

March 05, 2026

## 360 ONE Distribution Services Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper programme	300.00	300.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>300.00</b>	<b>300.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

While arriving at the rating, ICRA has considered the consolidated financials of 360 ONE WAM Limited (360 ONE WAM). The rating are based on the consolidated view of 360 ONE WAM and its subsidiaries (referred to as 360 ONE/the Group), given the common senior management team and the strong financial and operational synergies among the Group companies.

The rating factors in 360 ONE's leading market position in the wealth management segment, supported by an experienced and stable senior management team. The rating also reflects the Group's comfortable capitalisation and strong profitability. It maintains a leading presence in the manufacturing of Alternative Investment Funds (AIFs), with AIF assets of Rs. 50,934 crore as on December 31, 2025. Backed by its sizeable client base and distribution network, 360 ONE's assets under management (AUM) stood at Rs. 7.11 lakh crore as on December 31, 2025. The Group also provides client funding through 360 ONE Prime, which had a loan book of Rs. 10,606 crore, largely secured by client AUM comprising listed and unlisted shares, AIF units, and property. In addition, the Group undertakes investments in its own AIFs to meet sponsor commitments. Collectively, asset management, distribution, lending, and investments in own AIFs remain one of the drivers of revenues and profitability. Profitability has been supported by healthy AUM growth, with the return on tangible equity at 20.4% (annualised) in 9M FY2026 (22.9% in FY2025).

These strengths are partly offset by the high concentration in the loan book, with the top 20 exposures accounting for 45% of total loans and 75% of consolidated tangible net worth. The presence of unlisted and relatively illiquid collateral also heightens the risk of delays in recoveries under stress scenarios. In addition, the Group's investments in AIFs (largely in its own manufactured funds) remained elevated at 58% of consolidated tangible net worth as on December 31, 2025, reflecting the need to meet sponsor commitments, mark-to-market (MTM) gains, and the closure of new funds that are yet to be sold down to clients. The increasing share of these investments relative to the AIF AUM managed by the asset management company (AMC) remains a monitorable factor.

Further, as part of the distribution of wealth products, the Group holds in-transit investments, which are largely unlisted, on a short-term basis, contributing to high reliance on short-term borrowings. Commercial paper (CP) constituted 33% of total borrowings (excluding collateralised borrowing and lending obligation; CBLO) as on December 31, 2025. These factors collectively result in elevated exposure to market and liquidity risks. While these risks are partially mitigated by the Group's comfortable capitalisation (consolidated leverage of 2.4 times<sup>1</sup> as on December 31, 2025), the strengthening from the Rs.

<sup>1</sup>Consolidated gearing (excluding CBLO) is 2.1 times

2,250-crore equity raise through a qualified institutional placement (QIP) in October 2024 and the receipt of Rs. 626 crore towards the warrant exercise price (with Rs. 1,878 crore pending) is partly offset by the dividend payouts, which constrains net worth accretion. However, the management has indicated a move towards lower dividend payouts relative to historical levels to meet the growth capital needs of 360 ONE Prime and 360 ONE AAM.

ICRA notes the consummation of 360 ONE's strategic collaboration with UBS AG in Q2 FY2026 and its expansion in the institutional broking franchise through the acquisition of 360 ONE Capital Market Private Limited (formerly Batlivala & Karani Securities India Private Limited) and 360 ONE Treasury Solutions Private Limited (formerly Batlivala & Karani Finserv Private Limited), funded through a mix of cash outflow and equity issuance.

ICRA also notes the recent income tax search conducted by authorities at the company's registered office in Mumbai. As confirmed by the management, no formal findings have been received yet and ICRA will continue to monitor any developments related to this matter.

The outlook is Stable as the Group is expected to maintain its strong position in wealth management with the consolidated gearing (borrowings/tangible net worth) likely to remain under 3.5 times.

