

Nuvama Wealth Management Limited (Revised)

July 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	500.00 (Enhanced from 200.00)	CARE AA; Stable / CARE A1+	LT rating upgraded from CARE AA-; Stable and ST rating reaffirmed
Issuer rating Issuer Rating	0.00	CARE AA; Stable	Upgraded from CARE AA-; Stable
Commercial Paper	1,000.00 (Reduced from 1,800.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of Nuvama Wealth Management Ltd (NWML) along with its 12 subsidiaries including Nuvama Wealth and Investment Ltd (NWIL), Nuvama Wealth Finance Ltd (NWFL) and Nuvama Clearing Services Ltd. (NCSL), an associate and a joint venture (together referred as Nuvama Group) while arriving at the ratings.

The upgrade in ratings assigned to debt instruments of the Nuvama Group factors in healthy growth in the wealth management, asset services and capital market segments, which further strengthens its established market presence, and its improving profitability, supported by a diversified business model across wealth management, asset management, asset services and capital markets (comprising of institutional equities and investment banking). As on March 31, 2025, Nuvama Group's client assets under advisory (AUA) stood at ₹4,30,651 crores (FY24: Rs 3,45,957 crore), recording a Y-o-Y growth of 24% making it the second-largest independent wealth management player in India. The growth in the client assets was driven by scale up in asset servicing growth in the wealth management segment supported by net new money and mark-to-market (MTM) gains.

On a consolidated level, NWML reported a consolidated profit after tax (PAT) of ₹985 crore during FY25, up from ₹625 crore during FY24, with a notable improvement in return on net worth (RoNW) to 31.79% compared to 25.09% during FY24. While the company was able to bring down its cost to income ratio to 60.29% in FY25 from 67.70% in FY24, it remained elevated in absolute terms. Cost to income ratio is expected to remain in similar range as the company is focusing on building the wealth management capabilities by onboarding relationship managers (RMs). Considering the recent repo rate cuts, retention on clearing assets earned by the company is expected to decline, which is likely to be counterbalanced by addition of new clients in this segment. Rating also factors in comfortable capitalisation with reported TNW of ₹ 3,405 crores, which is adequate to support the current scale of operations.

However, the ratings remain constrained by the concentrated resource profile, with 45% of borrowings sourced from its own client base via Principal Protected Market Linked Debentures (PPMLDs) and 22% from Commercial Papers (CPs). Additionally, Nuvama group's earnings are susceptible to volatility in capital markets, regulatory changes, and attrition risk, particularly in its wealth management business where client relationships are closely tied to individual RMs.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Improvement and diversification in the profitability profile of the company on sustained basis
- Sustained growth in asset under management (AUM) with higher share of ARR assets

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Material and prolonged erosion in the AUM with high client and employee attrition
- Regulatory action in wealth management segments resulting in change in the business profile.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

- Overall gearing exceeding 3x on a consolidated basis.
- Venturing into unrelated businesses

Analytical approach: Consolidated

NWML owns 100% in most of its subsidiaries and the management or line functions for these businesses is common with significant operational and financial integration among them. As on March 31, 2025, the group had 12 subsidiaries, one associate and one joint venture, that are enlisted in Annexure 6.

Outlook: Stable

CareEdge Ratings believes that NWML, at a consolidated level, will continue to demonstrate stable financial performance considering its established presence in the wealth management business while maintaining comfortable capitalisation and synergies with group companies.

Detailed description of key rating drivers:
Key strengths
Established market position in wealth management business

Nuvama Group operates in four business segments namely Wealth Management (ultra-high net worth individuals [UHNIs], high net worth individuals [HNIs] and Affluent), Asset Management, Asset Services and Capital Markets (Institutional Equities and Investment Banking). The number of relevant families, including HNIs and UHNIs, served by the company increased from 3,600 to 4,250. In addition, the company currently serves over 1.2 million affluent clients. It is the second-largest independent wealth management player in India as reflected in the client assets which stood at ₹ 4,30,651 crore as on March 31, 2025, with net new money of ₹ 15,689 crore in wealth segment and ₹ 4,450 crore in asset management segment. The asset management business being relatively at a nascent stage, has an AUM of ₹11,307 crore as on March 31, 2025. Asset servicing segment's asset under custody and clearing also reported growth of 38% to ₹ 1,26,046 crore for FY25 from ₹ 91,156 crores.

