 15% to 20% year-over- year, and margins have improved by about 70 basis points across the board. On transaction banking income, you will have some questions as to why there is a dip over last quarter of Q2 FY 2026.

Again, as I said in Wealth, there is a large co-invest transaction which we essentially did with our commercial real estate fund, and that revenue had a high base effect. Otherwise, INR80 crores to INR90 crores per quarter looks like a regular run rate because about 60% to 70% of this income is anyways recurring or reoccurring, keeps happening again and again every month, which is a combination of equity brokerage and fixed income. Only 20% to 30% is episodic.

We will see in both businesses' improvements in our transactional income, or maybe even ARR as we launch our private credit and start building on it, our private credit fund, and as we launch our second commercial real estate fund, because they will throw up co-invest and syndication opportunities. I think this is a good segue to move into Asset Management.

Asset Management, starting with commercial real estate first, our previous fund is now about 50-55% committed. Another two to three months, 70% we will reach. So it is time to now launch the second fund, which is going to get launched anytime soon, in maybe another two weeks or so. The target is to raise about INR5,000 crores there.

Private credit, the full team is intact, now in place, and we will launch a private credit fund also in the next maybe 25 days to 30 days. This is the first fund. We will see how the progress goes, but we will target somewhere between INR1,500 crores to INR2,000 crores or INR2,500 crores. Again, over the next maybe 8-10 months, we will want to raise that money.

Private equity, we have been focused on returning the money on our previous funds, and as they reach closure, we are contemplating launch of a new fund and a new strategy with a new name sometime next year. Maybe in Q3 or Q4, we will give you further update around this.

On public market, we are still on the transition phase, where we continue to lose money on our AIFs because now SIFs have become far more tax-efficient. Our SIF approval has come, and that launch is also expected in the next 25 days to 30 days. I think lot of action in Asset Management in the next 30 days to 40 days with large part of our product rollout bunching up together, and we shall see that activity playing for the next two to three quarters.

Coming to Asset Services, exceptional growth, revenues of about 50% year-over-year. Client assets have now crossed INR1.6 lakh crores. Retention for H1 remain healthy at 2.7%. We mentioned in the last quarter that there were some new clients which had very high cash collateral composition, and that have now normalized.

So Q2, you will see yields are moderated to about 2.5%. But I think if I take a full year perspective, we will be anywhere between 2.6% to 2.7%-2.8% range, because Q3, Q4, again, new client addition is going to happen, and we have visibility of about INR2,000 crores of cash assets coming in. I think that will again give a bump up in yield, but it will remain in this zone. There is no structural change in anything.

Domestic business again continues to benefit with a large number of people setting up, either PMSs or AIFs, and that trend is just increasing, and we continue to gain a lot of market share there. I think 20% growth is what we expect from this business. I do not see right now any structural changes to that aspiration.

Capital Markets, I think last quarter was slightly, I mean, dichotomous in terms of secondary and primary markets behaved very differently. In secondary market, there was impact of introduction of CAS, which had impacted derivative volumes and incomes related to derivative volume. Even the cash volume was down by about 12% Q-o-Q. But primary market picked up.

We track IPOs above INR400 crores, from 4 IPOs to 38 IPOs. Q1 had about 4 IPOs, and Q2 had about 38 IPOs. So there is a massive jump. We were also able to participate effectively. Fixed income, we mentioned in Q1 that we had an extremely good quarter because of multiple things that had happened in Q1, where FPIs first went out, then they came in and we were able to leverage both the sides. And we said that, there was about INR20 crores to INR25 crores of extra income which we delivered in Q1, which may not get replicated. So FIM therefore saw a minor dip in that sense and now is more normalized in terms of performance.

Overall, diversified capital markets remain strong because we have a foot in each of the pieces and even from a pipeline perspective on investment banking, we have right now about 40

transactions in the pipeline, about 13 in ECM, and about 10 in advisory, with a reasonably high two-digit or early three-digit revenue target on that.

Overall, looks reasonably robust for the remaining part of the year. I think with this, I come to the end of the overview. I will hand over to Bharat, who can take you through the specific numbers and then we can open the floor for questions. Over to you, Bharat.

