Management Discussion and Analysis

India's Pathway to Growth: Opportunities and Strategic Positioning in the Financial Services Sector

EXECUTIVE SUMMARY

India stands at the cusp of significant economic expansion, fuelled by robust macroeconomic fundamentals and a burgeoning domestic market. The nation's Gross Domestic Product (GDP) has demonstrated impressive growth, and per capita consumption is on an upward trajectory, indicating improving living standards. Capital expenditure, particularly driven by government initiatives, is laying the groundwork for sustained development while consumer confidence remains buoyant, reflecting a positive outlook on the economic future. Correspondingly, enabling government policies and a thriving entrepreneurial ecosystem are creating a fertile environment for growth beyond the country's metros. External anomalies like geopolitical strife, tariff wars, etc., notwithstanding, India seems well-positioned to continue unabated on its economic ascent.

In the backdrop of such a landscape, an efficient and robust financial system will be fundamental to the country's sustained and inclusive economic growth. Currently, the total value of financial assets in India is less than two times its GDP. When compared to more developed economies such as the United States and China, where financial assets are four to five times their respective GDPs, this indicates a substantial potential for growth within India's financial services sector. Given the critical role of financial services in driving economic expansion, India's financial services sector needs to grow at twice the rate of GDP growth over the next two decades to achieve the nation's aspiration of becoming a developed economy by 2047.

Within the vast landscape of the financial services space, sectors that will play the catalytic role of growth drivers include wealth and asset management, broking, distribution, and lending. These sectors are already experiencing substantial market expansion and are projected to continue their high-growth trajectory. Opportunities abound within these spaces, driven by the increasing number of Ultra-High-Net-Worth Individuals (UHNIs) and High-Net-Worth Individuals (HNIs) in the country, expansion in the size of the affluent population, rising aspirations driven by the consumption economy, and demand for seamless digital engagements.

360 ONE WAM has strategically positioned itself to capitalise on these opportunities through its recent acquisitions of B&K Securities and ET Money, including an exclusive strategic collaboration with UBS. These acquisitions enhance its capabilities across various client segments and market segments even as we remain tethered to our core wealth and asset management business.

A comprehensive overview of the global and Indian market landscape reveals both challenges and opportunities, with global trade tensions and moderate growth forecasts juxtaposed against the resilience and potential of the Indian equity, debt, alternative, and real estate markets. Looking ahead, 360 ONE WAM can leverage its enhanced position to pursue sustained growth and value creation in the dynamic Indian financial ecosystem.

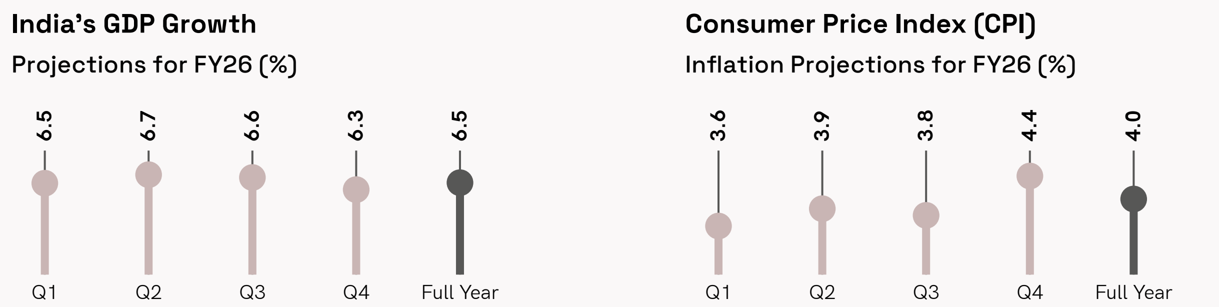
SECTION 1: INDIA'S MACROECONOMIC LANDSCAPE – FOUNDATIONS FOR GROWTH

Robust macroeconomic parameters form the foundation for enduring economic growth, one which might get temporarily derailed from its growth trajectory due to external and internal shocks, but is resilient enough to get back on track with minimal damage.

1.1 GDP Growth

India's economic growth has been a significant highlight in recent years. Over the past decade, India's GDP has doubled, a remarkable feat that has propelled the nation from the 10th to the 5th largest economy in the world. This economic transformation has occurred despite global headwinds and the significant impact of the COVID-19 pandemic.
The real GDP growth rate for FY24 reached 9.2%, marking the highest growth in the past 12 years, except for the 9.7% growth achieved in FY22[1]. While future growth projections are a bit tempered, they continue to be more robust than those of leading global economies. The Reserve Bank of India (RBI) projects a healthy GDP growth of 6.5% for FY26[2]. This rapid ascent in the global economic rankings signifies the strength and potential of the Indian economy.

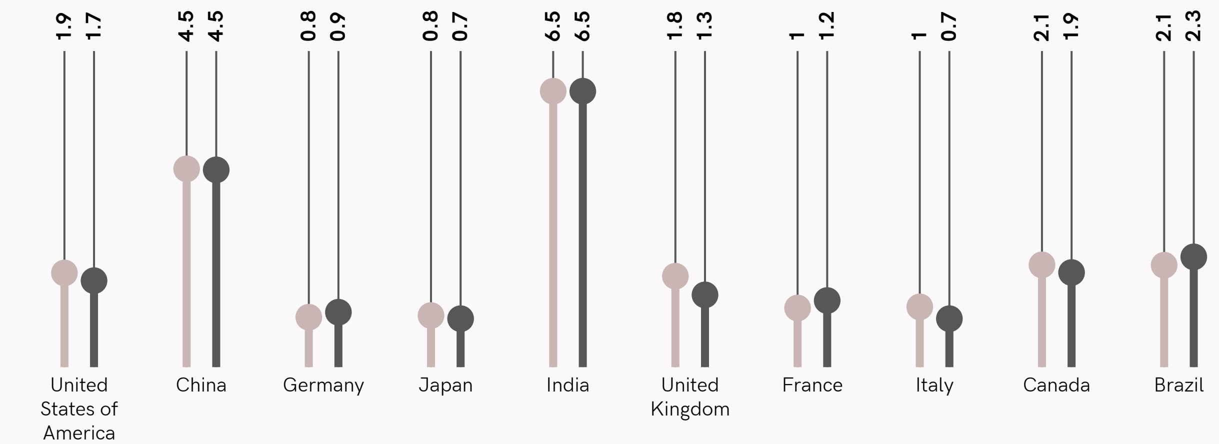
Exhibit 1: India's GDP Growth Projections



Source: Reserve Bank of India

Exhibit 2: GDP Projections of Top 10 Largest Economies

India will continue to be the world's fastest growing major economy in the coming years, as per IMF projections.

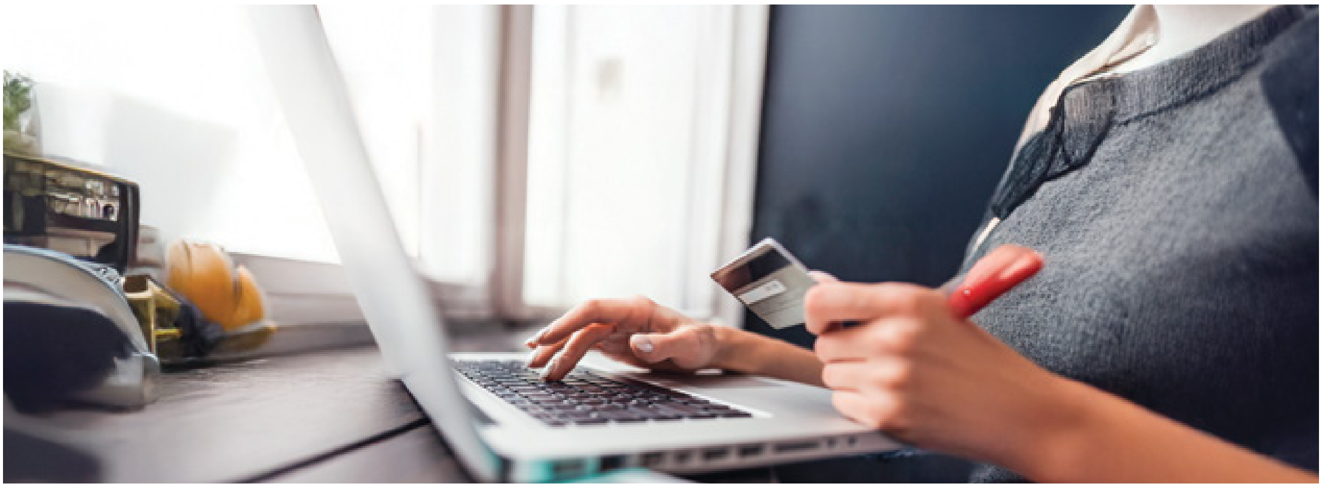


*For India, data and projections are presented on a fiscal year (FY) basis. India's growth projections are 6.8% for 2025 and 6.5% for 2026 based on calendar year.

Source: IMF World Economic Outlook January 2025 Update

GDP growth 2025 GDP growth 2026

1 https://timesofindia.indiatimes.com/business/india-business/in-7-charts-how-indias-gdp-has-doubled-from-2-1-trillion-to-4-2-trillion-in-just-10-years/articleshow/119545395.cms
2 https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2120509



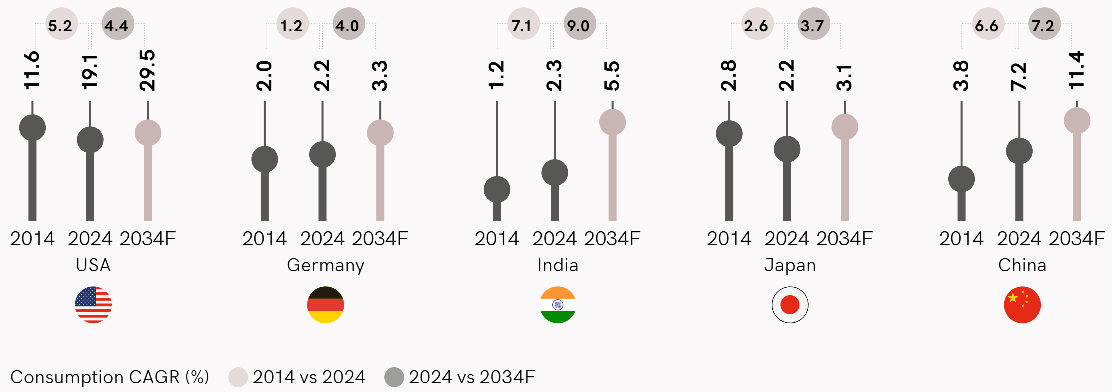
1.2 Per Capita Consumption

Trends in per capita consumption in India indicate a consistent improvement in living standards. The Monthly Per Capita Consumption Expenditure (MPCE) has witnessed a substantial increase in both rural and urban areas between the fiscal year 2011-12 and 2023-24[3]. Notably, the gap in consumption expenditure between urban and rural populations has been narrowing, suggesting a more inclusive pattern of economic growth and wealth distribution. Overall consumer spending in India reached $2.15 Trn in the year 2023, marking a significant increase of 5.34% from the previous year[4].

