

Navigating Growth through Strategic Capital



Corporate Information...

Board of Directors

Mr. Chandra Shekhar Ghosh
Chairman & Executive Director

Mr. Arvind Agrawal
Managing Director

Mr. Arun Shrivastava
Independent Director

Mr. Subrata Mandal
Independent Director

Mr. Pankaj Sood
Nominee Director
Caladium Investment Pte. Ltd

Mr. S S Radha Raman
Nominee Director
Small Industries Development Bank of India

Ms. Hulya Kefeli
Nominee Director
International Finance Corporation

Dr. Arindam Banik
Non-Executive Director

Prof. Amit Kumar Hazra
Non- Executive Director

Chief Financial Officer

Mr. Amrit Daga (upto 22.07.2025)
Mr. Roshan Agarwal (w.e.f 21.08.2025)

Company Secretary
Mr. Biplab Kumar Mani

Registered Office

DN-32, Sector -V, Salt Lake City
Kolkata – 700091

CIN: U70101WB1995PLC073339

Corporate Office

Adventz Infinity, BN Block, Unit-507,
5th Floor, Sector-V, Salt Lake,
Kolkata – 700 091

Auditors

M/s. Lodha & Co. LLP.
(firm Regn. No. 301051E/E300284)
Chartered Accountants
14 Government Place East,
Kolkata -700 069

Registrar and Share Transfer Agent

KFin Technologies Private Limited (Formerly known
as Karvy Fintech Private Limited)

Selenium Tower B, Plot Nos. 31 & 32, Financial
District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032

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Dear Shareholders,

FY25 marks a pivotal chapter in our journey: one where resilience, responsibility, and renewal define not just the macroeconomic environment, but also Bandhan's evolving identity

India's Economic Momentum: A Platform for Progress

Amidst a volatile global landscape, marked by trade disruptions, supply chain realignments, and persistent geopolitical tensions, India's economic trajectory has remained one of steady ascent. With an estimated GDP growth of 6.5% in FY25 and a robust rebound in the third quarter, India continues to affirm its role as a key engine of global growth. This resilience is underwritten by strong domestic demand, targeted public investment, and the expanding footprint of financial services.

At the core of this performance lies a foundation of macroeconomic stability. Inflation has moderated within the RBI's comfort zone, urban unemployment has touched historic lows, and capital formation remains strong. Even as exports navigate headwinds from a slowing global economy, India's diversification into electronics and high-value agriculture offers a glimpse into a more agile external sector.

India's financial architecture has also evolved in tandem. A combination of regulatory reforms, robust credit flows, and expanding digital rails has deepened financial inclusion while enabling new avenues for innovation. In this evolving landscape, Bandhan Group stands firmly anchored, drawing strength from its grassroots banking model while accelerating its pivot toward scale, diversification, and sectoral relevance.

Bandhan: A Journey Beyond Banking

What began two decades ago as a mission to deliver credit at the doorstep of underserved communities has grown into a diversified financial services group: with operations spanning banking, microfinance, life insurance, asset management, and Tech services

Today, Bandhan Financial Services Ltd. (BFSL), as the Group's core investment company, plays a catalytic role in nurturing, governing, and capitalising our businesses for sustainable scale. Our purpose has never been clearer: ***to empower India's emerging middle and aspiring class with financial tools that foster dignity, opportunity, and growth.***

Across our group entities:

- **Bandhan Bank** continues to deepen its presence in semi-urban and rural India, while accelerating its digital and retail banking capabilities
- **Bandhan AMC** has steadily gained traction, bringing disciplined investment products to first-time investors
- **Bandhan Life**, our newer venture, aim to close protection gaps for the underserved while building trust through transparency and simplicity
- **Genisys Group**, our newest venture, global AI led Tech services arm, is driving AI led digital transformation across industries through agile, customer-centric technology solutions with its presence in New York, Dallas, London and very soon in Middle East.

Chairman Speech

Transformation with Purpose

FY25 was a year of introspection and action. As a Group, we embarked on a multi-pronged transformation journey by strengthening governance, enhancing risk frameworks, improving capital allocation, and sharpening our focus on long-term value creation.

