

Management Discussion and Analysis

Global Economy

Overview

In 2024, the global economy demonstrated resilience amid a complex landscape marked by evolving trade dynamics and policy shifts. According to the International Monetary Fund (IMF), global growth remained steady at 3.3%¹, aligning with potential output levels and reflecting a stabilisation following the disruptions of the previous years.

Advanced economies experienced modest growth, with the United States showing a slight acceleration, while the Euro area faced challenges that tempered its economic performance. Emerging markets and developing economies continued to drive global expansion, supported by robust demand in sectors like semiconductors and electronics, particularly in Asia.

Inflationary pressures eased globally, with headline inflation slated to decline to 4.3% in 2025 and 3.6% in 2026¹. This moderation in inflation was attributed to ongoing disinflationary trends and the effectiveness of monetary policies.

Global GDP Growth

World	Advanced economies	Emerging markets and developing economies
FY 2024-25e 3.3	FY 2024-25e 1.8	FY 2024-25e 4.3
FY 2025-26e 2.8	FY 2025-26e 1.4	FY 2025-26e 3.7
FY 2026-27f 3.0	FY 2026-27f 1.5	FY 2026-27f 3.9

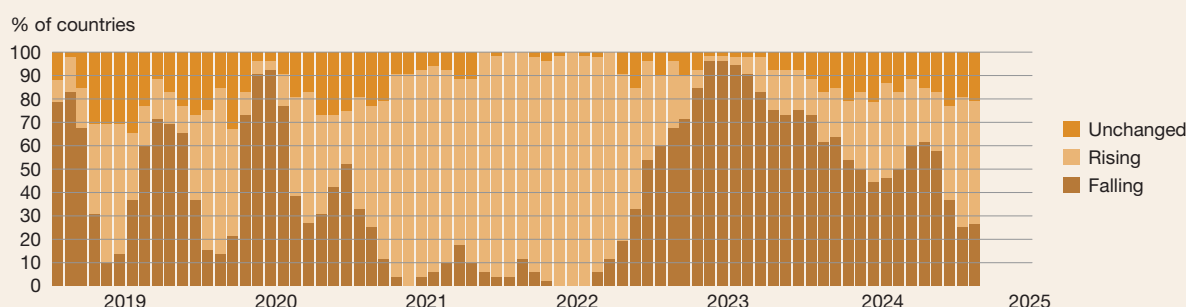
Source: World Economic Outlook (WEO), January 2025

2.8%

Annual global GDP growth (2025)

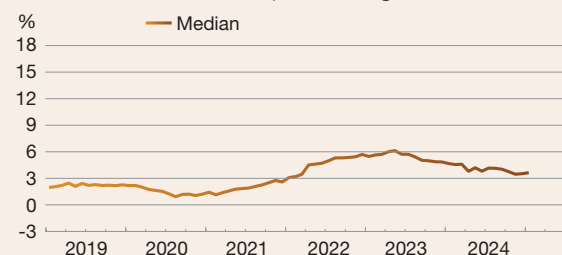
Inflation is rising again in an increasing share of economies

A. Change in annual headline inflation in last 3 months relative to previous 3 months



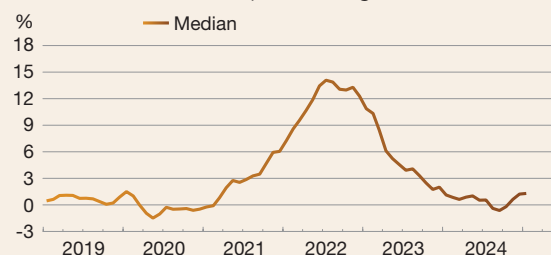
B. OECD inflation of services

OECD median and inter-quartile range



C. OECD inflation of goods

OECD median and inter-quartile range



Note: Panel A is based on 52 economies up to January 2025 and on 38 economies for February 2025. Panels B and C are based on national consumer price index data for 28 OECD countries. The blue shaded areas show the range between the 1st quartile and the 3rd quartile. Source: OECD Consumer Prices database; National institutes; and OECD calculations.

1. IMF, *World Economic Outlook*, April 2025

Outlook

The global economic outlook for fiscal year 2026 reflects a broad range of possibilities, shaped by dynamic trade conditions and evolving policy measures. In recognition of the current complexity, the International Monetary Fund (IMF) has provided multiple forecast scenarios. Under the reference forecast based on data through early April 2025, global growth is projected to stabilise at 3.0% in 2026¹. This projection considers recent developments in trade policy, fiscal adjustments, and global financial conditions.

Commodity prices are expected to remain relatively stable, with non-fuel commodity prices rising moderately, while oil and coal prices are anticipated to decline, offset by a projected increase in natural gas prices.

Monetary policy across major economies is expected to ease gradually. In the United States, the federal funds rate is projected to decline to 4% by the end of 2025¹, trending toward its long-term equilibrium. The Euro area is forecast to continue policy rate reductions, supporting economic activity. Fiscal policies in advanced economies are set to become more disciplined, contributing to improvements in structural fiscal balances.

Meanwhile, emerging markets are expected to maintain stable fiscal conditions with gradual adjustments beginning in 2026. Overall, the outlook for FY 2025-26 suggests steady global expansion amid a transitioning policy environment and ongoing structural realignments.

In a world shaped by policy uncertainty and trade tensions, developing economies will need bold and far-reaching policies to seize untapped opportunities for cross-border cooperation. A good start would be to pursue strategic trade and investment partnerships with the rapidly expanding markets of other developing nations. Modernising transportation infrastructure and standardising customs processes are critical steps to cut unnecessary expenses and foster greater trade efficiency. Finally, sound macroeconomic policies at home will fortify their capacity to navigate the uncertainties of the global outlook.

M. Ayhan Kose, Deputy Chief Economist (World Bank) and Director of the Prospects Group.

Global Trade

Overview

Global trade in 2025 began on stable footing, building on a record expansion in 2024 that saw it reach \$ 33 Trillion², driven by developing economies and services trade. However, emerging trends point to a more complex and evolving trade environment in fiscal year 2026.

Trade policies are increasingly influenced by national economic and strategic goals. Major economies, including the United States, the European Union, and China, are reshaping trade flows through tariffs, subsidies, and sector-focused industrial strategies, particularly in clean energy and technology. These changes are contributing to a shift in global trade balances. The US trade deficit has widened, while China and the EU recorded growing surpluses.

Outlook

The global trade outlook for FY 2025-26 is shaped by evolving supply chain strategies, policy realignments, and shifting economic partnerships. Services trade is expected to remain resilient, while goods trade may experience continued adjustment due to changing geopolitical dynamics.

Firms are increasingly diversifying trade networks, enhancing resilience but adding complexity. Trade policies focused on economic security and climate goals are influencing flows, particularly in sectors like clean energy and technology. Although trade imbalances persist, opportunities for emerging markets are expanding. Continued multilateral cooperation and balanced policies will be key to sustaining global trade momentum and supporting inclusive economic growth.

Although the current outlook is challenging, it is worth recalling that the trajectory of world trade will not be determined by any single economy or bilateral relationship. Much will depend on how the broader international community responds. The fact that 87% of global merchandise trade takes place outside the United States — and that bilateral trade between the United States and China accounts for around 3% — is a reminder of the importance of other trading relationships.

Ralph Ossa, Chief Economist and Director of the Economic Research and Statistics Division, World Trade Organisation

Indian Economy

Overview

In FY 2024-25, India's economy expanded by 6.5%³, maintaining its status as the world's fastest-growing major economy despite global uncertainties. The January-March quarter saw robust growth of 7.4%⁴, driven by agriculture (3.8%)⁴, industry (6.2%)⁴, and services (7.2%)⁴ sectors.