Exhibit 3: India's Consumption Growth to Outpace other Economies[5]

India to Witness the Highest Growth in Consumption between 2024-2034F

Current Consumption ($ Trn)



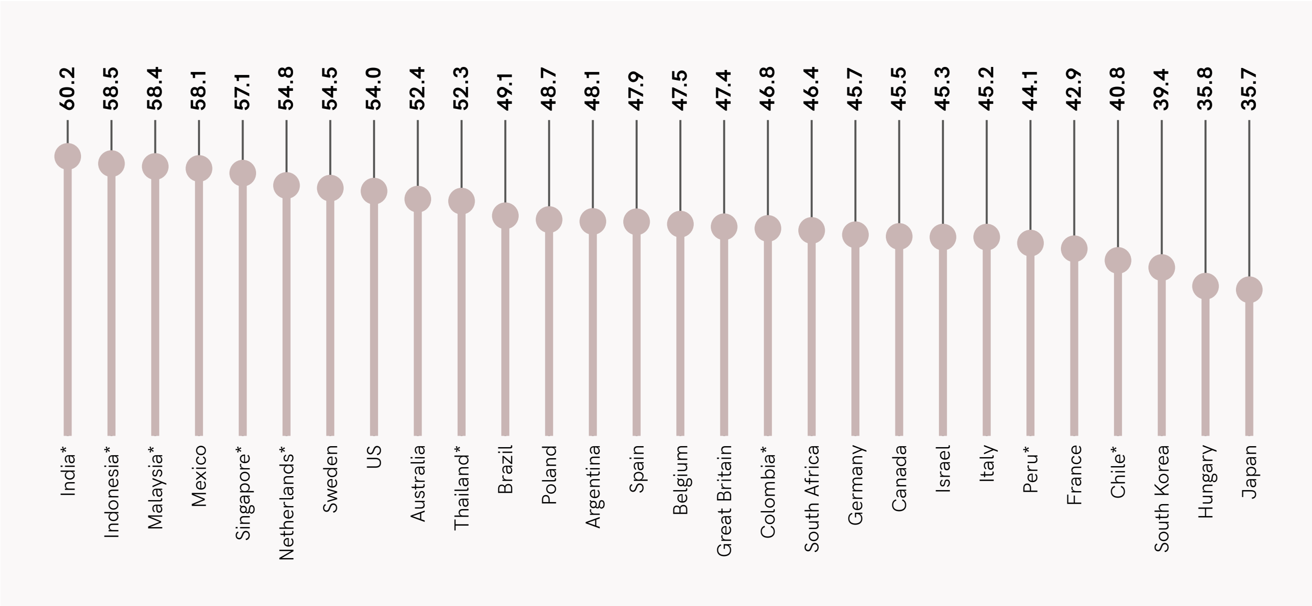
Note: Private consumption expenditure at current market prices in USD (nominal private consumption)

Source: Oxford Economics, BCG Analysis

More importantly, consumer confidence remains upbeat with key indicators presenting a positive outlook. The March 2025 report of the LSEG-Ipsos Primary Consumer Sentiment Index (PCSI) revealed an upturn in consumer sentiment, with a notable increase of 2.2%[6]. This improvement was observed across all four sub-indices of the PCSI, with a particularly significant jump in sentiment related to the economy and job prospects. Among the 29 countries surveyed, India holds the highest National Index score at 60.2, making it the only country with a score of 60 or higher. This high level of consumer confidence suggests a strong underlying optimism about the nation's economic trajectory.

3 https://www.pib.gov.in/FactsheetDetails.aspx?Id=149091&reg=3&lang=1
4 https://www.macrotrends.net/global-metrics/countries/IND/india/consumer-spending
5 https://web-assets.bcg.com/ca/05/581fd7834250b8f39c7eba8ebb8f/rai-report-2025.pdf
6 https://www.ipsos.com/en-in/consumer-sentiment-shows-upturn-march-2025-major-upsurge-sentiment-economy-and-jobs-lseg-ipsos-pcsi

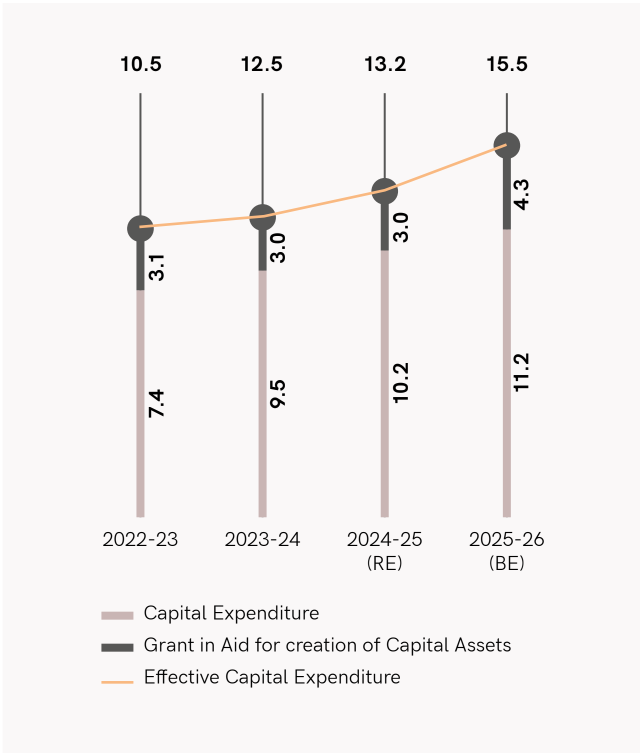
Exhibit 4: Global Consumer Confidence Survey



1.3 Capital Expenditure (Capex)

The Indian government has placed a strong emphasis on infrastructure development as a cornerstone of its long-term economic strategy. In FY26, a substantial allocation of ₹11.21 Lakh Cr, representing 3.1% of the GDP, has been earmarked for capital expenditure[7]. This significant investment underscores the government's commitment to building and upgrading the nation's infrastructure. Furthermore, an outlay of ₹1.5 Lakh Cr has been proposed to provide interest-free loans to states specifically for capital expenditure projects. This initiative aims to further incentivise and support infrastructure development at the state level[8]. While there might be short-term variations in spending patterns, the overall focus on capital expenditure remains strong.

Exhibit 5: Trends in Capital Expenditure[9]



7 https://www.india.gov.in/spotlight/union-budget-2025-2026
8 https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2098353
9 https://visionias.in/current-affairs/budget/2025/union-budget-(2025-26)-at-a-glance/trends-in-capex

Exhibit 6: India's Capital Expenditure – Estimated vs Actual for FY25[10]

(in ₹ Trn)

	Revised estimates (FY25)	April-Feb actuals (FY25)	%of RE FY24	% of RE FY25
Capital expenditure	10.1	8.1	84.80	79.70
Fiscal deficit	15.6	13.4	86.50	85.80
Total receipts	31.4	25.4	81.50	80.90
Revenue expenditure	36.9	30.8	83.10	83.30

Source: CGA

1.4 Other Relevant Macroeconomic Indicators

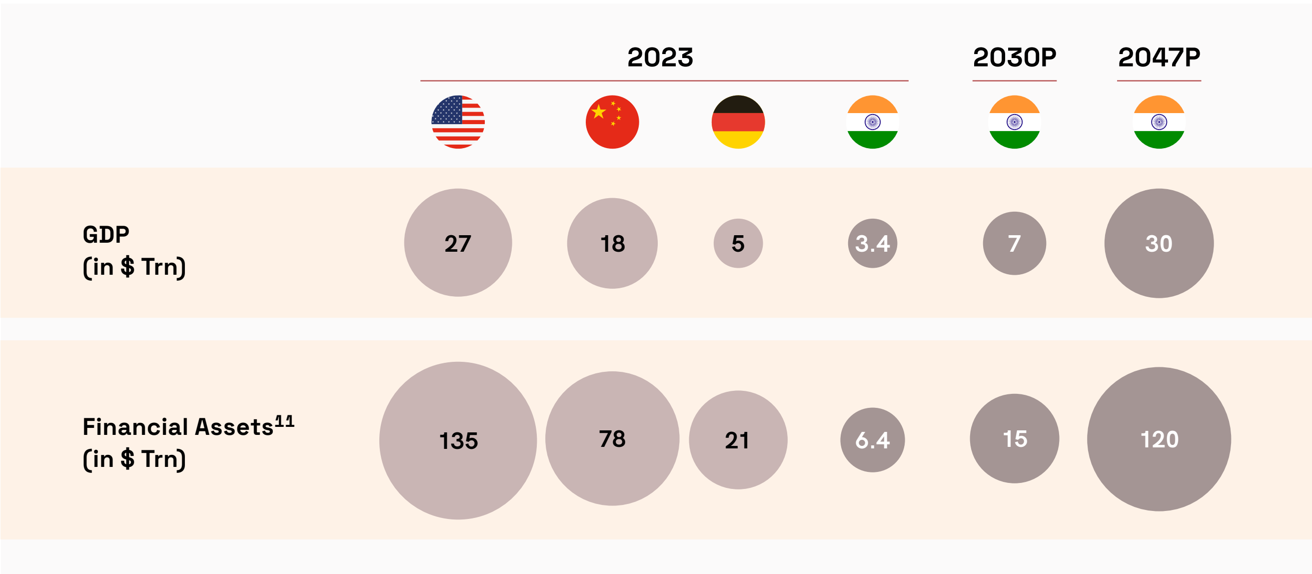
The RBI's April 2025 policy update provided a comprehensive overview of the nation's macroeconomic outlook. The RBI projected a real GDP growth of 6.5% for FY26, maintaining the same rate as the previous year. The central bank also anticipates Consumer Price Index (CPI) inflation to be around 4.0% for the same period. Furthermore, the RBI expects the current account deficit (CAD) to remain within sustainable levels, supported by resilient external inflows, and highlighted the nation's healthy foreign exchange reserves, which stood at $676.3 Bn as of April 4, 2025.

SECTION 2: THE CATALYTIC ROLE OF FINANCIAL SERVICES IN INDIA'S GROWTH

Inarguably, India has embarked on a confident march towards becoming a developed nation by 2047. Resilient, consistent, and sustainable economic growth will give India the ability to leapfrog its growth curve. A robust financial services sector will be critical to creating systemic capacity and resilience. It is estimated that the financial sector and assets will have to scale up much more rapidly to achieve this aspiration - for GDP to grow to 10x, financial assets need to become 20x[11]. This will require a vibrant and profitable financial services sector that can attract high-quality capital.