Bharat Kalsi: Yes. Thank you, Ashish, and good afternoon, everyone, and warm welcome to all the participants on the call. Before I start on the numbers, a very happy Diwali to everybody. Ashish has already covered the headline numbers, so this quarter has been a very good and steady quarter for us.

Our revenue for the quarter was around INR937 crores, which is a 21% Y-o-Y growth, and our H1 revenue has also grown around 20% to INR1,850 crores or so. The quarter two profit also was exceptional, very decent growth of 26% on the operating side with INR319 crores of PAT. This was coming from all the businesses, so it was not very concentrated. Obviously, asset services at times gives you higher profits, but it is from wealth and private as well.

If you look at the presentation, you would have noticed that there is a one-time exceptional charge of around INR16 crores. I want to call it out upfront. This is a one-time charge wherein we pre-closed our venture debt fund, which we launched sometime in FY23. This fund was with a seven-year tenure, the underlying strategy for the fund was to deploy in combination of debt as well as equity warrants.

As you know that over the last few years, the growth stage companies has got a lot of multiple ways to have a fundraise which is non-dilutive in terms of equities, like a private credit. So the underlying strategy of the fund is actually not generating the expected return as we thought, and mainly because of the equity warrants. Market is not up to the mark as we thought initially.

So what we have decided is that we will pre-close this fund, and we will start returning the money to the investors. That will lead to a one-time charge post-tax of around INR16 crores, and this will also lead to an accelerated amortization on the called-in capital, which is in the NAML business. So that will be another INR9 crores-INR10 crores, but that will come over the next 12 months or so.

So there is a one-time charge of around INR16 crores post-tax. On an overall basis because of this. Having said that, otherwise, if you look at our overall client asset, that has grown to INR5.5 lakh crores, which is a 25% growth and within the wealth management, our assets are now at INR3.7 lakh crores and as Ashish has also alluded to the fact that MPIS and ARR asset is growing much faster than what is our overall growth. It has grown to INR1.1 lakh crores at a 27% growth.

Net new money, the numbers what we discussed is that on the Nuvama Wealth, it is INR3,300 crores, and on the private side, it is INR5,000 crores for Q2, but this is the highest ever also for both the businesses, and we are on full track for in terms of the guidance which we gave that we should be growing anything around 20%-25% on our focus assets.

Asset management, we again deliberated. Ashish covered a lot of things in terms of various strategies which we are launching. Currently, the assets under management is around INR12,000 crores. Asset services at INR1.63 lakh crores with a very strong growth if you compare it with Q2 of FY26.

Coming back to the revenues, happy to share that wealth business, when I say wealth business, wealth plus private business has crossed the INR500 crores quarterly revenue mark. This is a growth of around 14%. Ashish also mentioned about the transaction revenue which was there in Q2 FY26, but otherwise crossing a INR500 crores mark is a good achievement.

On the asset services side, the growth is around 53% Y-o-Y and at INR245 crores. It is mainly because of the lower base in quarter two FY26. Capital market also grew by 9% to INR175 crores, wherein the institutional equities grew both Y-o-Y as well as on a quarter-over-quarter basis. This is despite the fact that we had CAS effect in the months of August and September, which is expected to be over, it is kind of now over, but despite that, the quarter has grown.

Investment banking, ECM was low in quarter one, which has picked up in quarter two because of primary market activity. Our fixed income continues to strongly grow quarter-over-quarter as well as on a year-over-year basis.

Coming to the cost point, our cost for the quarter was around INR507 crores, which is a growth of 16%. Within that, if you look at that, our employee cost has grown by 19% to INR382 crores. If you look over the last 12 months, we have almost added 7% capacity give and take 250 odd employees in the company, of which 85%-90% of the people will be in the business facing units, whether it is RMs or the investment people and all.

So that is reason where the cost has gone up to 19%, and obviously there is an annual increment which has happened, and variable cost which is linked to the business performance, that is leading to a 19% growth on the employee cost. Our employee cost for quarter two also includes our new ESAR scheme, which we have granted sometime in the first week of September.

The cost of that ESAR charge is around INR6 crores. I am talking all numbers as pre-tax, so INR6 crores is the opex charge because of that employee cost. That for the full year of FY27 will come to around INR45 crores or a INR20 crores a quarter charge. This INR20 crores of a quarter charge will be there for next four quarters, and from there onwards, it will start tapering down, and this is as per the accounting standard. This is how this has to be accounted for. That is a INR20 crores charge for next four quarters. After that, it will drop.