## Key rating drivers and their description

### Credit strengths

**Strong market position in wealth management** – The Group provides advisory, asset management, broking, and distribution services to high-net-worth individuals (HNIs) and ultra HNIs. Its strong market position is evidenced by the AUM of Rs. 5.81 lakh crore as on March 31, 2025, up 25% year-on-year (YoY) from Rs. 4.67 lakh crore as on March 31, 2024. It further expanded by 23% YoY to Rs. 7.11 lakh crore as on December 31, 2025, supported by the integration of 360 ONE Capital Market Private Limited & 360 ONE Treasury Solutions Private Limited, new AIF launches, continued traction in existing strategies, and favourable market conditions resulting in MTM gains. The Group's established franchise has contributed to low client attrition, with AUM loss due to annual client exits at 1.1%<sup>2</sup> in FY2025. To mitigate income volatility associated with transaction-based revenue, the management has increased the proportion of assets generating recurring income, which accounted for 59% of AUM<sup>3</sup> as on December 31, 2025 and 75% of revenue from operations in 9M FY2026. The senior management team has significant experience in the wealth management sector, supporting the Group's position as a leading industry participant. In addition, approximately 45% of the team leaders have been with the Group for more than five years.

The asset management business reported AUM of Rs. 98,949 crore as on December 31, 2025. The Group remains one of the largest managers of AIFs, with AUM of Rs. 50,934 crore as on December 31, 2025 (Rs. 45,141 crore as on March 31, 2025). The business has undergone a transition, marked by the increasing share of annual recurring assets. In the wealth management segment, the Group operated with 32 offices, 90 team leaders and 128 relationship managers (RMs) as on March 31, 2025. While its earlier focus was primarily on the ultra HNI segment, it has expanded its presence in the HNI segment, supported by the acquisition of ET Money, which caters to clients in the Rs. 10 lakh to Rs. 1 crore range. Additionally, the integration of Batlivala & Karani has enhanced the Group's capabilities in institutional broking and corporate treasury.

<sup>2</sup>Computed basis count of clients with AUM above Rs. 5 crore

<sup>3</sup>AUM excluding custody assets

**Comfortable capitalisation and strong profitability with demonstrated ability to raise equity** – The Group’s consolidated tangible net worth stood at Rs. 6,327 crore as on December 31, 2025, with the gearing at 2.4 times (based on tangible net worth), supported by the sizeable equity raise of Rs. 2,250 crore through a QIP in October 2024 and the receipt of Rs. 626 crore from warrant subscription proceeds. On a standalone basis, 360 ONE Prime reported a capital-to-risk (weighted) assets ratio of 19.0% as on December 31, 2025 (29.7% as on March 31, 2025). Of the total equity raised, Rs. 1,200 crore was infused to strengthen 360 ONE Prime’s capital position to support its loan book growth, while Rs. 800 crore was infused into the alternate asset management business under 360 ONE Alternates Asset Management Limited (360 ONE AAM), which houses the majority of the Group’s AIF investments (both sponsor and non-sponsor).

The Group has a track record of raising equity from diverse investors (Rs. 904 crore in FY2016 from General Atlantic; Rs. 746 crore in Q1 FY2019 from Amansa, General Atlantic, HDFC Standard Life Insurance, Rimco, Steadview and Ward Ferry; and Rs. 2,250 crore in Q3 FY2025 from The Regents of the University of California, provident funds and mutual funds), supporting its inorganic growth initiatives. The capitalisation profile is expected to improve further, following the conversion of warrants subscribed by UBS over the next 18 months, of which Rs. 528 crore (25% of the total consideration of Rs. 2,112 crore) was received in July 2025. Additionally, the management has indicated a move towards lower dividend payouts relative to historical levels to meet the growth capital needs of 360 ONE Prime and 360 ONE AAM. ICRA expects the Group’s capitalisation to remain comfortable over the medium term.

The Group’s consolidated profitability remains strong, with a profit after tax (PAT) of Rs. 933 crore in 9M FY2026 (Rs. 1,015 crore in FY2025) and a tangible return on equity of 20.4% (22.9% in FY2025). ICRA expects profitability to remain healthy, supported by the expansion in AUM.