- We initiated Group-wide talent interventions to build leadership depth and agility

These efforts are not just about keeping pace, they are about shaping the future of responsible finance.

Investing in Inclusive India

At Bandhan, social impact is not a CSR strategy, it is our DNA. Through the **Bandhan-Konnagar Foundation**, a separate NGO entity, we continue to serve over 3 million beneficiaries annually through programmes in livelihoods, education, health, and climate resilience.

We believe that real change happens when markets and missions meet. This is why we remain committed to sectors and geographies that others often overlook, because financial inclusion, to us, is not just an entry point, but a lifelong partnership

Looking Ahead: Responsible Growth. Enduring Legacy

As we step into the next phase of our journey, our aspiration is to be more than just a Group that invests capital, we want to be enablers of capacity, character, and confidence.

Our focus will remain on:

- **Value-driven diversification** into adjacencies that align with our core principles,
- **Strengthening group synergy** through prudent capital allocation and governance,
- **Expanding financial literacy and inclusion**, especially in underserved Bharat, and
- **Driving digital innovation** for frictionless and scalable service delivery.

To our investors, regulators, customers, and communities: thank you for placing your trust in Bandhan. The story of Bandhan has always been written with collective ambition, and we are only getting started

With humility, clarity we continue our mission to empower every Indian household to live with dignity and dream without limits.

Warm regards,
Chandra Shekhar Ghosh
Chairman

Bandhan Financial Services Limited



Board's Report

To The Members,

Your Directors take great pleasure in presenting the Thirtieth Annual Report on the business and operations of your Company together with the audited financial statements for the financial year ended March 31, 2025.

FINANCIAL RESULTS

(₹ In Million except EPS)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024*
Revenue from Operations	1215.19	495.50	14664.97	6691.66
Other Income	213.20	1.56	225.09	14.16
Total Income	1428.39	497.06	14890.06	6705.82
Profit / (Loss) before share of profit of associate & exceptional item	1250.36	415.21	(634.38)	1726.08
Share of profit of associate	-	-	9964.58	7734.59
Profit before exceptional item and tax	1250.36	415.21	9330.20	9460.67
Profit / (Loss) before Tax	1250.36	415.21	(12633.04)	16072.60
Tax Expenses	152.42	109.65	2109.59	2415.28
Profit / (Loss) for the year	1097.94	305.56	(14742.63)	13657.32
Profit / (Loss) After Tax Attributable to				
a) Owner of the parent	1097.94	305.56	(15077.36)	13127.98
b) Non-Controlling interest	-	-	334.73	529.34
EPS (Basic)	8.59	2.39	(117.96)	102.71
EPS (Diluted)	8.59	2.39	(117.96)	102.71

* Restated, refer note 63 of the Consolidated Financial Statements

PERFORMANCE OF THE COMPANY

Your Company is registered with RBI as NBFC-CIC-ND-SI with effect from 21st September, 2017 vide registration number B-05.05841. The main business of the Company is Investment and currently it has majority of its investment in shares of Bandhan Financial Holdings Limited ('BFHL') the wholly owned subsidiary of the Company. Bandhan Bank Limited is the associate of BFHL and as on March 31, 2025, BFHL holds 39.98% shares of the Bandhan Bank Limited.

During the financial year under review, the standalone revenue was ₹1,215.19 million as compared to ₹ 495.50 million of the previous financial year. The profit after tax was ₹ 1,097.94

million as compared to ₹ 305.56 million of the previous financial year.

The Consolidated revenue for F.Y. 2024-25, includes revenue of ₹ 7,936.85 million from Bandhan Life Insurance Limited and ₹ 827.61 million from Genisys Information Systems (India) Private Limited (acquired during the year). Hence, the figures are not comparable with the previous financial year. The consolidated profit has decreased to a loss of ₹ 14,742.63 million from profit of ₹ 13,657.32 million (restated) in the previous year, mainly on account of exceptional loss amounting to ₹ 21,963.24 million during the year and loss incurred by Bandhan Life amounting to ₹ 2,800.02 million during the year.