Similarly, if you look at our operating expenses, there is hardly any increase. It is 9% on a Y-o-Y basis. Typically, this much expense will always increase. Two-third of will be on account of our inflation link charges, and one-third will be towards the new investments wherever we want to focus on our business. That is where the opex has grown by 9%. Our full year BAU opex should be around, give and take, INR520 crores and INR530 crores against our last year number of INR464 crores.

As we mentioned in the last call also, we have finalized our new HO in BKC. Our rent-free period will start from November. That typically, again, as per the accounting standard, you will

have to do a ROU, right of use accounting for that, and that will lead to around INR25 crores of charge for this year, FY27.

So if I add our BAU expense as well as the new HO expense, we may close the year at anything around INR550 crores of an opex for the year. This is where the opex growth is expected to be on full year basis. Profit we discussed, which is at INR319 crores operating profit, a strong 26% growth. Wealth Management also grew 22% to INR184 crores.

Again, a number to look at is that our Nuvama Wealth, which is our HNI segment, has crossed the PBT mark of INR100 crores in quarter two. This is the first time they have crossed the INR100 crores mark. Otherwise, our asset services and capital market has shown a growth of around 34% year-over-year basis.

One other thing which we would like to update to the investors and the community is that the board has decided not to declare any H1 FY27 dividend. There are few reasons. Our loan book, as Ashish was also mentioning, that it has gone up by INR2,000 crores in the first six months of this year. We are already at a debt-to-equity gearing of around 2.9x.

So basically the idea is that we will be more comfortable if our debt-to-equity is around 2.5x plus minus few basis point here and there, but 2.5x is where ideally we want to be. Plus the way we are looking opportunities both in the lending side as well as on the syndication opportunities or asset management where we have to actually make investments, we deliberated internally and decided not to declare dividend for H1.

However, we will continue to look at this dividend policy as part of our annual results, which will happen obviously sometime in April '27. With that, and one more thing within the dividend is that, our ROE is also at around 29%. We can actually look back as to how we utilize our capital, how much we retain, how much we actually declare, and how much we put it back to the business.

I think all detailed deliberation will also happen in the yearly results, and that's where when we decide on the final dividend declaration. That's where we are. Nothing else from my side. Now I request the moderator to take over and initiate the Q&A session.

Moderator: Thank you very much. We'll now begin the question-and-answer session. First question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Yes. Hi. Good afternoon, everyone. Firstly, a very happy Diwali to all the team, and congrats on a good set of numbers. There is time for the explanation on the cost and the overall front, but if you look at the cost to incomes on the wealth management side, we have seen quite a bit of improvement. Rather than talking about the cost to income, the absolute cost run rate in both private and wealth, is this, have we reached a sustainable rate in terms of RM additions and everything?

Similarly, if I even talk about the asset management, where we are building teams on SIF and everything, there too the absolute cost has come down from Q1 to Q2. So, how do you think

about the cost on each of these segments and cost to income, the way we think about these three segments?

Ashish Kehair: Wealth and private, Prayesh, in terms of, I think, we've reached a steady state, like you said, where we know that we are going to hire a certain set of people, and obviously there'll be some attrition. But on a net-net basis, like we keep saying that we want to improve by 100 basis points. So, I think in both the businesses this year over last year, we would see an improvement anywhere between 100 basis points - 200 basis points, and that journey should continue for the next couple of years at least.

Asset management is a different story altogether, because one of the segments, which is our public markets, actually was on a path of profitability and had started making money. But with this change of regulation which brought in SIF, it became a bit of a detour, where we have to bring SIF, we have to see where the flows will go and to get an SIF, you have to build a MF, which requires a separate infrastructure, pretty much everything separate is needed.

So, that additional layer of cost came in. But we had no choice because we had INR5,000 crores of assets there, which was earning revenues for both wealth management and asset management. So, we did that, and therefore you see an elevation of cost happening there. And secondly, we built the whole private credit team where revenues have not started coming in.

I think in asset management, the real cost income reflection may start appearing after 12- 15 months from now when these expenses which we have incurred are actually put to use and money comes in and we start earning on them. Right now, I think it is too premature to talk about that. But yes, of course, after Q4, when the fundraising each of these is happening, and as and when that goes up, you will see gradually the cost income will start improving.