1. IMF, World Economic Outlook, April 2025

2. Global Trade in 2025, UNCTAD

3. Press Information Bureau (PIB)

4. Ministry of Finance

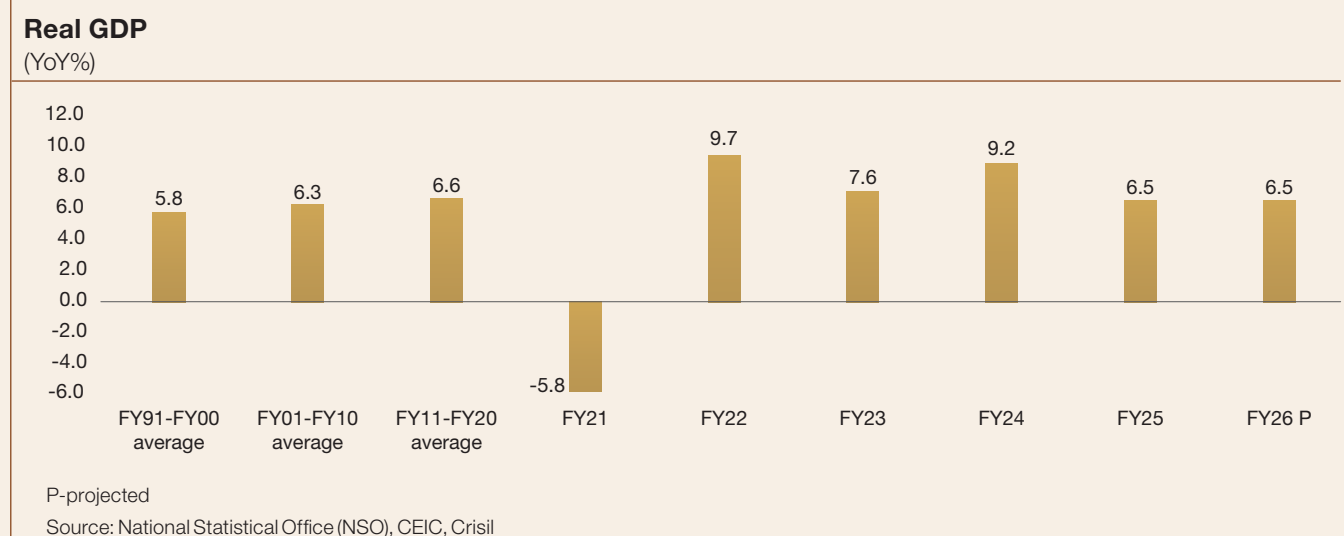
The government upheld fiscal discipline, achieving a fiscal deficit of 4.8% of GDP⁵, aligning with its target. Retail inflation eased to 3.16%⁶, enabling the Reserve Bank of India (RBI) to implement supportive monetary policies, including a cumulative 100 basis points reduction in the repo rate to 5.5%.

Much of the apparent deceleration stems from a high base effect, electoral uncertainty, and unanticipated weather disruptions. Importantly, revisions in previous years' GDP data point to a strong rebound post-pandemic and underline the enduring vigour of domestic demand, India's primary growth driver. With private consumption, services, and government spending

showing continued resilience, India's economy remains fundamentally sound.

High-frequency indicators such as GST collections, automobile sales, and fast-moving consumer goods (FMCG) volumes have also shown strong growth. Moreover, the government's tax reform strategy has boosted consumer confidence, even amid global volatility. India's shift toward a consumption-led and investment-led growth model has positioned it to navigate ongoing global economic turbulence while keeping its long-term development goals intact. Despite current concerns, India's macroeconomic stability remains one of its key strengths as it continues toward its Viksit Bharat 2047 vision.

Growth has Now Normalised to Pre-pandemic Levels



Outlook

India's near-term economic outlook for FY 2025-26 is cautiously optimistic, balancing domestic policy-driven momentum with external risks. A major contributor is the Union Budget's tax stimulus, especially personal income tax relief aimed at the middle class — about 31% of the population. These changes are expected to inject around ₹ 1.6 Trillion into consumer spending and potentially raise GDP by 0.6% to 0.7%⁷. The multiplier effect of increased consumption may further stimulate economic activity in the medium term.

Looking ahead, India is expected to sustain a growth trajectory of 6.3–6.8% in FY 2025-26⁸, supported by ongoing public investment, a stable macroeconomic environment, and continued momentum in exports and private consumption. Inflation is projected to remain within the RBI's target range,

and foreign investment inflows are likely to stay robust, further strengthening the country's economic fundamentals.

However, external headwinds temper this optimism. India faces the risk of retaliatory tariffs from the United States, its largest trading partner. Tariffs could reach an effective rate of 28.2%, potentially reducing India's GDP growth by 0.1% to 0.3% this fiscal year ⁷.

Trade negotiations are ongoing, and their outcomes will significantly influence India's export performance, especially in sectors like textiles and electronics. Nevertheless, if India manages to secure a favourable bilateral agreement before others, it could increase its market share in U.S. imports. Overall, India's economic trajectory will depend on how effectively it balances domestic fiscal strategies with evolving global trade dynamics in the coming quarters.

5. [Comptroller General of Accounts](#)

6. [Ministry of Statistics and Programme Implementation](#)

7. [Deloitte, India Economy Outlook, May 2025](#)

8. [Finance Ministry](#)

Leveraging India's Reform-driven Momentum

India's macroeconomic reforms are creating a fertile ecosystem for financial services to thrive – improving investor sentiment, expanding access to capital, and stimulating demand across industries. For Abans Financial Services Limited (AFSL), these policy-level changes align with the strategy to expand offerings across broking, lending, asset management, and global trading. Whether through better regulatory clarity or the emergence of new investible sectors, these reforms support AFSL's multi-asset, multi-market approach to financial services.

Taxation Reforms

India's recent tax reforms signal a progressive shift towards a more investment-friendly and globally aligned financial ecosystem. Key measures include tax neutrality for fund relocations to Indian Financial System Code (IFSC), exemptions for non-resident investors in derivatives and clarified capital gains treatment for Alternative Investment Funds (AIFs). These reforms enhance transparency, reduce friction in cross-border flows and empower financial institutions to scale asset management, structure global funds and attract diverse investor participation with greater efficiency and compliance.

Production Linked Incentive (PLI) Schemes

The PLI schemes have attracted significant investments, bolstering domestic manufacturing across various sectors. As of early 2025, the scheme has garnered investments totalling ₹ 1.46 Lakh Crores⁹, created approximately 9.5 Lakh jobs, and added ₹ 4 Lakh Crore worth of exports. The schemes are creating a new class of investible companies across sectors such as electronics, pharmaceuticals, and renewables. As these enterprises scale, they seek both capital and financial guidance, providing fresh opportunities for AFSL's lending and asset management verticals to engage with India's next wave of high-growth businesses.

Viksit Bharat 2047 Vision

A national blueprint for inclusive and sustained growth, this vision supports long-term infrastructure, digitalisation, and entrepreneurship – laying the foundation for demand in financial intermediation, where AFSL plays a pivotal role.

Together, these macroeconomic reforms are accelerating formalisation, improving capital mobilisation, and opening up new sectors, providing a strong tailwind to AFSL's ambition of delivering scalable, globally-aligned financial solutions.



9. [Press Information Bureau](#)

Industry

Financial Markets and Capital Flows

Asset Management

Globally, the asset management industry is navigating a complex macroeconomic landscape marked by interest rate transitions, volatile equities, and shifting investor preferences. After a challenging FY 2022–23, global assets under management (AUM) saw a strong recovery in FY 2023-24, with firms tilting portfolios toward multi-asset, private credit, and ESG strategies. According to BCG, global AUM reached approximately \$ 128 Trillion in 2024¹⁰. While developed markets such as the US and UK saw a resurgence in ETF and fixed-income flows, China witnessed regulatory recalibration with state-guided consolidation of asset managers, amid efforts to stimulate capital markets and restore investor confidence.

Global Average AUM (in \$ Trillions)

2020	102
2021	114
2022	104
2023	115
2024	128

Source: BCG Global Asset Management Market Sizing Database 2025; BCG Global Asset Management Benchmarking Database 2025

In India, the asset and wealth management industry is entering a phase of sustained expansion, driven by structural tailwinds, digital transformation, and regulatory modernisation. The mutual fund segment, a cornerstone of retail wealth creation, recorded an Average AUM (AAUM) of ₹ 69.5 Trillion in April 2025¹¹. Despite this momentum, the Indian asset management market remains significantly underpenetrated.