Giving wings to the financial services sector, specific sub-sectors like wealth management, asset management, stock broking and lending will lead from the front.

Exhibit 7: Financial Sector Resilience a Pre-condition to Bharat's 2047 Mission



10 https://cga.nic.in/index.aspx#
11 https://web-assets.bcg.com/31/fb/7ebeccc443b393f665000c651b9a/fibac-2024-banking-for-a-viksit-bharat-report-vr-8oct.pdf

2.1 Wealth Management

It is estimated that the demand for wealth management services in India in terms of Assets Under Management (AUM) was ~$1.1 Trn in FY24. This demand is expected to register a 15% CAGR, reaching ~$2.3 Trn by FY29[12]. Growth in the sector is precipitated by both a rise in the number of affluent households in the country and an increase in total wealth. As of March 2024, India was estimated to have ~320 Mn households, of which ~4-5%, i.e. ~12-16 Mn households, have an annual income greater than $25,000. These 12-16 Mn households are likely to comprise ultra-high net worth, high net worth, and other affluent households, thereby becoming the addressable market for the wealth management industry[13]. Separately, another research pegged India's HNWI population at 85,698 in 2024 and expected this to increase to 93,753 by 2028[14].

Exhibit 8: Top 10 $10 Mn+ Populations

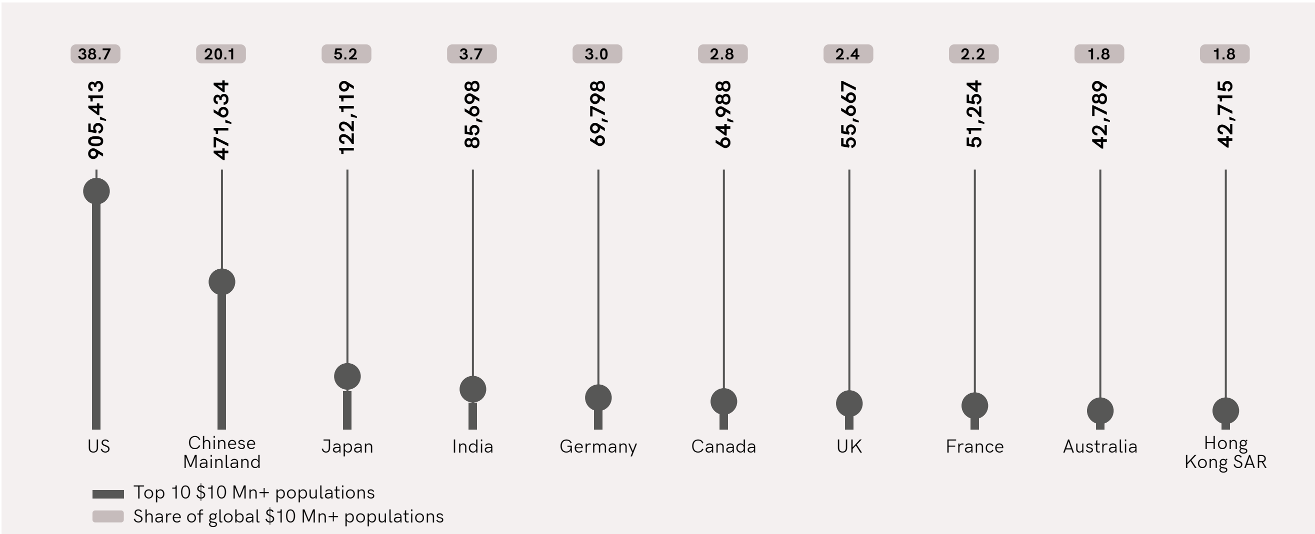
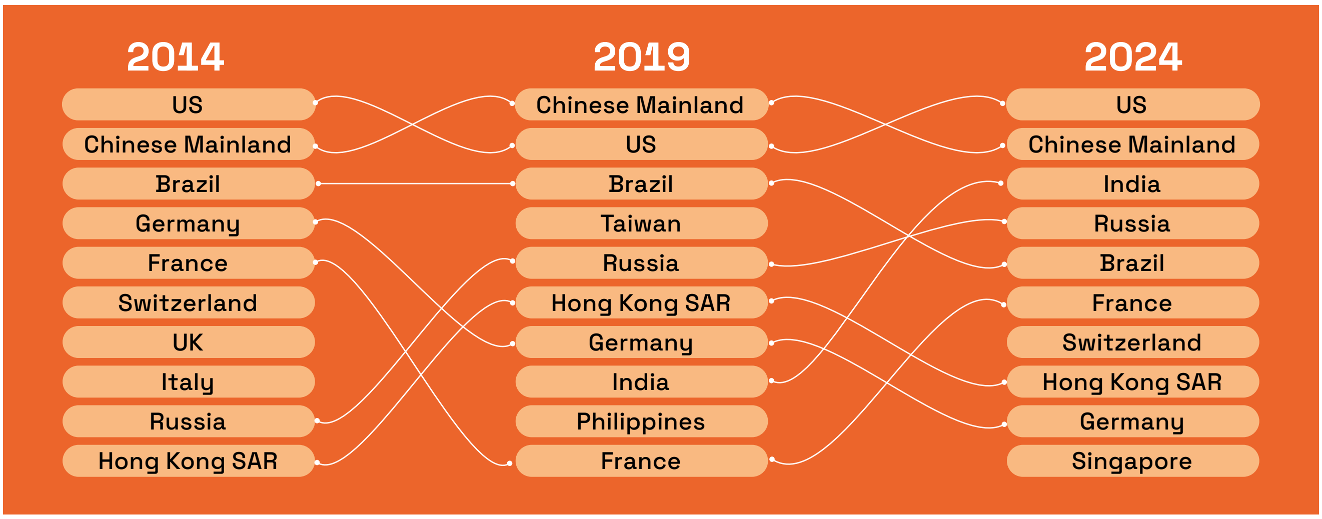


Exhibit 9: New Billionaires by Country



It is estimated that of the ₹95,23,800 Cr ($1.1 Trn) in financial wealth held by affluent households in FY24, approximately ₹34,63,200 Cr ($0.4 Trn) remains self-managed or informally managed[15]. As wealth continues to grow, opportunities for both established players and new entrants in the sector are expected to surge. The wealth management sector in India is clearly experiencing a period of rapid growth, fuelled by the nation's economic progress and evolving financial landscape.

12 & 13 https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/financial-services/2024/in-fs-wealth-management-pov-final-noexp.pdf
14 https://i.emlfiles4.com/cmpdoc/0/4/8/5/2/1/files/137556_the-wealth-report_2025.pdf?utm_campaign=2596101_Wealth%20Report%2025%20-%20Triggered%20Email%20-%20PC&utm_medium=Email%20Marketing&utm_source=Dotmailer&dm_i=2P3K,1JN5X,9RDTZ5,68464,1
15 https://www.deloitte.com/in/en/about/press-room/india-wealth-management-industry-poised-for-a-us-dollar-1-6-trillion-aum-growth.html

The substantial current market size and the robust growth projections for the wealth management industry imply a significant and increasing role of the industry in the overall economy. Further, this expansion not only signifies a larger direct contribution to the GDP but also underscores the increasing sophistication of Indian investors and their growing reliance on professional expertise to manage their financial futures.

While the size of the opportunity is large, it is important to underscore that the playbook for wealth management is also changing. While a few chapters can be borrowed from the past, new chapters need to be written due to the changing contours and needs of those holding wealth. The investment preferences of HNIs in India are evolving. There is a growing inclination towards alternative investments such as private equity and hedge funds, as well as a rising interest in sustainable investment options that align with environmental and social priorities.

HNIs are also becoming more discerning about the fees associated with wealth management services, indicating a need for transparent and value-driven offerings. A noticeable shift is also occurring from traditional investments in physical assets like gold and real estate towards financial assets such as mutual funds and equities[16]. Interestingly, younger HNIs (aged 18-35) express a strong preference for owning high-end real estate, luxury cars, and even private jets, highlighting the diverse needs and aspirations within this segment[17].

Top wealth management trends that need to be on the radar as firms navigate the wealth management landscape include:

Changing Contours of the Addressable Market: The narrative of the increasing number of HNIs and UHNIs in India is well-scripted. However, beyond this segment, there is an opportunity in the burgeoning affluent and aspirer segments. It is estimated that by 2030, the aspirer, affluent, and elite households will account for ~50% of the total households in the country[18]. These rising affluents are beginning to accumulate wealth. Their needs and outlook are shaped by experiences that are different from the traditional wealthy. Hence, their portfolio approach and the way they like to engage with advisors can be fairly unique.

Curation at its Best: While historically cookie-cutter solutions have had no place in the wealth management industry, the current landscape calls for an enhanced level of curation - both in the nature of investment advice and in how that advice is delivered. This is not surprising, given the diverse and growing spectrum of wealthy individuals spread across the length and breadth of the country. Key facets to consider when curating solutions — beyond risk appetite and return expectations — include the client's generation and age, the source of their wealth, the proportion tied up in operating businesses, and their wealth segment based on income, assets, and the nature of their employment or business interests.

Appetite for Private Assets will Continue to Grow Unabated: The appetite for private assets in the unlisted space will continue to grow at a strong clip. With India's burgeoning startup ecosystem and distinct opportunity landscape, there is increasing demand for private assets across both equity as well as debt. This is evidenced by the rise in Alternative Investment Funds (AIFs) that provide access to such opportunities in a seamless and efficient manner - the AUM under AIFs witnessed a CAGR of 30.26%, growing from ₹3.48 Trn (Dec-2019) to ₹13.05 Trn (Dec-2024). Further, the outlook for the Private Equity/Venture Capital industry in India has now become optimistic with the year 2025 beginning on a promising note - PE/VC investments in India increased by 37% month-on-month in January 2025, witnessing a sequential uptake from December 2024[19].

Drive towards Digitisation: Technological disruption is no longer a buzzword - it is a reality with which firms across industries are dealing and optimising. In the wealth management industry, technology is already being leveraged quite extensively across investment advisory, data analysis leading to enhanced curation, client communication, and operations. This is also evident in the 'platformisation' of investment advisory and investment communication with an increasing number of people leveraging digital channels to manage their investments. At the same time, the rate at which technology is evolving has become rapid, making it incumbent upon the industry to not just stay abreast with the latest development but also partake in the innovation.

16 https://www.advisorkhoj.com/articles/mutual-funds/financial-services:-driving-india-growth-story
17 https://elements.visualcapitalist.com/wp-content/uploads/2025/03/137556_the-wealth-report_2025.pdf
18 https://web-assets.bcg.com/3a/d6/f11044914e8fb86c3f9ab43f2dd5/bcg-matrix-india-2023.pdf
19 https://www.ey.com/en_in/insights/private-equity/how-india-s-pe-vc-outlook-for-2025-remains-positive-amid-uncertainty

SECTION 3: UNVEILING OPPORTUNITIES IN KEY FINANCIAL SPACES

Beyond wealth management, we are also seeing immense opportunity in India's broking, asset management, and lending space.