Moderator: Prayesh, do you have any follow-up question?

Prayesh Jain: Yes. So, in the asset management, you mentioned about private credit fund launch. Which category this will be performing credit, special situations, IG credit? What kind of fund that we are launching here?

Ashish Kehair: Between performing and special situations, so not IG, and not full special situation, which is 20% plus. This will be like 15% to 18%, 15% to 17%, that range.

Prayesh Jain: Got that. And last question on the clearing custody business. What's the mix between the foreign money and domestic in terms of assets or revenues, whichever way you can split it for us?

Ashish Kehair: Broadly, it ranges. In some quarters, it will be 25:75. In some quarters, it will be 20:80. But the range is, I mean, if you take on a full year basis, it's normally between 25% domestic and 75% FPI.

Prayesh Jain: Got that. Thank you and all the best. Thanks.

Moderator: Thank you. Next question is from the line of Lalit Deo from Equirus Securities. Please go ahead.

Lalit Deo: Yes, hi, sir. Good afternoon, and congratulations on a good set of numbers, as well as Happy Diwali. Sir, just two questions. Firstly, on the AMC business. Just to understand the loss which we had recognized in this quarter as a one-time loss. Is it more because that we had assigned some returns to the investors, and probably because the strategy was not able to give those returns, so that is why we are incurring those losses?

Or is it more of an operational losses that we have incurred in this? Secondly, on the clearing business, as you mentioned, sir, for this year, the yields are likely to be in the range of around 2.6%-2.8%. How should we look at the retentions for the next couple of years?

Ashish Kehair: First on the Asset Management side, it's not any committed return-related loss to investors. Basically, this fund was launched in an era where AIFs could pay upfront distribution cost. That upfront distribution cost, because you're pre-winding the fund, the unamortized portion. Let's say we raised a fund of INR1,000 crores, out of which we called for only INR300 crores.

That balance INR700 related distribution cost, we have to fast-forward the amort and write it off, right? That is what happened in this INR16 crores. What Bharat mentioned, that there will be accelerated amortization of remaining, which is for the INR300, over the next 12 months as we give money back from the previous deals, that INR8 crores, INR10 crores will also get amortized. It's basically unamortized distribution cost and not to do with the client returns in any manner.

On clearing assets, I think, see, it's a function of two things. One, it's a function of the split between cash collateral and G-sec collateral. If the cash collateral and G-sec collateral, which right now for us hovers around 38% to 40% is cash and rest is G-sec, and if the yields on the deposits remain at the place where we are with, let's say, plus-minus 50 basis points, then your yield should be between 2.5%- 2.8%, even for the next two years.

In a scenario where some FPI becomes very, very large, then these ratios of cash to G-sec collateral breaks down, because when they become very large, they want higher G-sec, lower cash. Yield will fall, but your absolute income will still grow. So, I think it is not relevant right now to focus that much, because right now, if you project an increase in collateral, which is more in line with reasonable numbers of, say, 15%, 20%, 25%, then you can assume that the yield stays here.

If, let us say, the collateral doubles from here, then the yield will fall because those ratios of G-sec and cash changes. So, I think for your purpose, you can assume the yields to remain between 2.5%-2.8% for next two years.

Lalit Deo: Sure, sir. Thank you. That is it.

Moderator: Thank you. Next question is from the line of Manas Agrawal from Sanford C. Bernstein. Please go ahead.

Manas Agrawal: Hi, thank you for the chance to ask a question. Just want to understand a couple of things. I think the Anugrah liability was settled in your favour. So, I assume there was some surplus capital in

the clearing entity that was being carried forward. Is that now going to be released at a subsequent date, or that gets consumed in the lending business? That is question number one.

Question number two, if I just look at your asset services, assets under custody on a quarter-over-quarter basis, I see, I think, a 12% increase. Now, Q2 was the CAS quarter where we saw a lot of hesitation from writers. So, did you increase margin requirements, or this was just organic growth in assets under custody? That is question number two.

Ashish Kehair: Anugrah-related excess capital, Manas, was not very high because we had placed a specific bank guarantee, and bank guarantee requires only 25% cash. Let's say we had to place about INR500 crores of bank guarantee, which was essentially earmarked for Anugrah with the clearing corporation that required only INR125-INR130 crores of cash.