Board's Report

During the financial year under the review, there was no change in the Business of the Company.

Further, there have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

DIVIDEND

On February 28, 2025, the Board of Directors of the Company recommended an interim dividend of 40.5% (₹ 4.05) per share on 12,78,21,101 equity shares of the Company, aggregating to ₹ 517.68 million from the profits of the Company.

TRANSFER TO RESERVES

In terms of the RBI Guidelines, your Company has transferred ₹ 219.59 million to the statutory reserve during the financial year ended March 31, 2025.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 of the Companies Act, 2013, the Company was not required to transfer the unclaimed dividend to the Investors Education and Protection Fund.

ISSUANCE AND TRANSFER OF EQUITY SHARES

During the financial year under review, your Company has not issued any shares and the paid-up equity share capital of the Company remains ₹1278.21 million divided into 12,78,21,101 equity share of face value Rs. 10/- each.

Further, during the year under review no transfer of share took place.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of Section 186 of Companies Act, 2013, except sub section (1), do not apply to a loan made, guarantee given or security provided by a Non-Banking Financial Company whose principal business is acquisition of securities.

DEPOSITS

Being a Non-Banking Financial Company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act are not applicable to your Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which financial statements relates and the date of this report.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2025.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY

Bandhan Financial Holdings Limited ('BFHL'/'NOFHC') is the wholly owned subsidiary of the Company as on March 31, 2025. As on March 31, 2025, BFHL holds 39.98% shares in Bandhan Bank Limited. In terms of Licensing Guidelines for Private Sector Banks 2013, BFHL is registered with RBI as Non-Operative Financial Holding Company vide Certificate of Registration No. N-05.07018, dated 4th June, 2015.

Bandhan Bank Limited ('BBL') is an associate of the Company as on March 31, 2025.

As on March 31, 2025, the Bandhan Financial Holdings Limited, holds 59.98% stake of Bandhan AMC Limited which involved total investment of ₹ 26,989.87 million.

As on March 31, 2025, Bandhan Financial Holdings Limited, holds 96.53% stake of Bandhan Life Insurance Company Limited which involved total investment of ₹ 6,938.61 million.

During the Financial Year 2024-25, the Company has acquired Genisys Information Systems (India) Private Limited (Genisys India), a Bangalore based Tech Company which involved total investment of ₹ 1,170 million. Genisys India has two foreign subsidiaries namely Genisys Software Limited, USA and Genisys Software Limited, UK.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company. Further a statement containing the salient features of the financial statements of the subsidiary and associate in the prescribed format Form AOC-1, forms part of the Annual Report as Annexure-1. The annual accounts of the subsidiary company will be made available to the shareholders on request and will also be kept for inspection by the shareholders at the registered office of your Company

INTERNAL CONTROLS, AUDIT AND COMPLIANCE

Your Company has Internal Audit and Compliance functions which are responsible for independently evaluating the adequacy of all internal controls and ensuring operating and business units adhere to internal processes and procedures as well as to regulatory and legal requirements. The audit function also proactively recommends improvements in operational processes and service quality. Your Company has always adhered to the highest standards of compliance and governance and has put in place controls and an appropriate structure to ensure this. The Audit Committee of the Board also reviews the performance of the audit and compliance functions and reviews the effectiveness of controls and

Board's Report

compliance with regulatory guidelines. The Board of Directors confirms that there are internal controls in place with reference to the Financial Statements and that such controls are operating effectively.

BOARD OF DIRECTORS

As on March 31, 2025, the Board comprised of Nine Directors

S. No.	Name of Director	Category
1.	Mr. Chandra Shekhar Ghosh (DIN- 00342477)	Executive Chairman and Whole time Director
2.	Mr. Arvind Agrawal (DIN- 02268683)	Managing Director
3.	Mr. Arun Shrivastava (DIN- 06640892)	Independent Director
4.	Mr. Subrata Mandal (DIN- 09196193)	Independent Director
5.	Dr. Arindam Banik (DIN- 09037345)	Non-Executive Director
6.	Prof. Amit Kumar Hazra (DIN: 09196376)	Non-Executive Director
7.	Mr. Pankaj Sood (DIN- 05185378)	Nominee Director- Nominee of Caladium
8.	Mr. Saripalli Sri Radha Ramana (DIN- 07165124)	Nominee Director-Nominee of SIDBI
9.	Ms. Hulya Kefeli (DIN- 08836080)	Nominee Director- Nominee of IFC