GIFT City

Crucially, the emergence of Gujarat International Finance Tec-City (GIFT City) as a global financial hub introduces a strategic dimension to India's asset management landscape. The International Financial Services Centre Authority (IFSCA) has created a tax-efficient and regulatory-simplified environment for Fund Management Entities (FMEs) operating in GIFT City. Indian and global firms are increasingly setting up Alternative Investment Funds (AIFs), Portfolio Management Services (PMS), and offshore feeder funds through this gateway. GIFT City presents a scalable, cross-border platform to attract international investors, offer multi-currency fund structures, and leverage India's growing credibility as a financial innovation hub.

Strategic Advantage of AFSL's GIFT City Presence

- ◆ **Gateway to Global Capital:** AFSL's presence in GIFT City gives it direct access to global investors, allowing it to scale fund offerings across geographies.
- ◆ **Regulatory Simplicity:** GIFT City operates under a unified regulatory body – the International Financial Services Centres Authority (IFSCA) – which offers a streamlined, progressive, and business-friendly framework.
- ◆ **Multi-currency Capabilities:** The ability to manage both INR and USD assets enables AFSL to structure multi-currency funds and efficiently facilitate cross-border investments.
- ◆ **Tax Efficiency:** GIFT City's favourable tax regime – such as exemptions on capital gains, stamp duty, and GST on select financial services – enhances fund performance and investor appeal.
- ◆ **Robust Infrastructure:** With world-class infrastructure and rising trading volumes, GIFT City provides a reliable, tech-forward environment for asset and wealth management.

Unlocking Value beyond Traditional Frontiers

Alternative Investment Funds

At a Glance

Alternative Investment Funds (AIFs) are privately pooled investment vehicles that collect capital from investors, both domestic and international, to invest according to a defined strategy. Unlike traditional mutual funds, AIFs offer access to a broader spectrum of asset classes such as private equity, venture capital, real estate, hedge funds, and distressed assets. They are typically suited for high-net-worth individuals and institutional investors seeking enhanced diversification, higher return potential, and exposure to niche or less correlated markets. AIFs are regulated by the Securities and Exchange Board of India (SEBI) under the SEBI (Alternative Investment Funds) Regulations, 2012, ensuring transparency and investor protection.

Performance

Alternate Investment Funds (AIFs) continue to gain traction in both global and Indian markets as investors diversify away from traditional assets. Globally, private equity, venture capital, and private debt remain dominant themes, with total global alternative AUM estimated to exceed \$ 30 Trillion by 2030¹².

10. BCG, Global Management Report 2025

11. Association of Mutual Funds in India

12. Preqin, Future of Alternatives 2029

India's AIF ecosystem is expanding rapidly under SEBI's strong framework, with cumulative AIF commitments crossing ₹ 13.5 Lakh Crores by March 2025¹³. Category II funds, comprising private equity, distressed assets, and private credit, account for over 60% of commitments, reflecting a growing institutional appetite for yield and uncorrelated returns. SEBI has also made onboarding norms for AIFs investor-friendly, and regulatory clarity is helping build long-term trust. The IFSCA's framework now permits AIFs to operate from GIFT City, offering global outreach and capital-raising advantages.

Factors Contributing to the Growth of Alternative Investments

1 Rising Wealth among HNIs

India's HNI population is rapidly increasing, with projections indicating a doubling over the next 5 years. This surge in affluence is fuelling demand for investment avenues beyond traditional assets.

2 Desire for Portfolio Diversification

Investors seek to diversify their portfolios to mitigate risks associated with traditional markets. AIFs offer exposure to a broad range of asset classes, enabling investors to achieve better risk-adjusted returns.

3 Digital Platforms

The integration of technology into the investment process, including registration and compliance tracking, has made alternative investments more accessible.

4 Regulatory Support

Regulatory bodies have implemented policies to enhance transparency and investor protection in the alternative investment space.

5 Private Equity Opportunities

AIFs play a crucial role in providing capital to early-stage companies, allowing investors to participate in high-growth ventures and potentially reap substantial returns.

6 Emergence of specialised investment strategies

AIFs are increasingly focusing on niche investment strategies, such as sector-specific funds or thematic investments, allowing investors to target specific market segments.

Tailored Portfolios for the Discerning Investor Portfolio Management

At a Glance

Portfolio Management Services (PMS) offer bespoke investment solutions crafted by professional portfolio managers to align with individual investor goals, risk tolerance, and investment horizons. Unlike mutual funds, PMS provide customised portfolios, allowing for concentrated investments in specific sectors or themes. These services are ideal for high-net-worth individuals (HNIs) seeking active management and personalised strategies. Regulated by the Securities and Exchange Board of India (SEBI) under the SEBI (Portfolio Managers) Regulations, 2020, PMS ensures transparency and investor protection. The minimum investment threshold for PMS in India is ₹ 50 Lakh, making it suitable for investors with substantial capital and a preference for tailored investment approaches.

Performance

India's Portfolio Management Services industry has matured into a key channel for high-net-worth (HNW) investors seeking customised and actively managed equity strategies. As of October 2024, PMS AUM stood at over ₹ 36.2 Lakh Crores, registering 19.1% growth from the past year¹⁴, with discretionary mandates forming the largest segment. Strong market performance and increasing participation from tier-2 and tier-3 cities have bolstered demand for bespoke portfolio strategies, particularly in large-cap and thematic equity categories.

Globally, demand for tailored discretionary mandates is also increasing, especially among ultra-HNW investors in the US, UK, and Middle East who seek differentiated alpha in volatile markets. Wealth managers are integrating AI-driven tools and ESG overlays into PMS to enhance performance and transparency. For AFSL, the trend aligns with its goal of offering high-conviction, research-led PMS products across domestic and offshore platforms.



13. SEBI

14. Ministry of Finance, Annual Report FY 2024-25

Building the Infrastructure of Borderless Finance

The Global Evolution of Neo Banking and the Strategic Role of API and EMI Licenses

The global financial ecosystem is undergoing a seismic shift. The rise of digital-native institutions, embedded finance, and real-time money movement is redefining how financial services are accessed and consumed. At the heart of this transformation lies a new breed of platforms — neo banks — that operate without physical branches, yet deliver full-service banking experiences through technology, compliance, and connectivity.

◆ API License: The Building Block of Embedded Financial Infrastructure

Around the world, Authorised Payment Institutions (API) are enabling secure, programmable access to banking rails through application programming interfaces. In jurisdictions such as the UK, EU, and Singapore, these licenses allow fintechs to initiate payments, aggregate account data, and deliver real-time transaction services, all within a regulated perimeter.

These capabilities form the foundation of embedded finance, where financial services are woven directly into non-banking platforms — from e-commerce to wealth apps — allowing users to transact without switching contexts. The UK’s regulatory sandbox, strong consumer protection frameworks, and open banking mandates have positioned it as a global hub for such innovation.

CASL, a UK-regulated subsidiary operating under an API license, reflects this global momentum. Its platform enables regulated payment flows for cross-border clients and lays the groundwork for larger digital financial ambitions.

◆ EMI License: Unlocking the Full Potential of Neo Banking

While API licenses enable access, Electronic Money Institution (EMI) licenses unlock scale. Globally, EMIs are empowered to issue electronic money, manage digital wallets, offer prepaid instruments, and enable multi-currency fund transfers across geographies. This licensing framework has been the launchpad for global players like Revolut, Wise, and N26, who have built robust, compliant financial ecosystems without owning traditional bank charters.

With an EMI license, institutions can build fully digital treasury, payments, and client onboarding infrastructure — facilitating scalable financial operations for individuals, SMEs, and institutional investors alike.

A Global Shift toward Borderless, Digital Financial Services

Across advanced and emerging markets, regulators are embracing tiered licensing frameworks that foster innovation without compromising compliance. The combination of API and EMI licenses allows financial institutions to:

- Serve global clients without physical presence
- Design modular financial products tailored to specific use-cases
- Enable cross-border cash and liquidity management
- Offer end-to-end digital banking experiences with full traceability and control

This transformation is especially significant in trade-linked, investment-linked, and diaspora-linked corridors, where traditional banking has often been fragmented, slow, or inaccessible.

The Road Ahead

As neo banking becomes the norm rather than the exception, institutions that harness regulatory alignment, technological agility, and global connectivity will shape the future of finance. CASL’s journey — from an API-regulated payment provider to a prospective EMI-licensed digital institution — mirrors this global shift, reflecting a broader movement toward democratised, borderless, and intelligent financial ecosystems.