3.1 Broking

The broking industry in India is experiencing a surge in growth, fuelled by increasing investor participation and easier access to capital markets. The India Security Brokerage Market was valued at $3.98 Bn in 2024 and is anticipated to reach $6.21 Bn by 2030, exhibiting a CAGR of 7.76% during the forecast period from 2026 to 2030[20]. The number of demat accounts in India has seen a remarkable rise, reaching 192.4 Mn in FY25, and adding a record 41.1 Mn in a single year[21]. NSDL reported approximately 40 Mn active client accounts as of March 31st, 2025[22]. This significant increase in account openings indicates a growing appetite among the population to invest in the stock market. This heightened interest is further reflected in the rise in daily trading turnover on stock exchanges. The National Stock Exchange (NSE) recorded an average daily turnover of ₹1.12 Trn in its equity cash segment during the fiscal year 2025, witnessing a YoY growth of 38%[23].

The Indian stock markets have played a crucial role in wealth creation over the long term, particularly for investors who have remained invested through market cycles, including periods of downturn. The overall growth of the Indian markets is evident in the fact that the country's stock market capitalisation reached 133.5% of its GDP in December 2024[24]. This increasing ratio signifies the growing importance of the stock market in the nation's economy. Contributing to this growth is the easier access to broking services, largely facilitated by the proliferation of digital platforms and the emergence of discount brokers. These platforms have lowered the barriers to entry for new investors, making it more convenient and cost-effective to participate in the stock market.

3.2 Asset Management

The asset management industry in India offers substantial growth opportunities, particularly within the mutual fund segment. The total Assets Under Management (AUM) of the Indian mutual fund industry has grown significantly over the past decade, reaching an impressive ₹65.74 Lakh Cr in March 2025[25]. This growth reflects increasing investor confidence in mutual funds as a viable investment avenue. The mutual fund AUM in fiscal year 2024 reached an all-time high of 18.2% of India's GDP[26].

When comparing India's mutual fund AUM-to-GDP ratio with global benchmarks, it becomes evident that there is significant room for expansion. Countries like Brazil and the United States have considerably higher ratios, suggesting that the Indian market has the potential for substantial future growth. The increasing popularity of Systematic Investment Plans (SIPs) is a key driver of this growth. SIP inflows reached ₹25,926 Cr in March 2025, with the total number of contributing SIP accounts standing at 8.11 Cr[27]. The total AUM managed through SIPs reached ₹13.35 Lakh Cr in March 2025[28]. Despite this impressive growth, the penetration of mutual funds in India remains relatively low, with less than 5% of the country's population actively participating in them[29]. This is significantly lower than in mature markets like the United States, where penetration exceeds 50%[30]. This low penetration rate underscores the vast untapped market and the considerable potential for future growth in India's asset management industry.

3.3 NBFC Lending

The Non-Banking Financial Company (NBFC) lending market in India represents a significant portion of the country's overall financial system and holds considerable potential for future growth. In FY24, the total credit extended by NBFCs amounted to 13.6% of India's GDP, and by the end of March 2024, it accounted for 24.5% of the total outstanding credit of all Scheduled Commercial Banks (SCBs)[31]. This substantial market size highlights the crucial role that NBFCs play in meeting the diverse credit needs across the Indian economy.

The NBFC sector has demonstrated strong credit expansion, indicating its dynamism and growth potential. Specific segments within NBFC lending, such as affordable housing finance and vehicle financing, present particularly promising avenues for future growth. Furthermore, there is a growing recognition of the need for a dedicated refinance window for NBFCs in India. Such a mechanism could significantly boost the growth of NBFC lending, especially in catering to the credit requirements of Micro, Small, and Medium Enterprises (MSMEs) and other priority sectors of the economy. The potential for expansion in these key areas suggests a bright outlook for the NBFC lending market in India.

20 https://www.techsciresearch.com/report/india-security-brokerage-market/27249.html
21 https://www.angelone.in/news/192-4-million-demat-accounts-in-fy25-record-41-1-million-added-in-a-single-year
22 https://nsdl.co.in/about/statistics.php
23 https://www.nseindia.com/market-data/business-growth-cm-segment
24 https://www.ceicdata.com/en/indicator/india/market-capitalization--nominal-gdp
25 https://www.amfiindia.com/research-information/amfi-monthly
26 https://www.amfiindia.com/Themes/Theme1/downloads/AMFIFactbook%202024.pdf
27 https://www.amfiindia.com/Themes/Theme1/downloads/VisionPaper_2025.pdf
28 https://www.amfiindia.com/Themes/Theme1/downloads/AMFIMonthlyNote_March2025.pdf
29 https://www.amfiindia.com/Themes/Theme1/downloads/VisionPaper_2025.pdf
30 https://www.amfiindia.com/Themes/Theme1/downloads/VisionPaper_2025.pdf
31 https://www.fidcindia.org.in/wp-content/uploads/2024/12/RBI-NBFCs-REPORT-ON-TRENDS-2023-24-26-12-24.pdf

SECTION 4: STRATEGIC ADVANTAGE: 360 ONE WAM – POISED FOR GROWTH

4.1 Acquisition of B&K Securities

360 ONE WAM has made a strategic move to bolster its position in the financial services industry through the acquisition of B&K Securities. This acquisition is expected to enhance 360 ONE's business in several key ways. Firstly, it will enable 360 ONE to provide equity advisory services to its existing client base, thereby offering a more comprehensive suite of financial solutions. Secondly, the corporate advisory arm of B&K Securities is anticipated to benefit from 360 ONE's existing product portfolio, creating synergistic growth opportunities. Thirdly, 360 ONE's strong corporate relationships are expected to help scale up B&K's investment banking (IB) business.

B&K Securities brings valuable expertise in institutional equity broking and corporate treasury advisory services, which will complement 360 ONE WAM's existing strengths in wealth and asset management. B&K Securities has a strong presence in the mid and small-cap research space, which will further enhance 360 ONE's research capabilities. The acquisition is structured as a combination of a stock swap and a cash transaction. Saahil Murarka, the Managing Director of B&K Securities, will join the 360 ONE Group to lead the broking and capital markets business, ensuring a smooth integration and leveraging his expertise.

4.2 Acquisition of ET Money

360 ONE WAM has also strategically acquired ET Money, a prominent wealth tech platform, to further solidify its position in the financial services landscape. This acquisition allows 360 ONE to enter the rapidly growing wealth tech space and gain access to a broader segment of mass affluent Indian investors. ET Money, being one of India's largest SEBI-registered investment advisors by client count and a leading non-brokerage digital wealth management platform, brings a significant user base and substantial AUM to 360 ONE WAM. This acquisition complements 360 ONE's existing wealth business, which primarily focuses on UHNIs and HNIs.

ET Money boasts a strong digital presence with over 10 Lakh onboarded users, ET Money Genius serving over 74,000 clients, and a mutual fund AUM of ₹31,000 Cr invested via ET Money. The acquisition is structured as a combination of a stock swap and a cash deal. This strategic move is expected to expedite monetisation for ET Money across its user base and product portfolio, while providing 360 ONE with a faster and more efficient way to reach the mass affluent market segment.

4.3 Strategic Collaboration with UBS

360 ONE WAM entered into a strategic collaboration with UBS, one of the world's leading wealth managers and universal banking firms headquartered in Switzerland. This exclusive strategic collaboration brings together 360 ONE's deep local insight and access with UBS's global and regional capabilities, delivering expanded value to clients. As part of the collaboration, clients of both firms are expected to benefit from a comprehensive suite of onshore and offshore wealth management solutions. The two institutions will also explore potential collaborative opportunities across asset management and investment banking services.

SECTION 5: COMPREHENSIVE LANDSCAPE OVERVIEW

5.1 Global Overview

The current global economic landscape is marked by increasing trade tensions, primarily stemming from tariff policies, particularly those involving the United States and China. These tariffs have the potential to lead to higher consumer prices, dampen overall economic growth, and introduce significant volatility into financial markets.[33]

Projections for global economic growth in the near term suggest a moderate pace. The International Monetary Fund (IMF) forecasts a global growth rate of 2.8% for 2025 and 3% for 2026.[34] The World Bank, while expecting global growth to remain steady at 2.7% in 2025-26, cautions that this rate may be insufficient to foster sustained economic development, particularly in emerging and developing economies[35].

In this complex environment, global investors are navigating a landscape characterised by geopolitical uncertainties and rising trade frictions. The prevailing strategy among investors appears to be a focus on diversification across asset classes and geographies, along with an emphasis on long-term investment horizons. There is also a growing interest in identifying sectors that are likely to be more resilient to the negative impacts of trade and geopolitical tensions. These global dynamics can have a significant influence on capital flows and overall investor sentiment in emerging markets such as India.

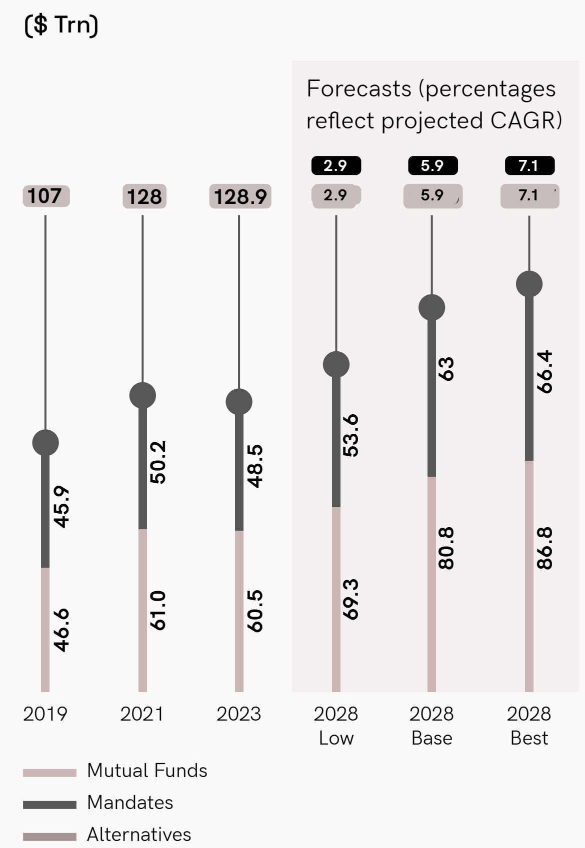
The global wealth and asset management landscape is also metamorphosing with technology-driven innovative value propositions sharpening competitive relevance. According to estimates, global AUM is expected to reach $171 Trn by 2028. This growth reflects a 5.9% CAGR, up from the 5% in last year's analysis. Within this, the AUM in alternatives is expected to grow at a higher pace compared to the overall AUM - at a CAGR of 6.7%, to reach $27.6 Trn by 2028[35]. Correspondingly, steady interest in private markets is engendering a new crop of multi-asset managers, and driving a step up in the acquisition of infrastructure, private credit, and other potentially high-margin businesses.