**Comfortable asset quality** – 360 ONE Prime is the Group’s non-banking financial company (NBFC), primarily extending loan against securities (LAS) and loan against property (LAP) facilities to clients of the wealth management business, with sourcing undertaken by the wealth RMs. The loan book constituted 1.7% of the wealth management AUM as on December 31, 2025. While 360 ONE Prime reported nil gross non-performing advances (NPAs) as on December 31, 2025, the portfolio remains exposed to market-linked risks, as a decline in collateral values may elevate loan-to-value ratios. In addition, a portion of the collateral comprises unlisted equity, AIF units and property, which are relatively illiquid and may be subject to valuation uncertainty, potentially delaying recoveries under stress scenarios. ICRA derives comfort from the company’s established operating track record and the fact that the borrower base largely consists of clients of the wealth management franchise.

### Credit challenges

**Franchisee and reputational risks** – The Group relies on the strength of its brand and established franchise for client retention and new client acquisition. As a fund manager, it oversees sizeable AUM across various strategies in its asset management business, exposing it to risks arising from the potential underperformance of the underlying investments. Sustained investment underperformance or instances of mis-selling or misrepresentation by RMs could result in reputational damage and may adversely impact business performance. The ability to retain team leaders and RMs remains critical for maintaining low client attrition levels. While the Group witnessed some attrition among team leaders and RMs in FY2025 and Q1 FY2026, ICRA notes that client attrition, measured in terms of AUM, remained low at 1.7% in FY2025 (1.4% in FY2024). Further, 45% of the team leaders have a tenure exceeding five years, which provides stability to the franchise.

**Loan book remains concentrated in NBFC; high funding reliance on CP** – 360 ONE Prime’s lending operations, with a loan book of Rs. 10,606 crore as on December 31, 2025, primarily comprise LAS and LAP exposures to HNI clients. The portfolio remains concentrated, with the top 20 exposures accounting for around 45% of the total loan book and 75% of the consolidated tangible net worth as on December 31, 2025, though this has moderated from 83% as on September 30, 2024 with the completion of the equity capital raise.

Apart from the lending operations, borrowings are required for investments in AIFs and for working capital, including margins

at the stock exchanges in the broking business. Of the overall long-term borrowings of non-convertible debentures (NCDs)/principal protected market linked debentures (PP-MLDs), 31% is from the captive client base. The share of CP remained high at around 33% of the consolidated borrowings (excluding CBLO) as on December 31, 2025. CP borrowings partly fund the loan book, AIF investments and the investment book for down-selling to clients. ICRA expects that the share of CP borrowings in the Group’s consolidated borrowings (excluding CBLO) will remain high in the near term due to both organic and inorganic business expansion plans.

Given the large AIF investments managed by the Group, it has sizeable AIF investments in its own balance sheet towards sponsor’s own contribution as well as in-transit investments held for down-selling to clients. The proportion of AIF investments increased to 63% of tangible net worth as on September 30, 2024, before moderating to 37% as on March 31, 2025 after the equity raise. However, the exposure rose again to 58% as on December 31, 2025, reflecting the need to meet sponsor commitments, MTM gains, and the closure of new funds that are yet to be sold down to clients. The AIF investments could see some moderation in the near term, largely on account of redemptions from the earlier schemes and potential downsell to clients. Apart from investments in high-yielding credit, the AIFs are largely in the unlisted equity/real estate segment, exposing on-balance sheet investments to valuation and liquidity risks.

**Earnings remain exposed to capital market movements and regulatory uncertainties** – The Group’s net inflows and AUM remain exposed to capital market movements, which can influence overall revenue growth. Its revenue profile is also sensitive to regulatory changes. The management’s focus on increasing the share of annual recurring assets relative to transaction- or brokerage-driven assets has contributed to reducing income volatility. Additionally, the Group’s strategic shift from a broker model to an advisory model has lowered regulatory uncertainties associated with manufacturer-driven distribution fees. However, transaction-based income and other income, including MTM gains on the investment book and gains from down-selling in-transit investments, remained at 29% of total revenues in 9M FY2025 (36% in FY2025). Given its linkage to market activity and sentiment, transaction-based income remains vulnerable to potential downturns, which could exert pressure on profitability.