Driving Financial Inclusion and Innovation NBFC and Financial Services Sector

At a Glance

Non-Banking Financial Companies (NBFCs) extend credit to underserved segments, particularly in retail and priority sectors. Their agility and customer-centric approaches enable them to adapt swiftly to market demands and regulatory changes. Globally, the financial services sector is undergoing a transformation, driven by technological advancements, evolving consumer expectations, and a focus on financial inclusion. NBFCs, by embracing digital platforms and innovative lending models, are well-positioned to capitalise on these trends, driving inclusive growth and contributing to the broader financial ecosystem.

Performance Overview

India’s NBFC sector demonstrated strong fundamentals in FY 2024-25, supported by capital adequacy, healthy earnings, and prudent risk management. Overall credit by NBFCs stood at approximately ₹ 52 Trillion as of December 2024 and is expected to exceed ₹ 60 Trillion by FY 2025-26¹⁵.

15. ICRA

Retail loans, which form the largest share of the credit portfolio at 58%, have remained the key driver of growth. While the pace of expansion in retail assets is expected to normalise to a healthy 16–18% CAGR during FY 2025-26¹⁵, following a strong post-pandemic surge, it continues to reflect sustained demand and deepening financial inclusion. The sector has also benefited from diversification in funding sources, with increased external commercial borrowings and buoyant debt market participation contributing to a stable liquidity environment.

Outlook

The outlook for NBFCs remains stable, with ICRA noting that entities are well-positioned to navigate the evolving regulatory and macroeconomic landscape. Recent policy measures, such as the proposed enhancements in co-lending norms and gold loan regulations, are expected to enhance transparency, borrower protection, and harmonisation across the financial ecosystem.

These developments, coupled with the removal of higher risk weights on bank credit to NBFCs, effective April 2025, are set to further strengthen sectoral resilience and operational flexibility. While growth is expected to moderate in line with sectoral maturity, NBFCs' strong capital buffers, focus on governance, and proactive portfolio management ensure that they remain agile and well-prepared to capture emerging opportunities in retail and priority lending segments.

Company Strategic

Foundation and Business Architecture

As the global financial services industry undergoes profound transformation, Abans Financial Services Ltd. (AFSL) is actively shaping the next frontier of opportunity. The trends of rising demand for alternative investments, cross-border capital mobility, and regulatory convergence are not abstract market forces for us — they form the bedrock of our strategic evolution.

AFSL is built on a triad of purpose-driven verticals that allow us to remain agile, future-ready, and client-centric across market cycles:

- ◆ **Fee-based Investment Services:** Where conviction meets performance. This includes PMS, AIFs, and our flagship Global Arbitrage Fund — each reflecting our ability to generate differentiated alpha through data, discipline, and global market access.
- ◆ **Lending & Credit Solutions:** Providing growth capital through structured lending to MSMEs and entrepreneurs who form the backbone of economic growth. Here, we prioritise speed, structure, and stability.

- ◆ **Principal Investment & Treasury:** Our internal capital works harder — across commodities, currencies, and derivative structures — delivering consistent value through advanced arbitrage strategies, powered by real-time analytics and strict risk protocols.

What differentiates us is not just the existence of these verticals, but how they interplay. Our asset management feeds intelligence into our principal strategies. Our lending platform draws confidence from our robust treasury discipline. All of this is anchored in a culture of compliance and governance that spans continents.

We operate with regulatory licenses and footprints in:

- India – as a SEBI-registered Portfolio Manager and RBI-regulated NBFC
- UK – through FCA-regulated entities and the API license on path to EMI status
- Mauritius – housing flagship global funds with flexible structuring
- GIFT City – enabling dual-currency asset management and cross-border flow

Our architecture is designed to thrive in a boundaryless financial world. It empowers us to attract global capital, scale without compromise, and create a future where returns are resilient, risks are measured, and relationships are long-term.

As we move ahead, the focus remains clear: to become a full-service financial institution where institutional-quality strategies meet boutique agility — all while expanding possibilities beyond boundaries.



15. ICRA

Our Offerings: Expanding Financial Possibilities

At AFSL, our offerings are built on a single principle — **create value without borders**. We combine regulatory sophistication, market intelligence, and technology to deliver a broad, future-ready suite of financial services across asset management, lending, market access, and capital advisory.



Global Arbitrage Fund – Alpha across Borders

The **Global Arbitrage Opportunities Fund**, regulated in Mauritius, is the flagship open-ended strategy that seeks to exploit arbitrage inefficiencies across global asset classes — including commodities, currencies, and interest rate derivatives.

Why It Stands Out:

- Monthly USD liquidity
- Multi-venue arbitrage capability across geographies
- Hedged strategy with robust risk-adjusted returns



AIF Platforms – Domestic and IFSC Strategies

We manage both **Category II AIFs** (India) and **Category III AIFs** (GIFT City) offering tailored strategies for institutional and HNI clients.

Key Strategies:

- Long-Short Derivatives & Options (Category III, IFSC)
- Private Credit, Structured Debt, and Equity Investing (Category II, India)
- Seamless regulatory alignment with SEBI and IFSCA
- Strategic redemptions and fresh subscriptions reflect strong product traction



PMS – Growth & Momentum Fund

Our **Portfolio Management Services** focus on high-conviction, research-backed equity strategies. We currently offer:

Growth & Momentum Fund

A model-driven, actively managed equity portfolio that captures trends and outperformance across mid and large-cap names. The fund's strong historical returns and risk controls make it an attractive option for long-term investors.

Comparative Overview: Mutual Funds vs PMS vs AIFs vs Global Arbitrage Funds

Feature	Mutual Funds	Portfolio Management Services (PMS)	Alternative Investment Funds (AIFs)	Global Arbitrage Funds
Structure	Pooled investment from multiple investors into a diversified portfolio	Individually managed portfolios tailored to each investor	Pooled investment in alternative assets, including private equity, hedge funds and real estate	Pooled investments exploiting price differences across global markets
Investor Profile	Retail investors seeking diversification and professional management	HNIs seeking personalised investment instruments	Institutional investors seeking exposure to alternative assets	Investors seeking to capitalise on global market inefficiencies and diversify portfolios
Regulation	Regulated by SEBI under Mutual Funds regulation	Regulated by SEBI under Portfolio Managers Regulation	Regulated by SEBI under AIF regulations	Regulated under SEBI and international financial authorities, depending on jurisdiction
Minimum Investment	As low as ₹ 500	Typically ₹ 50 Lakhs, catering to HNIs	Minimum ₹ 1 Crore, targeting sophisticated investors	Varies: Often the threshold is higher due to international exposure
Asset Classes	Primarily equities, debt or hybrid instruments	Equities, debt and other securities as per investor preference	Alternative assets including private equity, venture capital, hedge funds and real estate	Multi-asset classes including equities, commodities, currencies and derivatives across global markets

Feature	Mutual Funds	Portfolio Management Services (PMS)	Alternative Investment Funds (AIFs)	Global Arbitrage Funds
Investment Strategy	Passive or active management aiming to outperform benchmarks	Active management with focused strategies tailored to investor objectives	Diverse strategies including long-short, event-driven and sector-specific investments	Arbitrage strategies exploiting price differentials across markets, including statistical, merger, currency and cross-border arbitrage
Taxation	Taxed at fund level – investors pay capital gains tax on redemption	Taxed at investor level – gains treated as direct investment	Taxation varies – depends on the fund structure and category	Taxation depends on the fund's domicile and the investor's jurisdiction – may offer tax efficiency through international structure
Risk-Return Profile	Moderate risk aligned to market performance	Higher risk with potential for higher returns due to concentrated positions	Higher risk with potential for higher returns through alternative investments	Moderate to high risk with potential for consistent returns through exploitation of global market inefficiencies



4 MLDS and Structured Products – Yield with Customisation

We offer Market Linked Debentures (MLDs) and other structured fixed-income products that blend traditional bond structures with derivative overlays for customised payoffs.

Solutions Offered:

- Equity-linked MLDs with capital protection
- Fixed-to-floating hybrids for HNIs
- Tax-efficient structures aligned with prevailing laws

These are distributed both directly and through our growing partner network.



6 Institutional & Global Broking – Markets Without Walls

Our broking subsidiaries provide real-time market access and trade execution across top-tier exchanges in India and globally.