33 https://www.imf.org/en/Publications/WEO

34 https://www.imf.org/-/media/Files/Publications/WEO/2025/April/English/execsum.ashx

35 https://www.pwc.com/gx/en/issues/transformation/asset-and-wealth-management-revolution.html

Exhibit 10: Global Wealth and Asset Management AUM



Note: Totals for each bar may not match in both views due to rounding.

Sources: PwC Global AWM & ESG Research Centre, LSEG Lipper, Preqin

5.2 Equity Market Overview

India's equity markets have undergone a remarkable transformation over the past decade, emerging as one of the most dynamic and resilient segments of the global financial ecosystem. The Indian equity market, comprising key indices such as the Nifty 50 and BSE Sensex, has consistently demonstrated robust performance, underpinned by a confluence of macroeconomic stability, strong corporate earnings, and increasing retail participation. As of March 2025, the Nifty 50 closed at 23,500 and the Sensex at 77,400, marking the ninth consecutive year of positive returns. Despite temporary corrections and macro uncertainties, India's equity markets have shown strong structural underpinnings.

A significant driver of the equity market's growth has been the surge in domestic investor participation. Fuelled by digital platforms, investor education, and increasing financial literacy, the number of demat accounts in a country has seen a significant surge over the last decade. This sharp rise reflects a broader democratisation of equity

investing, where younger and retail investors are actively participating in wealth creation through direct equity and mutual fund investments.

The mutual fund industry has also played a crucial role in deepening equity market penetration. SIPs have become a preferred route for investors, with monthly SIP contributions crossing ₹26,000 Cr in early 2025[36]. The consistent inflow of funds through SIPs has lent stability to the market, providing a buffer against foreign institutional investor (FII) volatility.

The performance of Indian equities in CY24 was characterised by a strong rally in the first half, followed by a correction of nearly 10% from September 2024 highs due to earnings slowdown concerns, cautious FII behaviour, and global monetary headwinds. While the Nifty 50 posted 9% gains during the year, the Nifty Midcap 100 and Smallcap 100 indices significantly outperformed with 24% returns each.

This outperformance was largely driven by sectors such as real estate, capital goods, automobiles, infrastructure, and PSUs, which benefited from strong earnings growth and favourable policy tailwinds.

Sectorally, the equity market saw leadership from BFSI, technology, capital goods, and healthcare. According to Motilal Oswal's 3QFY25 preview, earnings for the Nifty 50 are expected to grow by 6% YoY, with BFSI contributing 8% YoY growth and capital goods at 26%. Conversely, global cyclicals such as metals (-8%) and oil & gas (-4%) dragged down overall earnings growth. The cement sector saw a sharp 45% decline due to margin compression and weak pricing.

FII flows were volatile in FY25, with a net outflow of approximately ₹1.27 Trn, influenced by geopolitical tensions, Fed rate uncertainties, and a stronger dollar. In contrast, Domestic Institutional Investors (DIIs) recorded record inflows of over ₹6.06 Trn[37], driven by strong SIP participation and retail enthusiasm. This divergence has been instrumental in sustaining market valuations.

Valuations, however, remain a key watchpoint. The Nifty 50 currently trades at a forward P/E of around 20x, slightly above its long-term average. Mid- and small-cap stocks, in particular, are trading at premiums of 56% and 17%, respectively over large-caps, raising some caution among market participants. Nonetheless, with a lean political calendar in CY25 and a policy pivot by the RBI, the outlook for equities remains constructive. Going forward, the equity markets are expected to benefit from improving rural consumption, a potential revival in government capital expenditure post-election consolidation, and a supportive monetary policy environment.

In summary, the Indian equity market stands at a pivotal juncture. While near-term volatility may persist due to global and domestic uncertainties, the long-term structural growth story remains compelling. Supported by strong domestic flows, policy support, and improving earnings trajectory, India's equity market continues to offer attractive opportunities for both institutional and retail investors.

36 https://www.amfiindia.com/Themes/Theme1/downloads/VisionPaper_2025.pdf

37 https://economictimes.indiatimes.com/markets/stocks/news/fiis-sold-rs-1-27-lakh-crore-in-indian-stocks-in-fy25-diis-bought-rs-6-lakh-crore-worth-equities/articleshow/119703540.cms?from=mdr

5.3 Debt Market Overview

India's debt market is a critical pillar of the country's financial system, enabling efficient capital allocation across public and private sectors. It encompasses government securities (G-Secs), corporate bonds, money market instruments, and more recently, green and ESG bonds. While traditionally overshadowed by the equity markets in terms of investor attention, the Indian debt market has grown significantly in size and sophistication over the past decade.

As of December 2024, the size of India's bond market stood at approximately ₹230 Trn[38]. Of this, government bonds dominate with over ₹179 Trn[39] in outstanding issuances, followed by corporate bonds at ₹51 Trn[40]. The market has evolved not only in terms of size but also in breadth, with increasing issuer diversity and improving investor participation, particularly from insurance companies, pension funds, mutual funds, and now retail investors via RBI's Retail Direct platform.

The government bond segment, or G-Secs, forms the backbone of the debt market, providing a benchmark for pricing risk across the economy. Yields on benchmark 10-year G-Secs hovered between 7.0% and 7.3% during most of FY24, influenced by inflation expectations, global monetary tightening, and fiscal policy developments. With CPI inflation moderating toward 5%, and a bountiful monsoon expected to ease food prices, the RBI is anticipated to initiate a mild rate-cutting cycle by mid-FY26, thereby improving bond attractiveness.

Corporate debt has seen a steady uptick, particularly in the AAA-rated space. However, participation remains concentrated among top-rated issuers, with limited depth in the lower investment grade and high-yield segments. Regulatory reforms by SEBI such as rationalising disclosure norms, improving default reporting, and mandating enhanced risk assessment have sought to improve market transparency and investor protection.

One notable trend is the shift toward private placements, which now account for over 95% of corporate bond issuances, reflecting the preference for speedier execution and reduced regulatory burden. At the same time, new instruments such as green bonds, masala bonds, and infrastructure investment trusts (InvITs) have gained traction, diversifying the landscape and attracting global ESG-focused investors.

The introduction of the RBI Retail Direct Scheme has also marked a turning point by enabling retail investors to directly participate in government securities. While initial uptake was slow, rising awareness and integration with digital platforms like NSE goBID and BSE Direct are expected to boost adoption.

Another major tailwind for the debt market is India's upcoming inclusion in global bond indices such as the JPMorgan GBI-EM. This is projected to attract over USD 20-25 Bn in passive foreign inflows over the next 12–18 months, further deepening liquidity and lowering borrowing costs for the government and corporates.

On the flip side, challenges persist in terms of secondary market liquidity, especially in corporate bonds. The turnover ratio for corporate debt remains below 0.2x, compared to 0.7x for government bonds. Efforts are underway to introduce market-making norms, promote electronic trading platforms, and encourage insurance companies to participate in lower-rated bonds.

From a macro perspective, India's government debt-to-GDP ratio remains elevated at ~82% (in FY23), lower than the pre-pandemic high of ~89%[41]. The fiscal deficit remains on a glide path, targeting 5.1% of GDP in FY26, which, if achieved, will help anchor investor confidence.

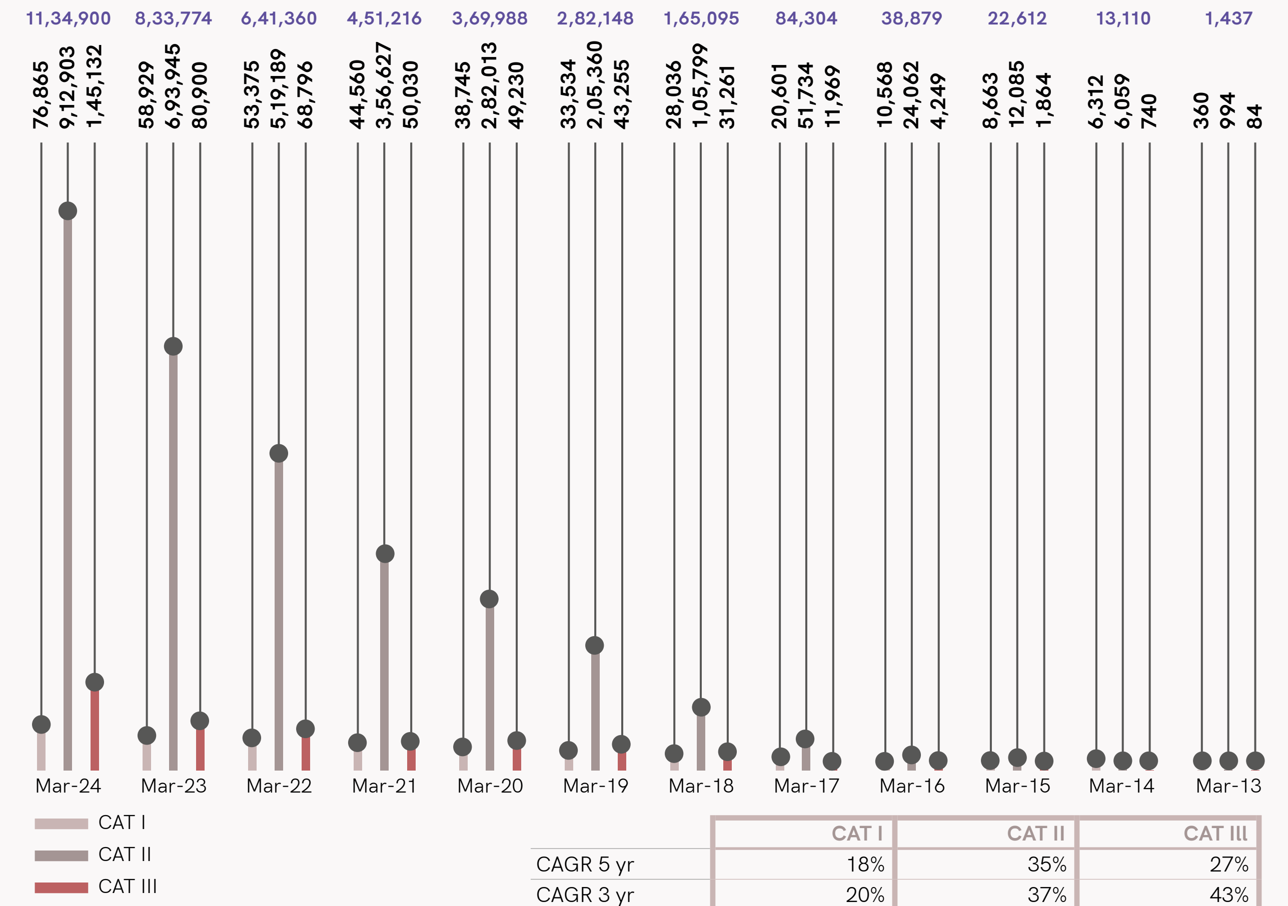
In conclusion, the Indian debt market is undergoing a quiet transformation. Structural reforms, improving macro stability, and increasing investor base are setting the stage for deeper and more vibrant fixed income markets. As interest rates begin to soften and global capital flows turn favourable, the debt market is poised to play a larger role in financing India's growth ambitions while offering attractive, relatively safer investment avenues to investors.