Appointment:

Pursuant to the recommendations of the Nomination and Remuneration Committee of the Company ('NRC'), the Board approved the appointment of Mr. Chandra Shekhar Ghosh (DIN- 00342477) as an Additional Director (Category: Non-Executive Non-Independent) w.e.f. July 10, 2024. Subsequently, the Board of Directors at its meeting held on 4th September, 2024, pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, has appointed Mr. Chandra Shekhar Ghosh (DIN - 00342477) as Whole Time Director for a period of 5 years subject to the approval of the members at the forthcoming Annual General Meeting. The members at the 29th Annual General Meeting held on September 30, 2024 has approved the appointment of Mr. Chandra Shekhar Ghosh (DIN - 00342477) as Whole Time Director for a period of 5 years.

Re-appointments

Dr. Arindam Banik (DIN: 09037345) and Prof. Amit Kumar Hazra (DIN- 09196376)

In terms of the provisions of Section 152 of the Companies Act, out of the five Non-Executive Non-Independent Directors, Dr. Arindam Banik (DIN: 09037345) and Prof. Amit Kumar Hazra (DIN- 09196376), being longest in office, shall retire at ensuing AGM and being eligible, offered themselves for re-appointment.

The resolution(s) in respect of re-appointment(s) of the Directors, as aforesaid, have been included in the Notice convening the 30th AGM of the Company. Brief profiles of these Directors, together with other requisite disclosures/details, have been annexed to the said Notice. None of the

out of which two Independent Directors, five Non-Executive Non-Independent Directors including three Nominee Directors from Caladium Investment Pte. Limited (Caladium), Small Industrial Development Bank of India (SIDBI) and International Finance Corporation (IFC) and two Executive Directors, the details are as below:

Directors proposed for re-appointment, will attain the age of 75 years during the continuation of their tenure on the Board of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors under section 149(6) of the Companies Act 2013 that they meet the criteria of independence laid down thereunder. The Board of Directors of the Company has reviewed the disclosures of independence submitted by the Independent Directors and is of the opinion that the Independent Directors of the Company fulfil the conditions specified in the Act and are independent of the management. All the Independent Directors of the Company have also registered themselves with the data bank maintained by the Indian Institute of Corporate Affairs ('IICA') as prescribed by the Ministry of Corporate Affairs.

KEY MANAGERIAL PERSONNEL

As on 31.3.2025, Mr. Chandra Shekhar Ghosh (DIN - 00342477), Mr. Arvind Agrawal (DIN-02268683), Mr. Amrit Daga, Chief Financial Officer and Mr. Biplab Kumar Mani, Company Secretary, are the Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and rules made thereunder.

Mr. Amrit Daga has resigned as CFO w.e.f. July 22, 2025 and in his place Mr. Roshan Agarwal has been appointed as CFO w.e.f. August 21, 2025.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The performance evaluation of the Board, Committees of

Board's Report

the Board and Directors is done in terms of Performance Evaluation Policy of the Company and is also based on their participation, contribution and offering guidance to and understanding of the relevant areas. During the year under review one meeting of the Independent Directors of the Board was held and the of assessment was conducted based on the quality, quantity and timeliness of flow of information between Company's Management and the Board that is attendance of directors are given in table hereunder.

necessary for the Board to effectively and reasonably perform its duties.