### Liquidity position: Adequate

As on January 31, 2026, the Group’s consolidated debt repayment obligations stood at Rs. 6,636 crore till July 31, 2026. It has cash and liquid investments of Rs. 5,327 crore and sanctioned but unutilised bank lines of Rs. 150 crore. Moreover, inflows from the loan book, which has a quarterly put/call option, provide comfort. 360 ONE Prime had positive cumulative mismatches in the less-than-1-year bucket. As on January 31, 2026, the Group’s liquidity position remained adequate.

### Rating sensitivities

**Positive factors** – Not Applicable

**Negative factors** – Pressure on the rating could arise on a material and prolonged erosion in the AUM. A sustained increase in the consolidated tangible gearing beyond 3.5 times and in the AIF investments, in relation to the tangible net worth, would be a negative factor.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Non-Banking Finance Companies (NBFCs)</a>
Parent/group support	Not Applicable
Consolidation/standalone	For arriving at the rating, ICRA has considered the consolidated financials of 360 ONE WAM Limited

## About the company

360 ONE Distribution Services Limited (360 ONE DSL) is a public limited company incorporated under the provisions of the Companies Act, 1956. It is registered with the Securities and Exchange Board of India (SEBI) to engage in the retail broking and depository participant business. 360 ONE's financial product distribution businesses were previously carried out by three wholly-owned subsidiaries, viz. IIFL Wealth Capital Markets (IWCML), 360 ONE Prime Limited and 360 ONE DSL. To consolidate these businesses under a single wholly-owned subsidiary, the distribution business was merged into 360 ONE DSL after getting approval from the National Company Law Tribunal on January 27, 2023. The same became effective from March 14, 2023.

### 360 ONE WAM Limited

360 ONE has one of the leading market positions in the wealth management business. The Group offers advisory, asset management, broking and distribution services to high-net-worth individuals (HNIs) and ultra HNIs. Its leading market position is reflected in the AUM of Rs. 7.11 lakh crore as on December 31, 2025. The Group is also one of the largest managers of AIFs with AUM of Rs. 50,934 crore as on December 31, 2025.

360 ONE WAM Limited (erstwhile IIFL Wealth Management Limited) was established in 2008. Until March 31, 2019, it was a part of the IIFL Group, with IIFL Holdings Limited (now IIFL Finance) holding a 53.3% stake. Following the scheme of arrangement, the demerger of IIFL Finance's wealth business into IIFL Wealth became effective in May 2019 and the company was subsequently listed on September 19, 2019. Over the years, it has expanded its platform through strategic acquisitions

## Key financial indicators (audited)

360 ONE WAM Limited (consolidated)	FY2024	FY2025	9M FY2026
	Audited	Audited	Provisional
<b>Total income</b>	2,925	3,684	3,307
<b>Profit after tax</b>	804	1,015	927
<b>Total managed assets</b>	15,119	19,769	NA
<b>Return on managed assets</b>	6.1%	5.8%	NA
<b>Reported gearing (times)</b>	2.8	1.6	1.6
<b>Reported gearing basis tangible net worth (times)</b>	3.4	1.9	2.4
<b>Gross stage 3</b>	NIL	NIL	NIL
<b>CRAR<sup>^</sup></b>	21.2%	29.7%	19.0%

Source: Company, ICRA Research; Amount in Rs. crore

<sup>^</sup> For 360 ONE Prime Limited

360 ONE Distribution Services Limited	FY2024	FY2025
<b>Total income</b>	632	850
<b>Profit after tax</b>	44	94
<b>Total managed assets</b>	1,580	1,707
<b>Return on managed assets</b>	2.9%	5.7%
<b>Reported gearing (times)</b>	0.3	0.5
<b>Gross stage 3</b>	-	-
<b>CRAR</b>	-	-

Source: Company, ICRA Research; Amount in Rs. crore

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

### Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years							
		Amount rated (Rs. crore)	Mar 05, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	300.00	[ICRA]A1+	Aug 12, 2025	[ICRA]A1+	Sep 13, 2024	[ICRA]A1+	Feb 29, 2024	[ICRA]A1+	Oct 12, 2022	[ICRA]A1+
		-	-	-	-	-	-	-	-	Mar 7, 2023	[ICRA]A1+