Access Includes:

- **Domestic:** BSE, NSE, MCX, NCDEX
- **Global:** LME, COMEX, DGCX, SGX, DCE, SGEI

We serve clients across commodity houses, institutional desks, proprietary desks, and wealth advisors with tailored trade solutions and margin optimisation.



5 International Fund Platforms – Mauritius Edge

From our Mauritius-based fund management entity, we operate multiple vehicles catering to global institutional and private capital.

Fund Types:

- Equity Strategies (EM/Asia-focused long-only mandates)
- Derivative Funds (macro/volatility and arbitrage-based)
- Multi-asset offerings with institutional custody, fund admin, and audit

The Mauritius platform serves as a gateway for cross-border capital mobilisation, especially for clients in the Middle East, Europe, and Asia.



7 Lending & Capital Solutions – Credit with Speed

Through our RBI-registered NBFC, Abans Finance Pvt. Ltd., we offer lending products customised to the needs of traders, professionals, and SMEs.

Solutions Include:

- Secured working capital loans
- Structured unsecured loans for high-credit borrowers
- Trade-linked finance

No NPAs as of FY 2024-25, our credit platform is lean, compliant, and yield accretive.



Investment Banking & Capital Advisory – Structuring Growth

Our Investment Banking vertical offers bespoke structuring, fundraising, and M&A advisory across India and select offshore geographies.

Advisory Capabilities:

- Private equity and structured debt placement
- Deal origination and investor syndication
- Transaction structuring for promoter families and emerging enterprises
- Corporate advisory across sectors (financial services, infra, logistics, healthcare)

This business is built on our deep regulatory know-how and access to a curated pool of global investors and capital allocators.



Embedded Finance & Fintech Infrastructure – Through CASL (UK)

CASL, our regulated UK subsidiary, is evolving into a neo-banking infrastructure platform, currently licensed as an API provider, with the EMI license underway.

Future-Proof Capabilities:

- Embedded payments and FX for retail/SME partners
- Banking-as-a-service stack for global fintechs
- Infrastructure layer for wealthtech and trade finance platforms
- UK-regulated environment for enhanced compliance

Once the EMI license is live, CASL will be positioned to offer digital wallets, cross-border payments, and e-money account solutions, giving us a strong foothold in the UK-Europe fintech corridor.

Performance through a Strategic Lens

After outlining the industry landscape and highlighting our offerings, it becomes critical to evaluate how our strategic choices translated into performance. Over the past three years, AFSL has undergone a deliberate transition—pivoting towards scalable, fee-based income streams, refining risk practices, and anchoring growth in capital-efficient verticals. The following segment-wise analysis reflects this evolution.

Segment-wise Financial Overview (FY 2022-23 to FY 2024-25)

Revenue from each segment in last three financial year

Segment	(₹ in Lakhs)		
	FY 2024-25	FY 2023-24	FY 2022-23
Fee based investment services	16,547.53	10,029.30	4,297.58
Principal investment & treasury*	9,308.17	9,633.42	6,141.28
Lending & Credit solutions	3,822.70	3,549.90	2,132.91

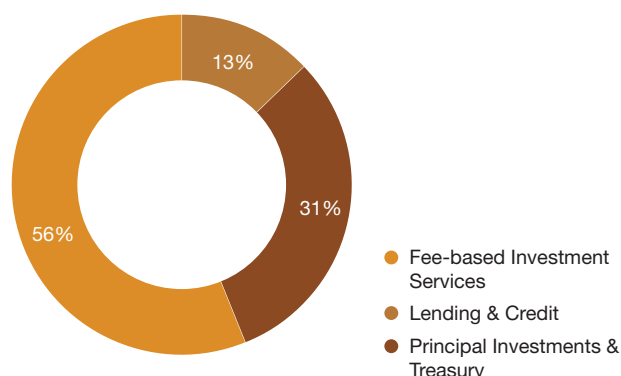
*Note: Revenue figures for treasury represent gross earnings, net of purchases and adjusted for gains/losses from hedged positions.

Earnings Before Interest & Tax (EBIT) from each segment in last three financial year

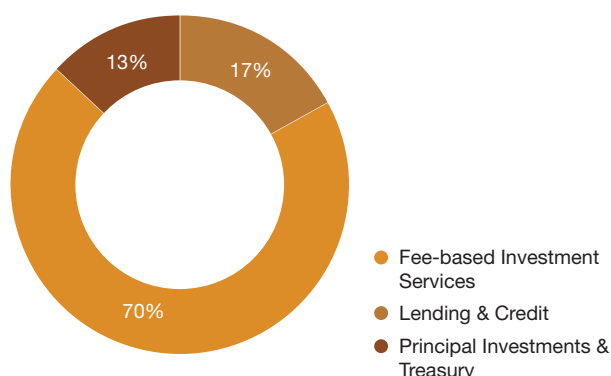
Segment	(₹ in Lakhs)		
	FY 2024-25	FY 2023-24	FY 2022-23
Fee based investment services	10,252.44	5,852.04	2,128.02
Principal investment & treasury	1,979.00	3,743.62	5,310.91
Lending & Credit solutions	2,433.32	2,296.94	1,195.85

Revenue and EBIT contribution of each segment for FY 2024-25:

Revenue



EBIT



Key Takeaways

- **Fee-based Investment Services:** Now the cornerstone of AFSL's earnings engine, contributing over 70% of EBIT in FY 2024-25—up from just 25% two years ago. Growth has been powered by PMS, AIFs (domestic & offshore), brokerage, and equity-linked MLD distribution.
- **Lending & Credit:** Steady growth backed by prudent underwriting and strong asset quality. No NPAs reported, and customer acquisition has diversified the loan book.
- **Principal Investments & Treasury:** Volatility and risk aversion led to tighter returns, but the segment remains a strategic lever for deploying surplus capital dynamically.

Strategic Performance Alignment

Each vertical has been realigned to support long-term value creation:

- **Fee Income Streams:** Capital-light, globally scalable, and regulation-aligned.
- **Lending Solutions:** Focus on SME-led growth, supported by internal accruals.
- **Treasury:** Conservative risk posture maintained amid market volatility, reflecting discipline over speculation.

Performance Review - Consolidated Financial

Key Financial Indicator

Particulars	↑/↓ % Growth	Amount (₹ in Lakhs)	Nature
Total income	↑ 137.84	3,28,314.31	Revenue
Profit before non-cash expenses	↑ 23.70	13,110.90	Profitability
Profit After Tax	↑ 21.59	10,851.06	Net Profit
Total Equity	↑ 15.01	1,16,459.44	Shareholder's Equity

Financial Performance with Respect to Our Operations

The Consolidated Financial Statements (CFS) have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time. Material accounting policies used for the preparation of the financial statements are disclosed in Note -1 to the CFS. The following table sets forth selected financial information from our Consolidated Statement of Profit and Loss for FY 2024-25 and FY 2023-24.

(₹ In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income		
Revenue from operations	3,28,068.17	1,37,991.06
Other income	246.14	48.07
Total Income	3,28,314.31	1,38,039.13
Expenses		
Purchase of stock in trade/cost of materials consumed	2,94,986.67	1,14,185.42
Changes in inventory	3,578.59	533.60
Employee benefits expense	5,220.69	3,837.87
Finance costs	5,842.34	5,137.44
Depreciation and amortisation expenses	114.82	62.63
Other expenses	5,336.10	4,280.78
Total Expenses	3,15,079.21	1,28,037.74
Profit/(loss) before tax	13,235.10	10,001.39
Less: Tax Expense:	2,384.04	1,077.05
Profit/(loss) after tax	10,851.06	8,924.34
Basic earnings per share	21.56	17.80
Diluted earnings per share	21.44	17.74

Revenue from Operations

The Group generates revenue through comprehensive suite of activities, including investment management fees, portfolio management fees, brokerage commissions, and advisory service charges. Other income streams include money remittance services, interest derived from loan portfolios, returns on investments in financial instruments, and gains from commodity arbitrage, specifically the strategic disposition of physical commodities hedged against corresponding futures contracts.

The FY 2024-25 witnessed a 137.75% increase in revenue, reaching ₹ 3,28,068.17 Lakhs. This substantial growth was predominantly attributable to an enhanced contribution from the fee-based investment services segment and volatile financial market lead to a expansion in commodity sales volume.