MEETINGS OF THE BOARD AND THE COMMITTEES

During the F.Y. 2024-25, the Board met 8 times i.e. May 24, 2024, June 28, 2024, July 10, 2024, September 4, 2024, November 14, 2024, December 4, 2024, February 28, 2025 and March 07, 2025. The details of the meeting and the

Name of Directors	No of Meeting held during the year	Number of Meetings entitled to attend	Number of Meetings Attended	Attendance at AGM on 30-09-2024
Mr. Chandra Shekhar Ghosh (DIN - 00342477)	8	6	6	Yes
Mr. Arvind Agrawal (DIN- 09037345)	8	8	8	Yes
Mr. Arun Shrivastava (DIN- 06640892)	8	8	7	No
Dr. Arindam Banik (DIN -09037345)	8	8	8	No
Mr. Pankaj Sood (DIN- 05185378)	8	8	7	No
Ms. Hulya Kefeli (DIN- 08836080)	8	8	8	No
Mr. Subrata Mandal (DIN- 09196193)	8	8	8	Yes
Prof. Amit Hazra (DIN: 09196376)	8	8	6	No
Mr. Saripalli Sri Radha Ramana (DIN- 07165124)	8	2	2	No

The Company has the following Committees of the Board: -

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee

In terms of Reserve Bank of India Circular on Information Technology Framework for the NBFC Sector, the Company formed an "IT Strategic Committee". In terms of master Guidelines of NBFC-CIC-NDSI the Company has formed the Risk Management Committee and Asset Liability Committee.

AUDIT COMMITTEE

The Audit Committee provides direction to the audit function and monitors the quality of statutory audit.

The role & responsibilities of the Committee include the following:

- i. Apart from the terms of reference stated in Section 177(4) of the Companies Act, 2013, the committee shall have discussion with the auditors periodically about internal control system, the scope of audit including the observations of the auditors,
- ii. Shall review the financial statements before their submission to the Board and shall discuss any related issues with the internal and statutory auditors and the management of the company.

- iii. In discharging the function of the Audit Committee, the committee shall have authority to investigate any matter in relation to any items specified in section 177 or referred to it by the Board.
- iv. The Board may assign any matter of important nature relating to the accounts, finance, taxation, internal control system, inspection and investigation from time to time to the Committee and may require the Committee to submit a report to the Board on such matters within a stipulated time.
- v. Besides, the Committee on any matter relating to financial management including audit report shall submit its observation to the Board from time to time.
- vi. The chairman of the Audit Committee shall attend the Annual General meeting of the company to provide any clarification on matters relating to Audit

Composition

As on March 31,2025, the Audit Committee comprised of three members including two Independent Directors and was chaired by Mr. Subrata Mandal (DIN- 09196193), an Independent Director. During the financial year under review, the Audit Committee met six times on May 24, 2024, June 27, 2024, July 10, 2024, September 4, 2024, December 04, 2024 and February 28, 2025.

Directors' Report

The details of the composition of the Committee and attendance at its Meetings during the F.Y. 2024-25 are set out in the table below:

Name of Members	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Mr. Subrata Mandal (DIN- 09196193)	Chairman	6	6	6
Mr. Arun Shrivastava (DIN- 06640892)	Member	6	6	5
Mr. Pankaj Sood (DIN- 05185378)	Member	6	6	4

NOMINATION & REMUNERATION COMMITTEE

The terms of reference of the Committee include the following: -

- To identify persons who are qualified to become directors in accordance with the criteria laid down, recommend to the Board their appointment, re-appointment or removal and shall carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and decide their 'fit & proper' status;
- To oversee the framing, review and implementation of compensation policy of the Company and recommend to the Board the overall remuneration philosophy and policy including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock based remuneration to employees.
- To oversee the framing, implementation and review of the Remuneration of the WTDs/MD/CEOs as per the RBI

Guidelines and Companies Act, 2013. The Committee shall recommend to the Board the remuneration package for the Managing Director /Whole Time Directors – including the level of fixed pay, variable pay, stock based Remuneration and perquisites.

- To review and recommend to the Board, the succession policy at the level of Managing Director other WTDs, senior management one level below the Board and key roles.

Composition

As on March 31, 2025, the Nomination & Remuneration Committee comprised of three Directors including two Independent Directors and was chaired by Dr. Arindam Banik (DIN - 09037345), Non-Executive Director. During the financial year under review, the Nomination and Remuneration Committee met four times on July 10, 2024, September 4, 2024, December 4, 2024, February 21, 2025.