That will get used in the business, either in the clearing business for newer clients or in other businesses. It will not create a situation of excess capital in that sense, because we had not used cash in the first place. On the increase of the collateral, I think the impact of cash was actually not felt in the clearing business at all.

This was largely organic because the clients changed their strategy and they did different stuff. For us, actually, we did not see any impact on any client in terms of reduction, and we did not increase the margin, of course. The margin levels were same. I think it was not led by margin increase.

Manas Agrawal: Understood. Thank you.

Moderator: Thank you. Next question is from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha: Thank you for the opportunity. Ashish, you said that your 25% of asset clearing business largely comes from domestic guys, and you are aware about the fact that incrementally new domestic custodian licenses are given. Just wanted to understand from your perspective, how do you see risk to domestic business if eventually these guys also get foreign licenses, maybe in couple of years?

Then how do you see this risk? Maybe clients will not move, but whether there will be a fair probability that your ability to demand for more cash collateral will come down, and therefore, yields in this asset clearing business potentially could be under pressure going ahead. That is my first question.

My second question, just wanted to give a qualitative point, just understand from Private Wealth Management or the ultra-HNI Wealth Management business point of view, your attritions, if you can give a bit of color there. If there are any meaningful, then any immediate slowdown in flows or growth potentially can happen in near term till you manage to get new guys in.

Ashish Kehair: On the first one, Sanketh, actually very difficult for anybody to comment because, what value proposition will the competing players bring? Plus, most of the new license holders happen to

be strong asset managers themselves. Whether that will lead to any kind of resistance from newer guys to open, that is point number two.

Point number three, I think this business never had dearth of competition. I mean, even if you look at it today, there are about 18 to 19 competitors which exist, and these are not trivial names. These are names which are formidable. These are names which are very, very strong in terms of brand, in terms of their ability to give technology, in terms of their ability to leverage their balance sheet, and provide access to capital to these entities. So, I think it is a fair field.

We will have to continue to up our game if we want to maintain market share. Competition is always good because it brings improvement across the board in the product quality. We feel we are reasonably ahead in the race in terms of the value proposition we deliver, because otherwise, for us to command this kind of market share in such a hyper-competitive industry would not have been possible.

But having said that, I mean, we will have to wait and watch as to what others bring to the table and how we counter that. On Private Wealth Management, attrition remains normal. There was one team movement that happened, but we were able to arrest about 75% to 80% of that. We looked at the numbers on a quarter-over-quarter basis. We will actually end up with higher number of RMs on the basis previous quarter. Not that much of a dent. We do not foresee dent in revenue flows or number of RMs.

Sanketh Godha: Understood. And Ashish, if you can qualitatively give our market share in asset clearing in domestic and FIIs, just to refresh or rather to tell a new number, it will be useful.

Ashish Kehair: See, in domestic, we basically track PMS and AIF as a segment.

Sanketh Godha: Yes.

Ashish Kehair: On a book basis, on a full book basis, on PMS, I think we are around 6% to 7%, and on AIFs, we would be order of magnitude maybe around 8% to 9% of the total book. Of the new registrations that happen every year, this is not of the AUM, this is about the new players who get added every year. We are able to capture 25% of those new additions as our clients. Now, how much each of them will grow is a function of their product, their performance, and how they deliver.

But of the new inflow, we are able to capture about 25%. FPI, very difficult to give any market share because, maybe next time around we can come back with the numbers because we play in a very, very specific zone of HFTs and systematic quant funds, whereas the bulge bracket AUM sits in long only, where we are not a player.

Sanketh Godha: Understood. Got it. Perfect. This is very useful. Thanks.

Moderator: Thank you. Next question is from the line of Dipanjan Ghosh from Goldman Sachs. Please go ahead.

Dipanjan Ghosh: Hi. Good morning, everyone. Few questions from my side. First, on the Wealth business, obviously flows have been very strong in Nuvama Private. Just wanted to understand how much of that will be led by monetization events, just specifically for the quarter, and how much would be organically from your existing clients kitty? That is the first question.