Source: Company

## Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
Not placed*	Commercial paper programme	-	-	-	300.00	[ICRA]A1+

Source: Company; \*Proposed; Commercial paper outstanding data is as on February 18, 2026

### Annexure II: List of entities considered for consolidated analysis

Company name	360 ONE ownership	Consolidation approach
360 ONE Distribution Services Limited	100%	Full consolidation
360 ONE Portfolio Managers Limited	100%	Full consolidation
360 ONE Prime Limited	100%	Full consolidation
360 ONE Investment Adviser & Trustee Services Limited	100%	Full consolidation
360 ONE Asset Management Limited	100%	Full consolidation
360 ONE Alternates Asset Management Limited	100%	Full consolidation
360 ONE IFSC Limited	100%	Full consolidation
360 ONE Asset Trustee Limited	100%	Full consolidation
360 ONE Foundation	100%	Full consolidation
Moneygoals Solutions Limited	100%	Full consolidation
Banayantree Services Limited	100%	Full consolidation
360 ONE Capital Market Private Limited	100%	Full consolidation
360 ONE Treasury Solutions Private Limited	100%	Full consolidation
360 ONE Capital Pte. Ltd.	100%	Full consolidation
B&K Securities Pte. Ltd., Singapore	100%	Full consolidation
360 ONE Private Wealth (Dubai) Limited	100%	Full consolidation
360 ONE Capital (Canada) Limited	100%	Full consolidation
360 ONE Inc.	100%	Full consolidation
360 ONE Asset Management (Mauritius) Limited	100%	Full consolidation
360 ONE Global Asset Management (IFSC) Limited	100%	Full consolidation

Source: Company

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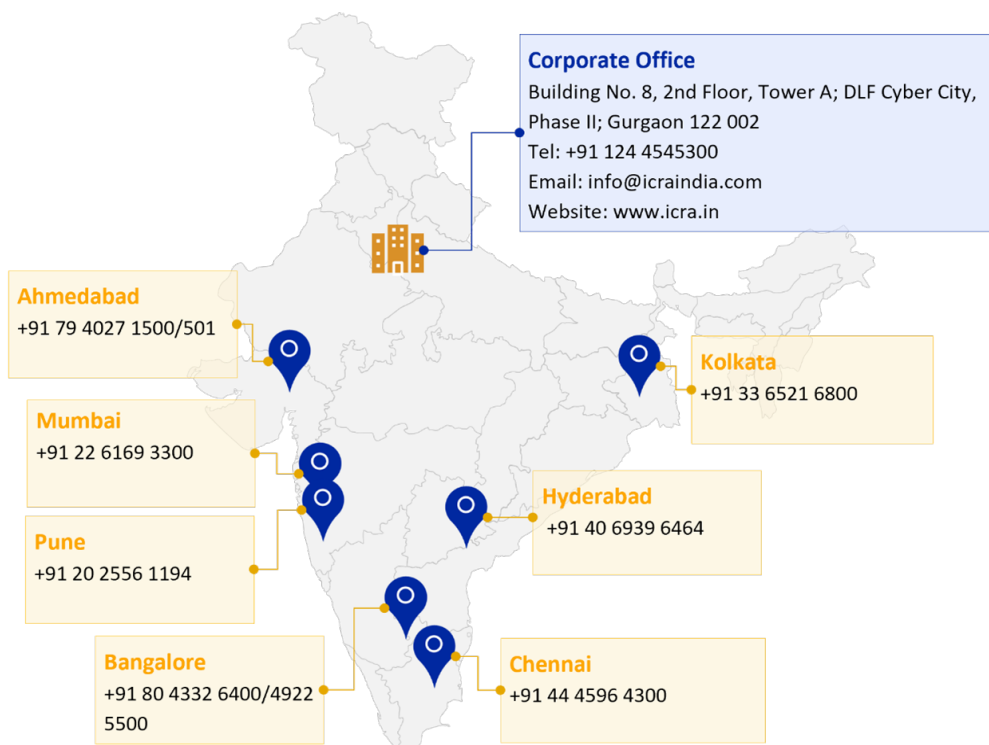


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