The details of the composition of the Committee and attendance at its Meetings during the F.Y. 2024-25 are set out in the table below:

Name of Members	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Dr. Arindam Banik (DIN -09037345)	Chairman	4	4	4
Mr. Subrata Mandal (DIN- 09196193)	Member	4	4	4
Mr. Arun Shrivastava (DIN- 06640892)	Member	4	4	4

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The functions of the Corporate Social Responsibility Committee include review of corporate social responsibility (CSR) initiatives undertaken by the Company for inclusive growth, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of the expenditure to be incurred on such activities, making recommendations to the Board with respect to the CSR initiatives, policies and practices of the Company, monitoring the CSR activities, implementation and compliance with the CSR Policy and reviewing and implementing, if required,

any other matter related to CSR initiatives as recommended/suggested by RBI or any other body.

The terms of reference for working of the Committee are: -

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in accordance with the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;

Board's Report

- d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time;

Composition

As on March 31, 2025, the Corporate Social Responsibility Committee comprised three members including one

independent and was chaired by Mr. Amit Kumar Hazra (DIN -09196376), Non-Executive Director. During the year under review, the Corporate Social Responsibility Committee met two times on September 3, 2024, and February 24, 2025.

The details of the composition of the Committee and attendance at its meetings during F.Y. 2024-25 are set out in the table below:

Name of Member	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Prof. Amit Kumar Hazra (DIN -09196376)	Chairman	2	2	2
Ms. Hulya Kefeli (DIN- 08836080)	Member	2	2	2
Mr. Subrata Mandal (DIN- 09196193)	Member	2	2	2

The Annual Report on CSR activities which forms part of the report is annexed as Annexure 2.

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on July 10, 2024 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

IT STRATEGIC COMMITTEE

In terms of Master Direction no. NBS.PPD. No.04/66.15.001/2016-17 with respect of Information Technology Framework for the NBFC Sector ("Master Directions"), the Company formed an IT Strategic Committee.

The terms of reference for working of the Committee are: -

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

Composition

As on March 31, 2025, the IT Strategy Committee comprised of three members including one independent and was chaired by Mr. Subrata Mandal, Independent Director. During the year under review, the IT Strategy Committee met two times on September 4, 2024 and February 24, 2025.

The details of the composition of the Committee and attendance at its meetings during F.Y. 2024-25 are set out in the table below:

Name of Members	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Mr. Subrata Mandal (DIN- 09196193)	Chairman	2	2	2
Mr. Arvind Agrawal (DIN- 02268683)	Member	2	2	2
Mr. Amrit Daga	Member	2	2	2

RISK MANAGEMENT COMMITTEE:

As per Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 the Company has constituted a Risk Management Policy.

The Company is a Core Investment company and operation of the group are performed through subsidiaries/associate/group companies. The risk therefore largely relates to investment made in its subsidiaries/Associates/ group companies. On standalone basis functional heads of the

Board's Report

Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures. The business Continuity Plan was prepared and implemented across the Company. Analysis of various scenarios was conducted and planned accordingly with the implementation in a proactive way. The management is able to steer the Company out of this crisis and brought it to a comfortable position.

Analysis of various scenarios was conducted and planned accordingly with the implementation in a proactive way. The

management is able to steer the Company out of this crisis and brought it to a comfortable position.

As on March 31, 2025, the Risk Management Committee comprised of three members. During the year under review, the Risk Management Committee met four times on June 27, 2024, September 4, 2024, November 12, 2024 and February 21, 2025.

The details of the composition of the Committee and attendance at its meetings during F.Y. 2024-25 are set out in the table below:

Name of Members	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Mr. Arun Shrivastava (DIN- 06640892)	Chairman	4	4	4
Mr. Arvind Agrawal (DIN- 02268683)	Member	4	4	4
Mr. Amrit Daga	Member	4	4	4

ASSET LIABILITY COMMITTEE:

As per Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 the Company has constituted an Asset Liability Committee.