Second, if I look at your overall yields in Nuvama Private, Ex of the loans piece, it seems that there has been some improvement. Was there any upfront AIF-related fee booking or fixed income transactions on that part? Can you give some color? And the third piece on the Wealth businesses, on both the businesses, Private plus Wealth put together, if you can quantify the insurance-led revenues for FY2026, what would be that proportion? That would be useful. These are on the wealth businesses. I have one question on the other business, which I maybe can ask later.

Ashish Kehair: Let's go one by one. We'll start with insurance, maybe that is easiest. In Private, insurance is zero. In Wealth, insurance would be about 12%-13% of the revenue. That was first. In Private, when we spoke about the yields, and you said there is a yield improvement, so it would be largely because the proportion of category 2 AIF may have gone higher, and that is the only thing that changes the yield apart from lending.

Since you are looking at ex-lending, the fixed income part gets booked in the transactional income, so it does not sit in ARR. The third one is the monetization impact on net new money. I do not know the numbers for the quarter, but if I look at it for the last 15 months, about 35%-38% of our net new money came from monetization clients. Balance 60% would be from non-monetization, which could be a mix of existing and new clients, both.

Dipanjan Ghosh: Got it, Ashish. Maybe just one small question on your overall Capital Markets business, and especially more towards the ECM part. You gave some color in your commentary, but any quantification of on a, let us say, steady state run rate, in terms of new mandates or new deals, what is your hit rate amongst the broader industry from a revenue perspective, and how has that been tracking, let us say, for the past few quarters or years?

Ashish Kehair: I think, frankly, on the ECM side, there is a scope for us to improve. In terms of the total number of transactions, we would range between 15%-18% participation share. So, let's say out of every 100, we would be there in 18- 20 mandates. We are not so strong in blocks, and maybe slightly better in QIPs and even better in IPOs.

So that would be the range, and we are right now actively working on improving our market share on blocks. So that will be an upside which we'll see. In terms of the pipeline on which we are sitting right now, as I said, we have about 30 mandates on ECM side and about nine on advisory, which can total on a probability adjusted revenue of between INR85 crores-INR90 crores.

Dipanjan Ghosh: Got it. On the Asset Servicing business, I think in your presentation I read somewhere that you intend to offer more services in the ecosystem.

Ashish Kehair: Yes, Trustee and RTA for AIFs and PMSs. Trustee services, both should go live. At least RTA will go live with minimum value proposition by end of November or December, and full-blown by March. Trustee also between Q3 and Q4 will go live.

Dipanjan Ghosh: Got it. Thank you, Ashish and the team, and all the best.

Moderator: Next question is from the line of Sanidhya from Unicorn Assets. Please go ahead.

Sanidhya: Hi, team. Good afternoon. Festive greetings to all of you. My question is on the Asset Services and the Capital Markets. If you see quarter-over-quarter, we see marginally flat to lower revenues on both the streams. If you could highlight the impact of CAS versus the normal organic growth that we were seeing in the client additions, also on the fixed income products and others, that would be helpful.

Ashish Kehair: Yes, so Capital Markets, if you see, there were three vectors which were playing. In Q1, we had an exceptional quarter in the fixed income side, and we had said that there is about INR20 crores-INR25 crores of extra revenue in our assessment as compared to BAU run rate, and that has played out.

Fixed Income between the two quarters fell by that much, and now we are at a steady state basis. ECM was opposite. ECM Q1 was fully dry. There were only four IPOs in our target market segment across the market, and that increased to 40 IPOs, or 38 to be precise. And there we were able to capture a large number of deals.

Obviously, revenues of some of those deals will come in Q3 also, so not everything could have been monetized, but there was more than 2.5x-2.6x jump between quarter one and quarter two on ECM. Institutional Equity, on the other hand, again divergent. We saw deal-related revenues going up because of the ECM share, but CAS had an impact of at least INR2 crores-INR3 crores per month, which I think from December, after the old model comes in, it will get reversed. So, I think these three vectors basically led to that combined number which you are seeing.

Sanidhya: CAS impact would be largely on the Asset Services part, right?

Ashish Kehair: No, CAS impact was only on Institutional Equities, broking income. Asset Services was no impact at all.

Sanidhya: Okay. Are we seeing that quarter-over-quarter Asset Services revenue is growing because of the newer client additions and the overall pie growing?