38 https://www.businesstoday.in/markets/story/indias-total-outstanding-bonds-heres-a-detailed-breakdown-467675-2025-03-12
39 https://www.businesstoday.in/markets/story/indias-total-outstanding-bonds-heres-a-detailed-breakdown-467675-2025-03-12
40 https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0ANNUALREPORT202425DA4AE08189C848C8846718B080F2A0A9.PDF?ref=finshots.in
41 https://tradingeconomics.com/india/government-debt-to-gdp

5.4 Alternatives

The alternatives industry in India has been growing on a strong clip with both product side innovation and burgeoning demand giving a fillip to industry growth. Across the UHNI, HNI, and family office segments, allocations to alternative investments are increasing.

Exhibit 11: Category-wise Commitments Raised[42]



	CAT I	CAT II	CAT III
CAGR 5 yr	18%	35%	27%
CAGR 3 yr	20%	37%	43%
YoY growth	30%	32%	79%

IVCA I Eleveight Category III Alternative Investment Fund Report 2024

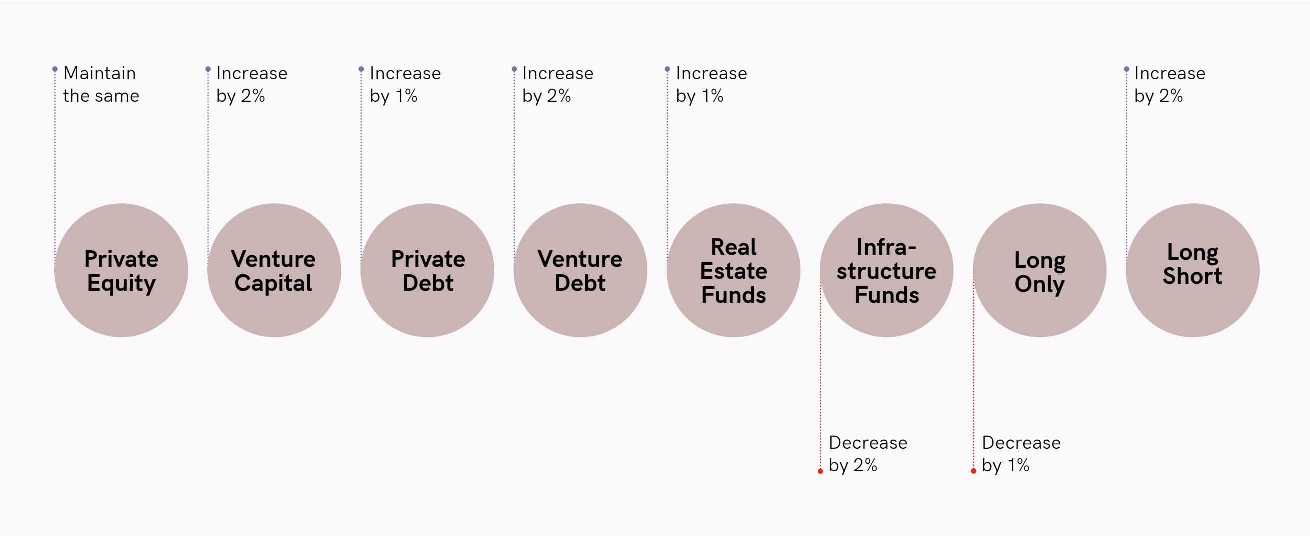
It is estimated that on average, family offices in India plan to increase their allocations to alternatives by 5% over the next 3 years from the current ~10%. Within the broader allocation of family office alternative portfolios, a significant share is garnered by private equity, venture capital, and long-only funds. Going forward, these allocations are broadly expected to increase across alternative offerings.

Exhibit: Current Portfolio Allocation of Family Offices within Alternatives[43]

	1-10%	11-20%	21-30%	30%
Private Equity	43%	7%	14%	21%
Venture Capital	31%	15%	23%	15%
Private Debt	56%	11%		
Venture Debt	38%	13%		
Hedge Funds	13%	25%		13%
Real Estate Funds	14%	29%		
Infrastructure Funds	14%	29%		
Long Only		13%	13%	25%
Long Shot		17%		

42 https://eleveight.in/backend/wp-content/uploads/2024/12/Family-Office-Report_8-1.pdf
43 https://eleveight.in/backend/wp-content/uploads/2024/12/Family-Office-Report_8-1.pdf

Exhibit 12: Average Change in Allocations within AIF Portfolio in the next 3 years[44]



Further, real estate as an alternative asset class is also gaining traction. India's real estate market has demonstrated continued activity, with the residential sector witnessing a balance between new project launches and sales in the first quarter of 2025. Projections for the remainder of 2025 indicate that both home prices and rental rates are expected to rise at a pace faster than the overall inflation rate.

The overall outlook for the Indian real estate market in 2025 is steady, supported by a growing appetite for homeownership, increasing levels of disposable income, and ongoing improvements in infrastructure across the country. Notably, the luxury housing segment is experiencing significant growth, reflecting the trend of premiumisation in consumer preferences.

SECTION 6: REVIEW OF BUSINESS AND OPERATIONS

For the financial year ended March 31, 2025 (FY25), the Company reported its highest ever annual profit after tax (PAT), at ₹1,015 Cr. Considering the business and financial numbers; total assets under management ("AUM") increased to ₹ 5,81,498 Cr as on March 31, 2025, up 24.5% year-on-year (YoY). This growth was aided by strong ARR net flows at ₹25,974 Cr during the year under review.

Further, the overall ARR AUM stood at ₹2,46,828 Cr, while ARR AUM of our wealth management ('Wealth') stood at ₹1,62,433 Cr, up 26.7% YoY, even as the ARR AUM of asset management ('AMC') business stood at ₹84,395 Cr, up 16.8% YoY.

The ARR Revenues for the full year grew by 28.2% YoY at ₹1,701 Cr, led by growth in assets across business segments and healthy retentions on ARR AUM. Our ARR Revenues, as a percentage of total revenues from operations, stood at 70%.

The year also witnessed higher transactional/brokerage income, mainly driven by opportunities in the capital markets. Our large UHNI client base enabled us to capitalise on such opportunities, creating value for the clients and the firm. Consequently, the total Revenue from Operations was up 32.5% YoY, at ₹2,446 Cr, for FY25.

In FY25, our Total Revenues were up 35.0% YoY at ₹2,652 Cr, also supported by higher other income. Separately, our Total Costs were up 27.3% YoY, at ₹1,218 Cr, as we continued to invest in our new initiatives.

Our employee costs rose by 28.6% YoY to ₹912 Cr. We expect the employee costs-to-Income ratio to gradually settle down over in the near future as the new business initiatives and incoming teams begin to turn productive. Our overall Cost-to-Income ratio stood at 45.9% in FY25 as against 48.7% in the financial year ended March 31st, 2024 (FY24).

Our tangible return on equity (RoE) was at 24.3% in FY25, vis-à-vis 30.1% in FY24. The reduction in tangible RoE was on account of the capital raised by way of the Qualified Institutional Placement (QIP) in October 2024. The funds have been largely deployed for the growth of our lending and Alternates' businesses.

Segment-wise, our wealth management division witnessed a rise in Revenue from Operations to ₹1,845 Cr, from ₹1,362 Cr in FY24, with the ARR revenue rising to ₹1,101 Cr from ₹844 Cr in FY24. Further, the transaction based revenue (TBR) for this segment stood at ₹744 Cr in FY25, from ₹519 Cr in FY24 mainly driven by macro-opportunities and increased activity in the capital markets.

44 https://eleveight.in/backend/wp-content/uploads/2024/12/Family-Office-Report_8-1.pdf

Other income saw an increase to ₹177 Cr in FY25 from ₹107 Cr in FY24, while the cost increased from ₹719 Cr to ₹950 Cr mainly due to investments in new initiatives. Accordingly, our Profit Before Tax stood at ₹1,073 Cr, for FY25, as against ₹750 Cr in FY24, for the wealth management business.

The growth in our wealth management client base has been very healthy for FY25. During the year, 360 ONE Wealth successfully onboarded 440+ clients (with more than ₹10 Cr ARR AUM). As on March 31, 2025, clients, having total AUM of ₹10 Cr+, stood at 3,324 and accounted for 95% of Wealth AUM (excl. custody). Overall, the segment manages assets for 7,500+ relevant clients.

Moving to the Asset management vertical, our Revenue from Operations rose to ₹600 Cr in FY25, as against ₹483 Cr in FY24, and other income rose to ₹29 Cr, from ₹13 Cr. Our cost increased to ₹268 Cr in FY25, from ₹238 Cr in FY24. Accordingly, the Profit Before Tax, for the Asset Management segment, stood at ₹361 Cr in FY25 vis-à-vis ₹251 Cr in FY24.

Similar to our wealth management business, our asset management segment also witnessed healthy growth in number of client folios which rose from 189k in FY24 to 229k in FY25.

In FY25, in recognition of its premier positioning, business impact and leadership excellence, 360 ONE received 20 awards, including India's Best Wealth Manager by Euromoney Private Banking, Best Private Bank - India by Asian Private Banker, and Best Structured Finance House by Finance Asia Achievement Awards 2024.

We have also sustained our pole position as the employer of choice for our business areas, as is evidenced explicitly by the addition of 100+ senior private bankers and deeply experienced investment professionals over the last 24 months. Our employee retention figures continue to be industry-leading, with regrettable attrition at only 5.3% for FY25. We will continue to selectively add talent in specific business growth areas as well as maintain our strategic focus on Technology and Data as we go ahead into FY25 and beyond.

Lastly, 360 ONE Foundation reinforces 360 ONE's commitment to leveraging its core competencies to maximise both financial and social returns. The Foundation has pioneered a more catalytic approach powered by blended finance and outcome-based financing to deliver measured outcomes and exponential impact for underserved communities.