Other Income

For the fiscal year ended March 31, 2025, the Group recorded other income of ₹ 246.14 Lakhs. This amount, which is incidental to the Group's core activities, was primarily derived from rent, interest on tax refunds, and other miscellaneous sources within the regular course of business.

Purchase of Stock in Trade/Cost of Materials Consumed

During FY 2024-25, total purchases increased by 158.34%, rising from ₹ 1,14,185.42 Lakhs in FY 2023-24 to ₹ 2,94,986.67 Lakhs. This sharp escalation is primarily attributable to a surge in trading volumes in the commodities segment.

Changes in Inventory

The increase in changes in inventory from ₹ 533.60 Lakhs in FY 2023-24 to ₹ 3,578.59 Lakhs in FY 2024-25 is on account of increased volume of commodity trading and expanded scale of operations.

Employee Benefit Expenses

Employee benefits expenses increased by 36.03%, rising from ₹ 3,837.87 Lakhs in FY 2023-24 to ₹ 5,220.69 Lakhs in FY 2024-25. The increase is primarily attributable to the ESOP related expenses which is neutral to Equity of the company and non cash in nature, strategic hiring to support business expansion, and the annual revision in employee compensation.

During the year, the company has accounted for ₹ 2,128.37 Lakhs as ESOP expense. Total number of options granted under two different scheme was 17,65,999 nos. and out of which 430,223 got converted and 7,500 lapsed during the year and balance 13,28,276 nos. of options may be exercised by the employee in future subject to fulfilment of conditions of schemes.

Finance Cost

Finance costs for the period increased by 13.72%, moving from ₹ 5,137.44 Lakhs in the FY 2023-24 to ₹ 5,842.34 Lakhs in FY 2024-25. This incremental cost of borrowings can be attributed to several factors, notably the utilisation of borrowings from the TREPS (Tri Party Repo System)

platform for interest rate arbitrage strategies and fair valuation adjustments of structured products issued by the company.

Depreciation, Amortisation and Impairment

Depreciation, amortisation, and impairment expenses are relatively low, as we operate in the industry, which typically requires minimal capital expenditure. Consequently, the associated charges remain limited.

Other Expenses

In FY 2024-25, other expenses increased by 24.65% to ₹ 5,336.10 Lakhs, primarily to support expansion of existing activities and for future growth. This includes a surge in spending on business development, legal and professional services, software maintenance for technological upgrades and higher brokerage and commission costs. Other increase or decrease in expenses are in line with the operations and have not much impacted the financial results of the company.

Profit Before Tax

Profit Before Tax grew by a significant 32.33% to ₹ 13,235.10 Lakhs in FY 2024-25. This growth was driven by our strategic focus on expanding fee-based investment services and by successfully capitalising on arbitrage opportunities in a volatile financial market.

Tax Expenses

Current tax expenses (incl. earlier year tax) increased by ₹ 1,056.83 Lakhs in FY 2024-25, primarily due to the company's improved operational performance. The current year income, among Others, is reduced by carried forward losses and allowable expenses as per section 35D of the Income Tax Act, 1961. This material factors among others has resulted in to overall tax provision of ₹ 2,262.70 Lakhs.

Charge towards deferred tax for FY 2024-25 is ₹ 121.34 Lakhs as against income of ₹ 128.82 Lakhs of FY 2023-24. The deferred tax charge is mainly on account of movement in carried forward losses as per income tax act, fair value gains/losses on investments and expenses falling within the ambit of Section 35D.

Our effective tax rate for FY 2024-25, including deferred tax is at 18.01%.

Profit After Tax

As a result of the factors outlined above, our Profit After Tax increased by 21.59% to ₹ 10,851.06 Lakhs in FY 2024-25 from ₹ 8,924.34 Lakhs in FY 2023-24.

Profit Adjusted with Non-cash Expenses

After adjusting for major non-cash expenses such as Employee Stock Option Scheme costs and impairment charges, the company reported a profit of ₹ 13,110.90 Lakhs in FY 2024-25, a significant increase from ₹ 10,598.64 Lakhs in FY 2023-24 representing a growth of 23.70%. This exceptional performance is mainly due to the company's lean and cost-efficient operating model.

Statement of Assets and Liabilities

The following table sets forth selected financial information from our Consolidated Balance Sheet as at March 31, 2025 and March 31, 2024.

	(₹ In Lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Assets		
Investments	97,416.76	1,00,712.57
Inventories	2,005.08	5,583.67
Trade receivables	33,147.02	22,100.15
Cash and cash equivalents	31,854.41	27,759.52
Loans	26,593.76	34,708.64
Other assets	1,14,965.85	98,771.34
Total of Assets	3,05,982.88	2,89,635.89
Liabilities		
Equity share capital	1,011.52	1,002.92
Other equity	1,15,447.92	1,00,261.73
Borrowings	83,409.11	92,892.88
Trade payables	4,708.99	4,020.23
Other payables	1,01,405.34	91,458.13
Total of Liabilities	3,05,982.88	2,89,635.89

Investments

As of March 31, 2025, the Group's investments totalled ₹ 97,416.76 Lakhs. The majority, ₹ 79,566.86 Lakhs, is held in government securities, with an additional ₹ 1,247.98 Lakhs in equity shares, both for held for short term purposes against strategies like interest rate arbitrage and equity-supported derivatives. Furthermore, ₹ 13,055.06 Lakhs is invested in various collective investment schemes, selected for their consistent returns and are held for trading purpose.



Inventories

The company's strategic focus on inventory management yielded exceptional results in FY 2024–25. The inventory holding period was drastically reduced to 5 days, a significant improvement from the 19 days recorded in the prior year. This efficiency allowed the company to support higher sales volumes while simultaneously decreasing its inventory investment to ₹ 2,005.08 Lakhs.

Trade Receivables

Trade receivables has increased from ₹ 22,100.15 Lakhs to ₹ 33,147.02 Lakhs in current financial year as compared to FY 2023-24. The company's trade receivable turnover ratio improved significantly from 69 days of FY 2023-24 to 32 days of FY 2024-25. Improvement is the result of efficient collection process and strengthened credit management practices.

Cash and Cash equivalents

Balance of ₹ 31,854.41 Lakhs is an amount that is lying with banks and will be used for general corporate purposes and working capital need. Out of the above fixed deposit amounting to ₹ 24,542.95 Lakhs has been pledged as security to banks/stock exchange for margin purpose.

Loans

The NBFC arm of the group maintains a high-quality loan portfolio, with outstanding advances of ₹ 26,593.76 Lakhs. Asset quality is robust, as 100% of these accounts are classified as 'Standard.' Reflecting the strong recoverability of the portfolio, no provisions for Non-Performing Assets (NPAs) were warranted.

Others Assets

Other assets amounting to ₹ 1,14,965.85 Lakhs. Out of the above an amount of ₹ 1,04,713.08 Lakhs is towards margin with brokers and exchanges given in the regular course of business. Balance amount is towards items like balance with government authorities, fixed assets and other receivables. Entire amount is good and recoverable.

Equity Share Capital

Equity Share Capital has increased from ₹ 1,002.92 Lakhs in FY 2023-24 to ₹ 1,011.52 Lakhs in FY 2024-25. This increase is on account of allotment of equity shares pursuant to conversion of employee stock options exercised by employee. company allotted 430,223 numbers of shares having face value of ₹ 2/- each.

Other Equity (Including Non-controlling Interest)

In FY 2024-25, other equity increased by 15.15% to ₹ 1,15,447.92 Lakhs, compared to ₹ 1,00,261.73 Lakhs in FY 2023-24. This total increase of ₹ 15,186.19 Lakhs is primarily attributable to the following factors.

- Increase in share premium by ₹ 1,191.24 Lakhs on account of allotment of equity shares pursuant to the exercise of options under the ESOP scheme and ₹ 977.60 Lakhs is

recorded by subsidiary company on account of issue of new equity shares by it.

- ₹ 937.12 Lakhs, resulting from the combined effect of transfers from the share-based payment reserve and the fair value accounting of options granted under employee stock options as per Ind AS 102.
- Increase of ₹ 10,041.24 Lakhs in retained earnings primarily reflects profits generated from operational activity during the year. Among other it includes contribution from investment management and portfolio management services, brokerage services, money remittance, investment banking advisory services.