Ashish Kehair: Yes. Q1, we had mentioned that there were some new client additions where the collateral had just come in and the proportion of cash was higher, and that will get normalized by Q2. That normalization happened in Q2. Although the assets have still gone up, but because of the normalization, that revenue came down.

Sanidhya: Yes. Now we are seeing the activity in the options market is also back to normal, and on the BSE and NSE is also catching up. Should we expect that largely from here on, it should be normal growth, 4%-5%, whatever is the normal base?

Ashish Kehair: Yes, I think that should be appropriate.

Sanidhya: Okay. On the other part, the Private, anything to read other than the few quarterly differences in the composition? This quarter ARR is higher than transactional. It says the transactional was low, so therefore ARR looks higher, like 50% should be normal?

Ashish Kehair: Yes, I am thinking it should be the normal. Between 60%- 65%, it will keep ranging.

Sanidhya: Okay. And lastly, on the custody business, we have 49% JV. We saw quite a decline in the revenues and profits both. Could you highlight that?

Ashish Kehair: That is a very small profit entity, and much of the revenue actually comes through referral into the clearing entity itself. It may have been related to some costs that would have been incurred in that. The overall quantum of profit there, which sits there, is actually minimal.

Sanidhya: Do you plan to merge it or acquire the 51%?

Ashish Kehair: Yes, we will. As the new license regime is now changing, we will also proceed to do that. But we have to first go to our Board, and then our counterparty has to go to their Board. All those procedures, we are talking to the regulators, but eventually, yes, it will happen.

Sanidhya: Okay. I was just elaborating this a bit. How do we see the opportunity overall in the custody business? Even now, the newer players are also joining, so I guess Motilal also got a new license in this regard.

Ashish Kehair: I think over the next two years, you will see more number of licenses coming in. Mostly all financial services firms will apply and get if SEBI is liberal in giving the licenses. But I think there are actually, the number of licenses which are existing even today are reasonably high. The environment will become a bit more competitive. I think the value proposition of every player will have to improve to maintain market share and to keep growing the market share. But market is also expanding substantially.

Sanidhya: Yes.

Ashish Kehair: I think over the last 10 years, if you see, the market has expanded multi-fold, whereas the service providers have not expanded. I think it is now time for a bit of correction on that front. But we are fairly confident that we will want to keep improving our product proposition and maintain our lead.

Sanidhya: I think the acquisition part would more likely drive the urge for us to even improve on what we are offering and rather gain some than lose some, right?

Ashish Kehair: Not necessarily, because that doesn't drive. The revenue capture largely happens in clearing, whereas the service is the custody service, where I think we are top-notch. I don't think that acquisition will lead to any change in our outlook or value proposition. It's just a legal adjustment of the entities. That's it.

Sanidhya: Okay. Is there any impact we see on clearing revenues if there is some loss in the custody part, given the competitive environment?

Ashish Kehair: No.

Sanidhya: No, right?

Ashish Kehair: No. Right now, the licenses do not cover the FPI business, is what we understand, and it will take at least two, three years more. We will see how the business evolves over the two, three years, because we are also making changes and doing addition in terms of our product, which will have more client segments to reach. So, I think that is also happening right now.

Sanidhya: And under which business segment do we declare the custody income? It is separate, right?

Ashish Kehair: Yes. Asset Services is where it comes, and then custody is a profit pickup, which comes because it is 49% only, so we do not consolidate line by line.

Sanidhya: Thank you.

Moderator: Thank you. Next question is from the line of Shrenik Mehta from IndoAlps Wealth. Please go ahead. Shrenik, may I request you to unmute your line and proceed with your question, please? Shrenik, can you hear us? Due to no response, we move on to the next participant. Next follow-up question is from the line of Manas Agrawal from Sanford C. Bernstein. Please go ahead.

Manas Agrawal: Hi. A follow-up question. I think a couple of last con calls you mentioned that you are trying to get your Asset Services clients also engaged in the commodities market. Wanted to get a sense of what the feedback has been from clients over there and how activity levels are ramping up.

Ashish Kehair: They are starting out, but overall assessment of the opportunity, what we see right now is like 7%-8% of the size of the opportunity in equity derivatives. People are keen. Out of our client set, I think four or five have started, and some are ramping up the margins also. Maybe it will take another two, three quarters to see the steady state levels.