SECTION 7: STRATEGIC IMPERATIVES FOR 360 ONE WAM – THE WAY FORWARD

To capitalise on the identified opportunities and navigate the evolving market landscape, 360 ONE WAM should focus on the following strategic imperatives:

- Continue on its pathway to creating curated solutions for our wealth clients while holistically catering to their nuanced needs.
- Leverage the newly acquired broking and research capabilities from B&K Securities to offer a comprehensive suite of capital market services to both existing and new clients across all market segments, including UHNI, HNI, retail, and institutional investors.
- Utilise ET Money's well-established digital platform and extensive reach to penetrate the mass affluent market segment, offering tailored wealth management solutions and exploring cross-selling opportunities with 360 ONE's existing range of products and services.
- The strategic collaboration of 360 ONE and UBS has the potential to further enhance the value proposition and unlock synergies for clients and employees.
- Prioritise the development and promotion of alternative investment products and sustainable investment options to align with the evolving preferences and demands of HNIs. Leverage existing capabilities to attract institutional and family office capital for 360 ONE's asset management business.
- Continuously enhance the digital capabilities and overall user experience across all of 360 ONE WAM's platforms to improve accessibility, engagement, and satisfaction for clients in diverse segments.
- Maintain a vigilant watch over global economic trends and the potential impacts of international trade tariffs on investment strategies and overall market volatility, proactively adapting product offerings and advisory services as needed.
- Explore potential opportunities within the NBFC lending space, possibly through strategic partnerships or other initiatives, to further diversify 360 ONE WAM's service offerings and tap into the significant growth potential of this sector.
- Maintain a strong commitment to regulatory compliance and proactively adapt to any changes in the financial services regulatory landscape to ensure the long-term sustainability and responsible growth of the organisation.

SECTION 8: RISKS AND GOVERNANCE

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review, and may continue to do so in the future.

Our Assets Under Management

Our results of operations are materially affected by our AUM. Accordingly, our growth and success depend on the appropriateness of the investment options provided and the performance of our client portfolios and funds. Good investment performance increases the attractiveness of our products among clients resulting in higher inflows and a consequent increase in our revenues. Hence, events that impact investment performance (relating to stocks, bonds, commodities or real estate-related investments) may adversely affect our business.

To mitigate these risks, we have a product team that shortlists products offered to clients on our platform. We also have a Product Approval Committee for complex/structured products. That apart, a detailed Risk Appetite assessment of the client is conducted, based on which appropriate products can be sold to the client.

While we have a Risk Management function and a Risk Management Committee at the 360 ONE WAM Limited level that monitors risks at a group level for 360 ONE WAM and its subsidiaries, for assets managed by us internally within the group (whether in the form of Mutual Funds, Portfolio Management Services or Alternative Investment Funds), we have a focused Risk Management team and Investment and Valuation Committees that ensure that investments are undertaken as per approved mandates and within permissible risk parameters, monitored regularly and valued fairly. We also have dedicated risk management teams looking at Broking and NBFC-related risks.

General Economic and Financial Services Industry Conditions in India

Our Company is in the business of providing wealth management services, and with a majority of our operations in India, our results of operations are highly dependent on the overall economic conditions of the domestic market, including the GDP growth rate, inflation rate, change in demographic profile, wealth levels, the economic cycle, prevalent interest rate regime, securities markets performance, and the increased usage of technology-based channels.

The Indian economy has grown rapidly over the past decade and is expected to continue to grow at a healthy rate, which, together with the increasing financialisation of savings, could in turn, drive the underlying demand for investment products and services.

However, if the general economic conditions in India deteriorate or are not in line with our expectations, or if unforeseen events negatively impact our clients' investment portfolios, it could impact the demand for investment services. Consequently, our financial condition and operational results may be significantly and unfavourably affected.

Competition and Market

We face significant competition from other established Indian and multi-national companies. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them an advantage.

Mergers and acquisitions involving our competitors may create entities with even greater competitive advantages. We also face competition from several players who offer financial advisory services purely on technology platforms, in a highly cost-competitive manner ('Robo-advisors'), especially in the High Net Worth Individual (HNI)/mid-market segment.

To address this, we also launched an exclusive app for HNIs which will be a largely technology-driven distribution platform, with a certain amount of human touch provided by a dedicated Relationship Manager.

There is also a fundamental change happening in the distribution of financial products, with the industry gradually transitioning from a commission-based model to a fee-based model. This affects the revenues of asset allocators like our Company. The 360 ONE Open product platform together with our Advisory platform seek to address this change as they will attract clients who prefer the fee-based model.

We believe our wide product offerings, our relationships with clients, industry and product knowledge, and brand image will allow us to face such competition. We have a dedicated technology team, which has both domain and technology experts, and we are leveraging technology to deliver insights and interact with clients through different platforms.

Regulatory Supervision

We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI, RBI, IRDAI, the various stock/currency/commodity exchanges and depositories.

In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. The intention has been to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies may demand changes to our business operations, products and pricing, and technological processes, resulting in additional costs and management time.

While it may be possible that certain regulatory changes would be positive for some of our business operations, the possibility of these changes adversely affect our financial condition and results of operations also exists.

We have a dedicated Compliance team to interpret regulations, submit regulatory returns and interface with regulators. We also have Anti-Money Laundering (AML) Policies and AML Committees for our various businesses to deliberate on client onboarding.

Personnel and Operating Costs

We are part of a highly competitive industry, and accordingly, our ability to manage our expenses directly affects our business and results of operations. These expenses may be impacted by macroeconomic conditions, including increases in inflation, changes in laws and regulations, increased competition, personnel expenses and other factors.

Personnel-related expenses form a significant proportion of our total expenses, since we endeavour to attract and retain talented and experienced employees.

In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, and expand into new business products.

As we grow our business, we will require additional human resources including relationship managers, investment professionals, dealers and operational, management and technology staff. Changes affecting our expenses may impact our financial condition and results of operations.

Operations and Technology

Any complex set of operations opens up the possibility of fraud and errors. To mitigate these risks, we have written procedures, maker-checker controls and approval of all exception requests by Control functions like Risk Management and Compliance. The efficacy of these is checked by Internal Audit.

Our business operations heavily rely on Information Technology (IT) systems, which play a vital role in enhancing our productivity. However, these systems also present significant risks, including potential system failures, information security breaches, and vulnerability to cyber attacks.

Our Technology team has deployed multiple defences to mitigate the risk of cyber-attacks and prevent unauthorised access to, and leakage of, sensitive information. We have network security in the form of a firewall, and Intrusion Prevention Systems. There is a strict perimeter device security policy, where we have blocked access to personal email, social networking and data sharing websites, USB and local drives and encourages users to save working files on a Company-administered OneDrive. While emails are accessible on mobile phones, no files/attachments can be saved on these devices. A Chief Information Security Officer (CISO) is responsible for information security.

Additionally, we have a comprehensive Business Continuity and Disaster Recovery plan that includes storing data on a cloud server. This has been thoroughly tested to ensure its effectiveness. During the COVID-19 induced nation-wide lockdown in 2020 and in 2021 during the second wave, we tested our ability to support operations in a Work from Home (WFH) environment and we managed to execute this in a stable manner, with users logging in through a virtual private network (VPN) to access their office-based applications, thereby ensuring that no information security controls were compromised.

Inflation Risk

Inflation affects interest rates, and hence, higher inflationary expectations lead to rise in borrowing costs and slowdown in credit offtake, which may affect our profitability. Adverse changes in credit offtake and savings caused by inflation also impacts the overall economy and business environment, as also sectors that depend on leveraged purchases like real estate and automobiles, and hence may affect us.

Development and Implementation of Risk Management System

The Board-level Risk Management Committee (RMC) of 360 ONE WAM Limited is responsible for laying down the overall framework for identification, monitoring and reporting of internal and external risks faced by 360 ONE WAM Ltd. and its subsidiaries. It meets on a quarterly basis and monitors risks through certain group-wide key risk parameters. This enables the RMC to monitor that risks are being managed at an acceptable level and prompts the Management to take action whenever things start going out of line.

We have a central Risk Management department that reports to the Chief Operating Officer and the Board Audit Committee of 360 ONE WAM Limited. There are also separate Risk Management heads for 360 ONE Prime

(NBFC) and 360 ONE Asset Management to focus on the risks pertaining specifically to those businesses. Risk Management relies on the framework defined in the Board approved Risk Management Policy, internal controls built into Standard Operating Procedures, and the Product and Investment Policies relating to the various businesses: e.g. the Broking Risk Management Policy, the Mutual Fund (MF) Risk Management Policy, 360 ONE Prime Policies pertaining to Loan Against Shares, Loan Against Property and Unsecured Lending and Investment Manuals and Policies that exist for our NBFC and Asset Management Company. We also have Valuation and Provisioning Policies for our MF and Alternative Investment Fund (AIF) portfolios. There is representation from the Risk Management team on Investment, Valuation and Risk Management Committees (RMCs) of the various businesses.

The internal processes have been designed to ensure adequate checks and balances and regulatory compliance at every stage. Authority matrices have been defined going down from the Board of Directors, to provide authority to approve various transactions. All trading limits have been put on the respective trading systems in Stock and Commodities broking, and asset management businesses.

That apart, Risk Management conducts internal reviews (using external Chartered Accountants, where required) of various aspects of the business, which include documentation in relation to the lending business; compliance with various regulations in AIF and checking of certain regulatory returns.

Our Company has ensured our internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of our operations.

The Internal Audit of our Company and subsidiaries is conducted by BBSR & Associates, an affiliate firm of KPMG, as per the scope suggested by Audit Committee(s) of the Company and its subsidiaries and approved by the respective Boards. In the case of 360 ONE Prime Limited, from FY23, this is being conducted by the Head - Internal Audit, as per RBI guidelines, and he is being assisted in this by BBSR & Associates.

The scope of internal audit covers all aspects of business including regular front-end and back-end operations, HR, Finance, customer service, IT and checking for both regulatory and internal compliances. The internal audit team conducts risk-based audits across various processes. They also assess the state of internal financial controls and provide their opinion.

The internal audit reports are directly presented to the respective Boards' Audit Committees by our Internal Auditors. In addition, we comply with the several specific audits mandated by regulatory authorities such as SEBI/Exchanges/Depositories, and the reports are periodically submitted to the regulators. The Board/ Audit/Risk Management Committees review the overall risk management framework and the adequacy of internal controls instituted by the management team, through the monitoring of the Internal Audit and Statutory Audit reports and the detailed presentations made by the -Risk Management teams. Any material instances of fraud, if any, are also reported to the Risk Management and Audit Committees on a quarterly basis and actions are taken on the same. It also focuses on the implementation of the necessary systems and controls to strengthen the system of internal controls and prevent any recurrence.

We have also strengthened our whistle-blower mechanism (backed by a policy that promises that no action will be taken against the whistleblower), and provided multiple channels (email/website/phone) managed by an external service provider (for complete independence). Employees (and other stakeholders) can record complaints and grievances, anonymously, if they choose to remain so, and all whistleblowing complaints are tracked and investigated by a Vigilance Committee, with representation from Human Resources, Risk Management, Compliance and Business.