As on March 31, 2025, the Asset Liability Committee comprised of three members. During the year under review, the Asset Liability Committee met twelve times on April 9,

2024, May 10, 2024, June 12, 2024, July 10, 2024, August 13, 2024, September 13, 2024, October 8, 2024, November 11, 2024, December 12, 2024, January 14, 2025, February 10, 2025 and March 13, 2025.

The details of the composition of the Committee and attendance at its meetings during F.Y. 2024-25 are set out in the table below:

Name of Members	Category	No of meeting held during the year	Number of Meetings entitled to attend	Number of meetings attended
Mr. Arvind Agrawal (DIN- 02268683)	Chairman	12	12	12
Mr. Amrit Daga	Member	12	12	12
Mr. Biplab Kumar Mani	Member	12	12	12

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee ('NRC') recommends the appointment of Directors to the Board. The NRC has formulated criteria for appointment of Directors. The NRC identifies persons who are qualified to become directors on the Board and evaluate criteria such as academic qualifications, previous experience, track record and integrity of the persons identified before recommending their appointment to the Board. The NRC considers the qualifications, experience, fit & proper status, positive attributes as per the suitability of the role, independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

Non-Executive directors are paid remuneration by way of sitting fees for attending meetings of the Board and its Committees, which is determined by the Board based on applicable regulatory provisions. Non-executive directors are also reimbursed expenses incurred by them for attending meetings of the Board and its Committees at actuals. The remuneration payable to the Non-Executive Directors and Independent Directors is governed by the provisions of the Companies Act, 2013 and related rules to the extent it is not inconsistent with the provisions of the RBI guidelines.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are drawing remuneration over and above the prescribed limit under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Board's Report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors hereby state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025 and of the profit of the Company for the year ended on that date;
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on a going concern basis.
- v) We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

AUDITORS

In terms of para 6.4 of the Reserve Bank of India Guidelines for "Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" the Board at its meeting held on December 07, 2023 on the basis of recommendation of the Audit Committee of the Board has appointed M/s. Lodha & Co, Chartered Accountants (Firm registration no 301051E) as the Statutory Auditors of the Company from the conclusion of the 29th Annual General Meeting (AGM) who shall hold office till the conclusion of 32nd AGM of the Company.

The Independent Auditor's Report, given by the Statutory Auditors on the financial statement of the Company for the financial year ended March 31, 2025, forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Statutory Auditors of your Company under Section 143(12) of the Companies Act read with Rule 13(3) of the Companies (Audit and Auditors) Rule, 2014.

SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on March 22, 2024 has appointed M/s. M Shahnawaz & Associates, Practising Company Secretary to conduct Secretarial Audit for the F.Y. 2024-25. There has been no qualification, reservation, adverse remark given by the Secretarial Auditors in their Report. Also, no offence of fraud was reported by the Auditors of the Company under section 143(14) of the Companies Act, 2013. The Secretarial Audit Report is given in Annexure-3 to this report.

COST RECORDS

In terms of the provisions of Section 148(1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, your Company is not required to maintain cost records and accordingly is not required to undergo cost audit.

COMPLIANCE WITH SECRETARIAL STANDARD

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, the draft Annual Return of the Company, in Form No. MGT-7, as on March 31, 2023, is available on company's website at <https://bandhangroup.com/investors-relation/results-and-reports/annual-reports/index.html>. Further, the final Annual Return of the Company, as on March 31, 2025, will be available on your Company's website at the said link, upon filing of the same with the Registrar of Companies under Section 92(4) of the Companies Act.

RELATED PARTY TRANSACTIONS

Pursuant to the proviso of Section 188(1) of the Companies Act, 2013, all related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of the business of the Company. The details of transactions entered into with related parties in the prescribed format Form AOC-2 is enclosed as Annexure- 4 to this report pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer

Board's Report

and Refund) Rules, 2016 ("the IEPF Rules"), all dividends remaining unpaid or unclaimed for a period of seven years are required to be transferred by the Company to the IEPF, established by the Government of India. Further, according to the Rules, the shares on which dividends have not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. As on March 31, 2025 the unpaid dividend amount is 0.01 million.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

CSR initiatives of the Company are conducted through Bandhan Konnagar, a society registered under West Bengal Societies Registration Act, 1961, Implementing Agency, and enhances value creation and inclusion of hard core poor people in the mainstream of society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth of society and the community, in fulfillment of its role as a socially responsible corporate.