Manas Agrawal: Understood. Thank you.

Moderator: Thank you. Next follow-up question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead. Prayesh, may I request you to unmute your line and proceed with your question, please?

Prayesh Jain: Yes, sorry. It's just a follow-up question. On commodities, what you were mentioning right now, what's the kind of factors that are restricting them to go for it all out? Does a co-location is a requirement for them? What is the kind of hindrance that you are getting feedback from them?

Ashish Kehair: I think it's just prioritization and where they want to focus first and sequencing. I don't think it's a restriction on the side of the infrastructure provided by the Exchanges or India right now. That's what my sense is. Maybe I'll have a detailed understanding in the next quarterly call update further.

But I don't think it's right now, because whatever discussions we've had, we've not heard the team saying that, "If this happened, it can become faster." It's just sequencing and the time it takes. Because the teams are separate, they have to get those teams organized. They have to take a call whether they want to set up a research team in India or not. Then the infrastructure, then the algo, then the testing of the algo. So, it's a full battery. It's not just buying and selling a single trade.

Prayesh Jain: All right. Got that. The other question was, if you look at your balance sheet now, you were mentioning about the debt-to-equity 2.9x, want to be comfortable at 2.5x. Would this restrict your possibility to grow the business on the lending side in any way?

How do you think about the balance sheet? Just stopping dividends for a half a year wouldn't play a meaningful role in strengthening it. How do you think about the balance sheet from here now?

Ashish Kehair: We will have to look at the dividends and maybe see whether we overall continue with that 40%-60% payout, because that can now become detrimental for shareholders. When we started, or when we went into that dividend of 40%-60%, we felt that it is better to give the money back than to keep with us.

But with ROEs now ranging at 29%, we are getting opportunities to deploy. One way is to continue to give dividend and raise capital from the market, which personally we feel is not the correct way, because people end up paying taxes on dividend, and then you are going and diluting further by raising a QIP or doing stuff like that.

Maybe a saner approach is if you are having a more productive use of capital inside, you reduce the dividend to certain level, keep a minimal dividend, and then improve your debt-equity and also continue to deliver growth. I think that is a debate we are having with our Board right now.

Prayesh Jain: But Ashish, does it restrict you to grow the lending book in any form?

Ashish Kehair: It will, no. See, we are not a corporate or a big bank-owned NBFC. Our peers, let's say both Motilal and 360 ONE, would be at a debt-to-equity of 1.5x. Our rating and 360 ONE rating are at the same level. Motilal is one notch above. If we continue to increase the DE, it puts rating also under watch.

It pulls up the covenants of banks also who have given lending. It pulls up the covenants of NCDs also. For an NBFC of our type, generally we have seen rating agencies, banks, everybody is comfortable if you are below 3x, and they are very, very comfortable if you are around 2.5x. If you are actually coming back to 2.5x, and then if you are able to generate a profit of, say, INR1,200 crores-INR1,300 crores a year, if you give out dividend of even, say, INR200 crores, and these are all hypothetical numbers, please, because nothing has been discussed at the Board.

On INR1,000 crores with 2.5x, you can add another maybe INR3,000 crores. So, INR4,000 crores of expansion is available to you for the book, which on a book of, let's say, six thousand plus three thousand, nine thousand, or six thousand plus four thousand, 10 thousand right now,

you still can grow by 40%. I think right now it seems like the internal accruals are enough to fund the future expansion, and we may not need to access the capital markets.

Prayesh Jain: Got that. Last question, anything on PAG stake sale? We keep hearing news in the markets with respect to various things. Anything that you can highlight on this call?

Ashish Kehair: Nothing as of now. I mean, that process is being done by the shareholders. As I said, if anything meaningful happens which requires us to disclose, we will immediately disclose.

Prayesh Jain: Got that. Thank you.

Moderator: Thank you very much. As there are no further questions, I will now hand the conference over to the management for closing comments.

Ashish Kehair: Thank you, Nirav. I want to thank all the participants for taking time out on this extended weekend. It is the Diwali weekend, and would like to apologize for inconveniencing them. But thank you for being here. Would look forward to meeting everybody in the next quarter. Wish you a very happy Diwali once again.

Moderator: Thank you so much.

Bharat Kalsi Thank you.

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