Borrowings

Borrowings has decreased from ₹ 92,892.88 Lakhs to ₹ 83,409.11 Lakhs in current financial year as compared to FY 2023-24. These borrowings represents amounts raised from various sources such as from loan from directors, banks and financial institutions and amount raised through structured products. Borrowings are utilised for operational use. During the year, the group has repaid an amount of ₹ 9,483.77 Lakhs which mainly includes redemption/repayment of structured products.

Trade Payables

Trade payables has increased from ₹ 4,020.23 Lakhs to ₹ 4,708.99 Lakhs in current financial year as compared to FY 2023-24. This increase is primarily attributable to payables arising from increase in physical commodity business and is in line with increase in activity. Payable days are reduced to 5 days, a significant improvement from the 19 days recorded in the prior year.

Other Liabilities

Other liabilities amounting to ₹ 1,01,405.34 Lakhs is outstanding as on March 31, 2025. Out of the above an amount of ₹ 98,047.70 Lakhs pertains to amount payable to clients of broking business. Other consists of dues payable to government authorities and provisions for employee benefits. These liabilities have arisen in the normal course of business and are expected to be settled in the ordinary operating cycle.

Key financial ratios having change of 25% or more as compared to the previous financial year

Net Capital Turnover Ratio

During the FY 2024-25, net capital turnover ratio reflected change of 100.18% i.e. increased from 1.52 times in FY 2023-24 to 3.04 times in FY 2024-25. The company's revenue more than doubled during the period, while the increase in working capital was only marginal. This effective management of working capital resources has resulted in higher sales without a proportional increase in capital employed.

Net Profit Ratio

During FY 2024-25, the company's net profit ratio decreased to 3.31% from 6.47% in the previous fiscal year reflecting negative change of 48.84%. It is important to note that, while the net profit ratio has declined, the absolute profit in monetary terms has actually increased. The year was navigated with volatility in the market and business was monitored through stringent risk management practices that led to yield compression. These prudent actions, while affecting the net profit margin as a percentage of revenue, have contributed to maintaining and even increasing the absolute profitability of the company.

Inventory Turnover Ratio

During FY 2024-25, the company's inventory turnover ratio improved reflecting change of 73.68%, rising from 19 days in FY 2023-24 to 5 days. This significant enhancement highlights a remarkable acceleration in inventory movement and underscores improved operational efficiency.

Trade Receivables Turnover Ratio

During FY 2024-25, the company's trade receivable turnover ratio improved significantly reflecting change of 53.62%, from 69 days of FY 2023-24 to 32 days of FY 2024-25. This notable enhancement reflects a substantial improvement in the efficiency of receivables management. This is on account of efficient collection process and strengthened credit management practices. As a result, the business is converting its sales into cash more rapidly, supporting better working capital management and overall operational efficiency.

Trade Payables Turnover Ratio

During FY 2024-25, the company's trade payables turnover ratio improved significantly from 19 days to 5 days compared to the previous year reflecting change of 73.68%. This substantial change highlights a notable shift in the company's payment practices toward its suppliers. This improvement is on account of company's strong financial discipline and robust cash flow position.

Performance Review - Standalone Financial

Key Financial indicator

Particulars	↑/↓ % Growth	Amount (₹ in Lakhs)	Nature
Total income	↑ 111.16	3,075.65	Revenue
Profit adjusted with non-cash expenses	↑ 473.74	2,317.10	Profitability
Profit After Tax	↑ 322.80	1,497.10 (vs. loss of 671.95)	Net Profit
Total Equity	↑ 28.23	15,481.13	Shareholder's Equity

Financial Performance with Respect to Our Operations

The financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time. Material accounting policies used for the preparation of the financial statements are disclosed in Note -1 to the standalone financial statements. The following table sets forth selected financial information from our Standalone Statement of Profit and Loss for FY 2024-25 and FY 2023-24.

	(₹ In Lakhs)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income		
Revenue from operation (incl. other income)	3,075.65	1,456.54
Total Income	3,075.65	1,456.54
Expenses		
Purchase of stock in trade/cost of materials consumed	-	1,177.80
Employee benefits expense	862.07	1,106.35
Finance costs	-	0.12
Depreciation and amortisation expenses	0.46	-
Other expenses	206.55	135.54
Total Expenses	1,069.08	2,419.81
Profit/(loss) before tax	2,006.57	(963.27)
Less: Tax Expense:	509.47	(291.32)
Profit/(loss) after tax	1,497.10	(671.95)
Basic earnings per share	2.97	(1.34)
Diluted earnings per share	2.96	(1.34)

Revenue from Operations

Revenue from operations comprises of investment management fees from Alternative Investment Fund (AIF) and advisory fees. Investment management fees from AIF consists of fees from various schemes which invest in different categories of securities like equity, debt etc. The quantum of fees is dependent on the size and composition of the AUM and if there are any changes therein, it leads to higher or lower fees on an overall basis.

111.16% increase in revenue from operation (including other income) from ₹ 1,456.54 Lakhs in FY 2023-24 to ₹ 3,075.65 Lakhs in FY 2024-25, is largely due to increase in investment management fee from AIF.

Employee Benefit Expenses

Employee benefit expenses has decreased by 22.08% from ₹ 1,106.35 Lakhs in FY 2023-24 to ₹ 862.07 Lakhs in FY 2024-25. This is mainly on account of recovery of ESOP expenses from subsidiary companies on account of grant of

options to employees of subsidiary companies. This charge is neutral to Equity of the company and non cash in nature.

During the year, the company has accounted for ₹ 786.35 Lakhs as ESOP expense. Total number of options granted under two different scheme was 17,65,999 nos. and out of which 430,223 got converted and 7,500 lapsed during the year and balance 13,28,276 nos. of options may be exercised by the employee in future subject to fulfilment of conditions of schemes.

Depreciation, Amortisation and Impairment

Depreciation, amortisation, and impairment expenses are relatively low as we operate in industry which typically requires minimal capital expenditure. Consequently, the associated charges remains limited.

Other Expenses

Our other expenses increased by 52.39% from ₹ 135.54 Lakhs in FY 2023-24 to ₹ 206.55 Lakhs in FY 2024-25 primarily due to provision for investment impairment, listing fees and other expenses. This increase or decrease in expenses are in line with the operations and have not much impacted the financial results of the company.

Profit Before Tax

Driven by the factors outlined above, Profit Before Tax surged to ₹2,006.57 Lakhs in FY 2024-25, marking a significant turnaround from a loss of ₹963.27 Lakhs in FY 2023-24. This positive shift reflects the success of the company's strategic expansion in asset management and advisory services.

Tax Expenses

Current tax expenses increased to ₹ 244.84 Lakhs in FY 2024-25, primarily due to the company's improved operational performance. The current year income, among other, is reduced by carried forward losses and allowable expenses as per section 35D of the Income Tax Act, 1961.

Charge towards deferred tax for FY 2024-25 is ₹ 264.63 Lakhs as against income of ₹ 291.32 Lakhs of FY 2023-24. The deferred tax charge is mainly on account of movement in carried forward losses as per income tax act, fair value gains/ losses on investments and expenses falling within the ambit of Section 35D.

Our effective tax rate for FY 2024-25 including deferred tax is at 25.39%.

Profit After Tax

As a result of the factors outlined above, our Profit After Tax increased by 322.80% to ₹ 1,497.10 Lakhs in FY 2024-25 from loss of ₹ 671.95 Lakhs in FY 2023-24.

Profit Adjusted with Non Cash Expenses

After adjusting for major non-cash expenses such as Employee Stock Option Scheme costs and impairment charges, the company reported a profit of ₹ 2,317.10 Lakhs in FY 2024–25, a significant increase from ₹403.86 Lakhs in FY 2023–24 — representing a growth of 473.74%. This exceptional performance is mainly due to the company's lean and cost-efficient operating model.

Statement of Assets and Liabilities

The following table sets forth selected financial information from our Standalone Balance Sheet as at March 31, 2025 and March 31, 2024.