NWML has a subsidiary, NWFL, which is a registered non-banking finance company (NBFC) that provides loans against securities, ESOP funding, to the existing clients of the wealth management business with a loan book of ₹ 3,171 crore as on March 31, 2025. Nuvama group has 1,387 RMs and 352 team leaders as on March 31, 2025. The reported asset quality indicators remain comfortable with no reported gross non-performing asset (GNPA), collateral cover of around 3 times and zero credit losses since inception. Since the loan book is backed by financial assets, the books are susceptible to volatility in the capital markets.

NCSL, a wholly owned subsidiary of NWML, is a professional clearing member engaged in clearing business and settles trades of clients and further provides fund accounting services. It serves over 250 institutional clients including Foreign Institutional investors (FII), Alternate Investment Funds (AIF) and Portfolio Management Services (PMS). NCSL is the largest revenue and profitability contributor of the Nuvama group. During FY25, assets under clearing reported growth of 19% while it contributed 24% to the consolidated revenue and 51% to the consolidated PAT.

Furthermore, NWIL, which is wholly owned subsidiary of NWML, primarily provides wealth management solutions, margin trade funding and ESOP Funding having a loan book of ₹ 1,429 crore as of March 2025.

Improving Profitability on account of diversified business segments

The company reported an improved RoNW of 31.79% as on March 31, 2025 (FY24: 25.09%). On a consolidated basis, in FY25, NWML reported a consolidated PAT of ₹985 crore on a total income of ₹4,158 crore compared to FY24 when it reported a PAT of ₹625 crore on a total income of ₹3,107 crore. Profitability is distributed across group entities, with approximately 51% of the PAT in FY25 contributed by NCSL, 19% by NWIL, 17% by NWML, and 9% by NWFL. The company's cost to income in FY25 decreased to 60.29% from 67.70% during FY24. Nuvama group's continuous team building effort is expected to keep cost to income ratio largely in line with the current level. Following recent repo rate cuts, returns from clearing assets are expected to decline; however, this is likely to be offset by onboarding new clients in the segment.

Overall, regarding profitability, the company has been able to maintain sustained growth and has seen healthy momentum across its wealth and capital market businesses. Going forward, CareEdge Ratings expects further diversification of profitability along with sustained growth.

Strong and resourceful promoter

PAG is an Asia based alternative investment manager with US \$57 billion of assets under management in private equity, real assets, credits & markets. It has 8 offices in Asia with additional offices in London and New York. PAG is focussed primarily in three sectors in India viz financial sector, health sector and pharma sector. Thus, NWML (wealth management business) has been identified as a key focus area for the group's overall investment plan. PAG had invested ₹ 2,366 crore for majority stake in NWML, including primary and secondary investments. As on March 31, 2025, PAG holds 54.78% stake in Nuvama. Association with PAG has benefitted Nuvama in terms of client acquisition in the wealth and asset management business and in raising the resources at competitive prices. PAG is expected to continue to support the group going forward.

Experienced management team

Nuvama Group's senior management team has significant experience and expertise in the wealth management business, which has helped them grow into second-largest independent player in the wealth management industry. Mr. Ashish Kehair, Managing Director and CEO has over two decades of experience in areas of Private Banking and Wealth Management. NWML's board comprises of 8 directors; of which, four are independent directors. Apart from the senior management, the team leaders and RMs have average experience of over five years.

Comfortable Capitalisation level

NWML's capitalisation remains comfortable with tangible net worth of ₹ 3,405 crores as on March 31, 2025, compared to ₹ 2,792 crore as on March 31, 2024 supported by healthy internal accruals post dividend payout. For FY25, the company's gearing on a consolidated basis stood at 2.3x (PY: 2.42x). The gearing level is expected to remain within 2.5 times over the medium term. CareEdge Ratings expects NWML to continue maintaining healthy capitalisation in the future, supported by steady earnings and a balanced approach to dividend payouts.