This mechanism is meant to facilitate reporting of unethical behaviour, actual or suspected fraud, or violation of our Company's Code of Conduct and ethics.

Another key aspect of governance is managing and resolving conflicts of interest, if they arise. We have a Conflict of Interest Policy under which a Conflict Resolution Advisory Board (CRAB), comprising senior executives, has been formed. Guidance has been provided in the policy on the types of transactions that are covered (e.g. transactions between an employee and a group entity, or an employee and a client, or between a group entity and a firm in which the employee or his close relatives are interested) above certain thresholds. A summary of cases brought before the CRAB, beyond certain thresholds, is also submitted to the Risk Management Committee of the Board.

Internal Financial Controls and their Adequacy

Our Company has adequate internal controls with reference to financial statements and operations and the same are operating effectively. These are encapsulated in the Risks & Controls Matrix (RCM) which is reviewed and updated annually. The design and effectiveness of the key controls were tested by Internal Auditors and no material weaknesses were observed. Further, Statutory Auditors have verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and operating effectively.

SECTION 9: REVIEW OF FINANCIAL PERFORMANCE

As of March 31st, 2025, 360 ONE's AUM including custody assets stood at ₹ 5,81,498 Cr, reflecting a YoY growth of 24.5%. The Wealth Management segment continues to drive growth in overall assets, complemented by steady growth in the Asset Management and Lending businesses. The Company maintained its focus on building Annual Recurring Revenue streams, supported by strategic initiatives in bespoke wealth solutions and alternate investment products.

This section provides a detailed overview of 360 ONE's financial performance for FY25, highlighting key metrics across profitability, liquidity, and capital structure.

Assets Under Management and Profitability

The table below provides a break-up of our Assets Under Management for the periods indicated:

Particulars	2024-25	2023-24	% I/(D)
Wealth Management			
Annual Recurring Revenue Assets	**1,62,433**	**1,28,171**	**26.7%**
- 360 ONE Wealth Open* Assets	62,212	44,781	38.9%
- Distribution Assets Earnings Trail Fees	91,448	76,960	18.8%
- Lending Book (Net Interest Margin on Loans previously)	8,773	6,430	36.4%
Transactional Assets incl. Custody	**3,34,670**	**2,66,489**	**25.6%**
Total AUM including Custody	**4,97,104**	**3,94,661**	**26.0%**
Asset Management			
Annual Recurring Revenue Assets	**84,395**	**72,248**	**16.8%**
- Alternative Investment Fund	41,613	38,313	8.6%
- Discretionary PMS	31,296	24,355	28.5%
- Mutual Fund	11,486	9,580	19.9%
Total AUM			
- Annual Recurring Revenue Assets	2,46,828	2,00,419	23.2%
- Transactional Assets incl. Custody	3,34,670	2,66,489	25.6%
Total AUM including Custody	**5,81,498**	**4,66,909**	**24.5%**

*Earlier known as 360 ONE Plus

The table below is a Reclassified Consolidated Statement of Profit and Loss for the periods indicated:

(All figures in ₹ Cr)

Particulars	2024-25	2023-24	% I/(D)
Total Net Revenue*	**2,652**	**1,965**	**35.0%**
Annual Recurring Revenues	1,701	1,327	28.2%
Transactional / Brokerage Revenue	744	519	43.6%
Total Net Revenue from Operations	2,446	1,846	32.5%
Other Income	206	119	72.7%
Costs	**1,218**	**956**	**27.3%**
Employee Costs	912	709	28.6%
Admin and Other Expenses	306	247	23.5%
Profit Metrics			
Operating Profit before Taxes (OPBT)	1,228	889	38.1%
Profit Before Tax (PBT) after exceptional items	1,317	1,009	30.6%
Profit After Tax (PAT) including OCI and FCTR	**1,015**	**802**	**26.6%**
Cost to Income Ratio	45.9%	48.7%	
ROE	20.7%	24.4%	
ROE Ex Goodwill & Intangibles	24.3%	30.1%	

*Less of Direct Costs

Reclassified Segment-wise Performance:

The Wealth Management business witnessed sustained growth driven by an increase in ARR-generating assets and strong client retention. Asset Management performance was supported by healthy inflows across AIFs, PMS, and Mutual Funds. The focus on building a resilient, diversified portfolio helped both segments deliver steady revenue and profitability in FY25.

(₹ in Cr)

	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Wealth Management	Asset Management	Total	Wealth Management	Asset Management	Total
Gross Revenue from Operations	2,914	769	3,683	2,342	580	2,922
Net Operating Revenue	1,845	600	2,446	1,362	483	1,846
Operating Profit Before Tax (OPBT)	896	332	1,228	643	246	889

Key Factors to Consider:

- Total AUM including custody assets are ₹ 5,81,498 Cr as on March 31st, 2025.
- The wealth management business has client assets of ₹ 3,51,321 Cr, including custody assets. while the Asset Management business has ₹ 84,395 Cr of assets under management as on March 31st, 2025 of which ₹ 41,613 Cr are AIF Assets, ₹ 31,296 Cr are PMS (Portfolio Management Services) and SMA (Separately Managed Accounts) Assets and ₹ 11,486 Cr are Mutual Fund assets.
- Continuing focus on increasing Recurring Revenues has resulted in an increase in ARR generating assets by 23.2% YoY to ₹ 2,46,828 Cr and an increase in Recurring revenues by 28.2% YoY to ₹ 1,701 Cr.
- 360-ONE Wealth Open has been well received by clients with Assets Under Management increasing by 38.9% YoY to ₹ 62,212 Cr and Revenues increasing 47.8% YoY to ₹ 168 Cr.
- Total Net flows during the year were ₹ 25,974 Cr. Net Flows in Wealth Management were ₹ 22,334 Cr and ₹ 3,640 Cr in Asset Management.
- Total Consolidated Revenue for the year was up 35% YoY at ₹ 2,652 Cr, as compared to ₹ 1,965 Cr for FY24, while Revenue from Operations, was up 32.5% YoY at ₹ 2,446 Cr.
- Overall ARR Retention stood at 73 bps. ARR Retention on Wealth Management Assets was 73 bps and ARR Retention on Asset Management Assets was 74 bps.
- Overall Costs for the year were up 27.3% to ₹ 1,218 Cr. Employee Costs were up 28.6% YoY at ₹ 912 Cr, of which, Fixed Employee costs were at ₹ 587 Cr and Variable Employee costs were at ₹ 325 cr.
- Admin and Other expenses increased 23.5% YoY to ₹ 306 Cr. Operating PBT (OPBT) was up 38.1% YoY to ₹ 1,228 Cr, supported by strong growth in ARR and TBR revenues with steady retentions. Profit before tax (PBT) after exceptional items for the year was up 30.6% YoY to ₹ 1,317 Cr.
- Profit After Tax (PAT) for FY25 was up 26.6% at ₹1,015 Cr from ₹ 802 Cr in FY24, supported by strong growth in ARR and TBR revenues with steady retentions. Average Net Worth in FY25 stood at ₹ 5,257 Cr in FY25 vs ₹ 3,286 Cr in FY24.
- Return on Equity (RoE) for the year was at 20.7% and RoE Ex-Goodwill & Intangibles was 24.3%.
- Net profit margin in FY25 has stood at 38.3% vs 40.8% in FY24.
- Interest coverage ratio moved from 2.58 in FY24 to 2.53 in FY25, due to increase in finance cost during the year
- The Company prepares the financial statements as per Division III of Schedule III of Companies Act, 2013 which does not require the assets and liabilities to be bifurcated into Current / Non-current assets and liabilities. Hence, Current ratio is not applicable.

Balance Sheet and Capital Development

Statement of Consolidated Assets and Liabilities as of March 31st, 2025

(₹ in Cr)

Sr. No	Particulars	As of March 31, 2025	As of March 31, 2024
ASSETS			
1	**Financial Assets**		
(a)	Cash and Cash equivalents	740.19	442.74
(b)	Bank balance other than (a) above	351.39	195.43
(c)	Derivative financial instruments	1.00	-
(d)	Receivables		
	(I) Trade receivables	443.06	328.17
	(II) Other receivables	112.80	94.99
(e)	Loans	8,397.37	6,368.67
(f)	Investments	7,608.12	5,947.67
(g)	Other financial assets	329.88	371.71
2	**Non-Financial Assets**		
(a)	Current tax assets (net)	273.50	216.79
(b)	Deferred tax assets (net)	0.47	4.49
(c)	Property, plant and equipment	290.18	300.15
(d)	Capital work-in-progress	-	-
(e)	Intangible assets under development	88.22	63.86
(f)	Goodwill	667.93	417.55
(g)	Other intangible assets	263.41	165.56
(h)	Right of use assets	59.83	56.47
(i)	Other non-financial assets	141.35	144.60
	Total Assets	**19,768.70**	**15,118.85**
LIABILITIES AND EQUITY			
1	**Financial Liabilities**		
(a)	Derivative financial instruments	148.13	185.26
(b)	Payables		
	(I)Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	202.63	160.63
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	412.51	408.80
(c)	Lease liabilities	65.46	60.87
(d)	Debt securities	7,909.78	6,833.95
(e)	Borrowings (other than debt securities)	3,050.29	2,456.34
(f)	Subordinated liabilities	134.67	120.77
(g)	Other financial liabilities	531.74	1,283.14
2	**Non-Financial Liabilities**		
(a)	Current tax liabilities (net)	67.67	6.28
(b)	Provisions	27.57	17.26
(c)	Deferred tax liabilities (net)	87.91	73.28
(d)	Other non-financial liabilities	65.22	62.54
3	**EQUITY**		
(a)	Equity Share Capital	39.31	35.89
(b)	Other Equity	7,025.81	3,413.84
(c)	Non-controlling interest	-	-
	Total Liabilities and Equity	**19,768.70**	**15,118.85**

Key Considerations as on March 2025:

1. Consolidated Average Net Worth stood at ₹ 5,257 Cr in FY25 vs ₹ 3,286 Cr in FY24. Average Net Worth Ex-Goodwill and Intangibles stood at ₹ 4,424 Cr in FY25 vs ₹ 2,662 Cr in FY24.

2. ROE Ex-Goodwill & Intangibles decreased to 24.3% in FY25 from 30.1% in FY24 primarily due to dilution in equity through QIP.

3. Debt/Equity ratio decreased from 2.73 on March 31, 2024, to 1.57 on March 31, 2025; due to an increase in net worth of Group more than ₹3,600 Cr.

4. Debtors' turnover ratio moved from 7.95 in FY24 to 8.55 in FY25, due to an increase in revenue from operations during the year. Inventory turnover ratio is not applicable as the Company does not hold any inventory.