(₹ In Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Assets		
Investments	12,905.70	11,537.82
Trade receivables	2,291.37	109.85
Cash and cash equivalents	21.22	36.49
Other assets	299.48	398.68
Total of Assets	15,517.77	12,082.84
Liabilities		
Equity share capital	1,011.52	1,002.92
Other equity	14,469.61	11,069.80
Trade payables	12.24	1.40
Other payables	24.40	8.72
Total of Liabilities	15,517.77	12,082.84

Investments

Investments increased by 11.86%, rising from ₹ 11,537.82 Lakhs in FY 2023–24 to ₹ 12,905.70 Lakhs in FY 2024–25. During the year an outflow ₹ 1,384.94 Lakhs is primarily attributable to surplus generated from operational activities, which has been invested in short-term debt instruments. Additionally, an impairment allowance of ₹ 33.19 Lakhs has been recognised against the investment in a subsidiary, whose operations are slated for closure following board approval.

Trade Receivables

Trade receivables has increased from ₹ 109.85 Lakhs to ₹ 2,291.37 Lakhs in current financial year as compared to FY 2023-24. These receivables are on account of the investment management business and the same have been duly recovered in the subsequent financial year as per agreed payment terms.

Cash and Cash Equivalents

Balance of ₹ 21.22 Lakhs is an amount that is lying with banks and will be used for general corporate purposes and working capital need.

Other Assets

As on March 31, 2025 other assets amounting to ₹ 299.48 Lakhs is outstanding and are in the regular course of business. This outstanding is towards items like payment of taxes to the government authorities, fixed assets and other receivables. Entire amount is good and recoverable.

Equity Share Capital

Equity Share Capital has increased from ₹ 1,002.92 Lakhs in FY 2023-24 to ₹ 1,011.52 Lakhs in FY 2024-25. This increase is on account of allotment of equity shares pursuant to conversion of employee stock options exercised by employee. company allotted 430,223 number of shares having face value of ₹ 2/- each.

Other Equity

Other equity grew by 30.71% to ₹ 14,469.61 Lakhs in FY 2024-25. During the year, it increased by ₹ 3,399.81 Lakhs, mainly on account of following:

- Share premium amount of ₹ 1,191.24 Lakhs was transferred from the Share-Based Payment Reserve following the allotment of equity shares pursuant to the exercise of options under the ESOP scheme.
- ₹ 712.22 Lakhs, resulting from the combined effect of transfers from the share-based payment reserve and the fair value accounting of options granted under employee stock options as per Ind AS 102.
- Increase in retained earnings by ₹ 1,497.10 Lakhs primarily reflects profits generated during the year primarily from the investment management business, reflects focused shift in business strategy.

Trade Payables

Trade payables has increased from ₹ 1.40 Lakhs to ₹ 12.24 Lakhs in current financial year as compared to FY 2023-24. This increase is primarily attributable to payables arising from the purchase of fixed assets.

Other Liabilities

Other liabilities amounting to ₹ 24.40 Lakhs as at March 31, 2025, primarily pertain to statutory dues payable to government authorities and provisions for employee benefits. These liabilities have arisen in the normal course of business and are expected to be settled in the ordinary operating cycle.

Key financial ratios having change of 25% or more as compared to the previous financial year.

Current Ratio

During the FY 2024-25, the current ratio stood at 189 times, compared to 264 times in FY 2023-24, reflecting a change of 28.58%. This movement is attributed to increase in current liabilities, supporting the company's operational and growth requirements while maintaining a healthy level of short-term solvency.

Return on Equity

During FY 2024-25, the company's Return on Equity (ROE) improved significantly to 10.87%, compared to (5.79)% in the previous fiscal year—reflecting change of 287.68%. This notable improvement was driven by the improved profitability due to expansion of the asset management business.

Net Profit Ratio

During FY 2024-25, the company's net profit ratio increased to 48.68%, from negative of 46.13% in the previous fiscal year reflecting change of 205.51%. This is primarily due to it's earnings from asset management activity.

Trade Receivables Turnover Ratio

In FY 2024-25, the company's average collection period for trade receivables increased to 150 days, compared to 24 days in the prior fiscal year. This increase is primarily due to income from asset management business. The associated receivables were settled subsequently, in accordance with agreed-upon payment terms.

SCOT Analysis

Strengths

Integrated, global investment platform: AFSL offers a full-spectrum financial services ecosystem — asset management, PMS, AIFs (domestic and GIFT City), broking (local and international), lending (NBFC), and investment banking — enabling synergy across revenue streams and deep client lifecycle engagement.

Strong pivot to fee-based income: With over 70% of EBIT coming from fee-based businesses, AFSL has de-risked its earnings base and built a capital-efficient model poised for scalability.

Innovative product architecture: Structured product design in MLDs, a consistent track record in GAF, and differentiated equity strategies in PMS create a unique client value proposition across risk appetites.

Entrepreneurial and agile leadership: A lean, high-conviction team that can respond quickly to global shifts and capitalise on niche opportunities before they become mainstream.

Tech-enabled compliance and risk frameworks: Use of AI-led compliance dashboards and real-time risk monitoring strengthens operational resilience and enhances investor confidence.

Challenges

Brand visibility in retail segment: While institutional traction is strong, AFSL's visibility among retail investors and the broader public still lags compared to legacy financial giants and newer FinTechs.

Complexity of multi-jurisdictional compliance: Operating under multiple regulatory bodies (SEBI, RBI, IFSCA, FCA) requires dynamic governance, constant alignment, and increased compliance bandwidth.

Scalability constraints in lending: While the NBFC business is prudent and NPA-free, capital constraints may restrict rapid expansion in a high-demand segment unless backed by external capital or securitisation.

High dependency on market stability: Global macro shocks or prolonged volatility in equity or commodity markets could affect AUM, investor sentiment, and proprietary returns.



Opportunities

GIFT City as a global financial hub: With a branch in GIFT City and multiple AIFs launched, AFSL is well-placed to serve both domestic and global HNIs, family offices, and offshore wealth platforms.

Expanding private wealth and institutional participation in alternatives: Surge in demand for non-traditional products like PMS, AIFs, and arbitrage funds supports long-term AUM expansion.

Emerging market entry via Mauritius and UK platforms: With API licensing in the UK and fund domiciles in Mauritius, AFSL can structure global fund vehicles, offer neo-banking rails, and tap new investor pools.

Digitisation and data-led personalisation: Increasing use of analytics, GenAI, and APIs across investment and lending functions can dramatically enhance scale and customer retention.

Deepening credit appetite among MSMEs: AFSL's NBFC can play a meaningful role in bridging credit gaps using tailored underwriting for emerging India.

Threats

Rapid commoditisation of financial services: As fintechs and large banks accelerate tech adoption, the risk of margin erosion in broking and lending grows without continued innovation.

Regulatory uncertainty in structured products: Changing tax treatment (e.g., MLDs) and compliance requirements could impact product attractiveness and require frequent innovation.

Geo-political and FX exposure: Cross-border operations in currencies, commodities, and investments come with exposure to currency fluctuations, trade tariffs, and geopolitical disruptions.

Talent competition: Growing competition from global institutions and startups for high-quality talent in quant, tech, and compliance may strain hiring pipelines.

Internal Control Systems and their Adequacy

The company has implemented a comprehensive internal control framework that is tailored to the size and complexity of its business operations. These controls are designed to provide reasonable assurance regarding operational efficiency, the safeguarding of assets, the reliability of financial reporting, and compliance with applicable laws and regulations.

The Audit Committee and Risk Management Committee are responsible for overseeing the company's risk management framework, regularly reviewing key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. Management is accountable for the consistent implementation of these risk management practices throughout all business functions.

To further strengthen governance, the company has appointed both an Internal Auditor and an independent professional firm. The independent firm conducts periodic reviews of the adequacy and effectiveness of the internal control system and reports its findings directly to the Audit

Committee. Significant audit observations and the status of corrective actions are reported to the Audit Committee and closely monitored by management to ensure timely resolution.

CNK & Associates LLP, the company's statutory auditors, have audited the standalone and consolidated financial statements included in this annual report. As part of their audit, they have issued an independent attestation report on the company's internal financial controls, in accordance with Section 143 of the Companies Act, 2013. Based on this evaluation, the Audit Committee has concluded that, as of March 31, 2025, the company's internal financial controls were adequate and operating effectively.

Human Resource

As of March 31, 2025 we had 165 employees. Further details on our employee practices and processes can be found on page no 40 forming part of this Annual Report.