Key weaknesses**Concentrated resource profile**

NWML's resource profile remains concentrated with the company's borrowings largely being from PP-MLDs (around 45% of the consolidated borrowings as on March 31, 2025), followed by considerable reliance on CPs (22%). The other source of fund includes non-convertible debentures (15%) and bank facilities (14%). The total borrowing of the company is majorly deployed towards lending book (Loan against securities, Margin Trade Funding and ESOP funding) while balance is used towards meeting margin requirement with the stock exchanges. CareEdge Ratings expects the borrowing to be deployed only for the lending and margin requirement purposes, and use of the same remains monitorable.

Furthermore, the company was able to raise borrowings at competitive rates in FY25 and the ability of the company to reduce its cost of funds will be a key monitorable. As on March 31, 2025, the average cost of borrowings stood at 8.95% (PY: 8.83%).

Exposure to volatile capital markets, regulatory risk, and attrition risk

NWML's earnings are exposed to the volatility in the capital markets and lower net inflows could impact the revenue growth. The revenues are further susceptible to regulatory changes and any unanticipated change can adversely impact the business. Furthermore, the ability to retain key personnel is important in the wealth management business as change in relationship personnel may bring a change in relationship with the client, impacting the client attrition.

Attrition in team leads was at 18% for FY25, a marginal improvement over FY24 (19%). As wealth management business is mainly driven by RMs, the attrition remains a key monitorable.

Liquidity: Strong

The company has strong liquidity with no negative cumulative mismatch as per the asset liability maturity profile of the company as on March 31, 2025. On a consolidated basis, NWML has strong liquidity cushion of ₹2,155 crore as of March 2025 including cash and cash equivalent of ₹ 1,559 crore and the unutilised lines of ₹ 498 crore against repayment of ₹ 1,839 crore for the next three months.

Environment, social and governance (ESG) risks

The company has adopted a structured ESG framework aligned with the United Nations Sustainable Development Goals, with initiatives spanning environmental sustainability, social responsibility, and governance practices. On the governance front, it has implemented a board-approved ESG policy and established a dedicated ESG Committee. It published its first Business Responsibility and Sustainability Report (BRSR) for FY24 and conducted its initial Information Security Systems Audit in FY25. All employees have been trained on data privacy and security, and the company reported zero instances of non-compliance, corruption, or data breaches during the year. NWML has 4 experienced independent directors (including one female independent director) with good mix of business and functional skills.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Issuer Rating](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios - Financial Sector](#)
[Service Sector Companies](#)
[Broking Firms](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Capital Markets	Other Capital Market related Services

Nuvama Wealth Management Limited, erstwhile Edelweiss Securities Limited, was incorporated in 1993. It was earlier a wholly owned subsidiary of Edelweiss Financial Services Limited. Incorporated in 1993, NWML is a public limited company incorporated under the provisions of the Companies Act. PAG is the promoter of NWML. The company is registered as a Trading cum Clearing Member with the National Stock Exchange of India Limited and the BSE Limited. Also, NWML is registered as a Trading Member with Metropolitan Stock Exchange of India Ltd, Multi Commodity Exchange of India Limited and National Commodity Exchange of India Limited.

Nuvama Wealth Management carries on the business of broking and trading in equity securities (including derivatives and currencies) listed on stock exchanges in India and in futures contracts, for institutional and non-institutional (including retail) clients. It is also registered with SEBI registered to carry on the business of Research Analyst, Investment Adviser and Merchant Banking. NWML through its subsidiaries provides wealth management, asset management and custody services to its clients along with trading in securities and derivatives.

PAG is the parent of the Nuvama Group holding 54.78% stake as on March 31, 2025. Nuvama focuses on affluent, HNI and UHNI clients and caters to ~1.2 million affluent and HNI clients and 4,250 families as of March 2025.

NWML – Consolidated

Brief Financials (₹ crore)	31-03-2023 (A)	31-03-2024 (A)	31-03-2025 (A)
Total Income	2,230	3,158	4,169
PAT	305	625	985
Overall Gearing	2.47	2.42	2.30
Adjusted Total Assets	12,716	20,387	28,302
ROTA (%)	2.62	3.78	4.04
RONW (%)	14.62	24.24	31.79

A: Audited; Note: the above results are latest financial results available; Tangible net worth and adjusted total assets are net of intangible and deferred tax assets

All ratios are as per CARE calculations.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Commercial Paper	INE531F14EX2	11-Dec-24	9.25%	08-Dec-25	75	CARE A1+
Commercial Paper	INE531F14EZ7	04-Feb-25	8.55%	04-Aug-25	10	CARE A1+
Commercial Paper	INE531F14FB5	21-Feb-25	8.35%	20-Aug-25	5	CARE A1+
Commercial Paper	INE531F14FD1	19-May-25	8.68%	14-Nov-25	50	CARE A1+
Commercial Paper	INE531F14FD1	19-May-25	8.68%	14-Nov-25	5	CARE A1+
Commercial Paper	INE531F14FD1	19-May-25	8.68%	14-Nov-25	20	CARE A1+
Commercial Paper	INE531F14FE9	20-May-25	8.30%	18-Aug-25	25	CARE A1+
Commercial Paper	INE531F14FE9	20-May-25	8.30%	18-Aug-25	5	CARE A1+
Commercial Paper	INE531F14FF6	28-May-25	8.00%	26-Aug-25	100	CARE A1+
Commercial Paper	INE531F14FG4	06-Jun-25	7.90%	04-Sep-25	125	CARE A1+
Commercial Paper- Commercial Paper (Standalone)- Proposed		NA	NA	NA	580	CARE A1+
Fund-based/non-fund-based-LT/ST-Proposed		-	-	-	500	CARE AA; Stable / CARE A1+
Issuer Rating-Issuer Ratings		-	-	-	0	CARE AA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s)	Date(s) and Rating(s)	Date(s) and Rating(s)	Date(s) and Rating(s)

					assigned in 2025- 2026	assigned in 2024- 2025	assigned in 2023-2024	assigned in 2022- 2023
1	Commercial Paper- Commercial Paper (Standalone)	ST	1000.00	CARE A1+	-	1)CARE A1+ (05-Jul- 24)	1)CARE A1+ (07-Nov-23) 2)CARE A1+ (06-Jul-23)	1)CARE A1+ (07-Jul- 22)
2	Debentures-Market Linked Debentures	LT	-	-	-	-	1)Withdrawn (06-Jul-23)	1)CARE PP-MLD AA-; Stable (07-Jul- 22)
3	Debentures-Market Linked Debentures	ST	-	-	-	-	1)Withdrawn (06-Jul-23)	1)CARE PP-MLD A1+ (07-Jul- 22)
4	Issuer Rating- Issuer Ratings	LT	0.00	CARE AA; Stable	-	1)CARE AA-; Stable (05-Jul- 24)	1)CARE AA-; Stable (07-Nov-23) 2)CARE AA-; Stable (06-Jul-23)	1)CARE AA-; Stable (26-Dec- 22) 2)CARE AA- (Is); Stable (07-Jul- 22)
5	Fund-based/Non- fund-based-LT/ST	LT/ST	500.00	CARE AA; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (05-Jul- 24)	1)CARE AA-; Stable / CARE A1+ (07-Nov-23) 2)CARE AA-; Stable / CARE A1+ (06-Jul-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Nuvama Wealth Management Limited	Full	Holding
2	Nuvama Wealth and Investment Limited	Full	Subsidiary
3	Nuvama Wealth Finance Limited	Full	Subsidiary
4	Nuvama Clearing Services Limited	Full	Subsidiary
5	Nuvama Asset Management Ltd	Full	Subsidiary
6	Nuvama Investment Advisors (Hongkong) Private Limited	Full	Subsidiary
7	Nuvama Capital Services (IFSC) Ltd	Full	Subsidiary
8	Nuvama Financial Services Inc	Full	Subsidiary
9	Nuvama Investment Advisors LLC	Full	Subsidiary
10	Nuvama Financial Services (UK) Ltd	Full	Subsidiary
11	Nuvama Wealth Management (DIFC) Ltd	Full	Subsidiary
12	Nuvama Custodial Services Ltd	Proportionate	Associate
13	Pickright Technologies Pvt Ltd	Proportionate	Subsidiary
14	Nuvama and Cushman & Wakefield Management Private Limited	Proportionate	Joint Venture

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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