In terms of Section 135 (5) of the Companies Act, 2013, the liability of the Company towards CSR is ₹5.20 million/-. The details of CSR activities/projects undertaken during the year is given as Annexure – 2 and forming part of the Boards' report.

During the financial year the Company also voluntarily contributed in CSR projects in excess of the statutory obligation as specified in section 135(5) of the Companies Act, 2013.

As per the CSR Policy approved by the Committee and the Board, the focus would be healthcare, education, livelihood development, food security and physical living conditions. New areas would be added as and when required with the approval of the CSR committee/Board.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTUR

During the year under review no significant or material orders were passed by any regulators against the Company other than those disclosed separately in the financial statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo in terms of Section 134(3)(m) of the Companies Act, 2013 is as follows.

- a. Conservation of Energy: The operations of the Company are not power intensive. Nevertheless, the Company continues its efforts to conserve energy wherever practicable by economizing the use of power.
- b. Technical Absorption: Nil
- c. Foreign Exchange earnings and outgo:
Foreign Exchange Earning: NIL
Foreign Exchange Outgo: ₹ 4.76 million

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis report is enclosed as Annexure - 5 forms part of this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman executive (if any) working in the Company. The Company takes all necessary measures to ensure a harassment-free workplace. As on March 31, 2025 the Company at present does not have any women employee.

Number of complaints pending as on the beginning of the financial year - Nil

Number of complaints filed during the financial year - Nil

Number of complaints pending as on the end of the financial year - Nil

ACKNOWLEDGMENTS

The Board of Directors places on record its gratitude to the Reserve Bank of India, other government and regulatory authorities for their strong support and guidance. The Board acknowledges the support of the shareholder's other stakeholders and the employees of the Company.

For and on behalf of the Board of Directors
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
Chairman

(DIN: 00342477)

Place: Kolkata

Date: August 21, 2025

Annexure to the Board's Report

Annexure – 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

(₹ in million)

Sl No	Name of the subsidiary	Bandhan Financial Holdings Limited	Bandhan AMC Limited	Bandhan Mutual Fund Trustee Limited	Bandhan Investment Managers (Mauritius) Limited	Bandhan Life Insurance Limited	Genisys Information Systems (India) Private Limited	Genisys Software Limited (USA)	Genisys Software Limited (UK)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
2	Date since when subsidiary was acquired	November 17, 2014	February 1, 2023	February 1, 2023	February 1, 2023	February 23, 2024	September 04, 2024	October 23, 2024	October 23, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable as the subsidiary is a domestic company	Not applicable as the subsidiary is a domestic company	Not applicable as the subsidiary is a domestic company	INR* Exchange Rate: \$1= ₹ 85.5814	Not applicable as the subsidiary is a domestic company	Not applicable as the subsidiary is a domestic company	INR* Exchange Rate: \$1= ₹ 85.5814	INR* Exchange Rate: £1= ₹ 110.7389
4	Share Capital (₹)	25,936.04	331.76	0.50	57.93	22,877.30	8.94	8.22	5.09
5	Reserves & Surplus	26,343.23	4,346.23	10.96	(50.63)	(18806.06)	676.51	74.08	45.35
6	Total Assets	52,337.45	6,439.89	13.18	7.55	54,610.76	1058.45	178.62	56.66
7	Total Liabilities	58.18	1,761.90	1.72	0.26	50,539.52	373.00	96.32	6.21
8	Investments	51,348.87	5,045.69	0	0	47,670.79	396.43	0	0
9	Turnover	1,248.69	5,101.56	12.96	0	7,936.85	1200.59	242.86	9.23
10	Profit/(loss) Before Taxation	1,163.91	1,400.45	5.49	(6.03)	(2800.01)	10.31	(9.27)	8.17
11	Provision for Taxation	120.08	317.28	1.4	0	0	4.74	(2.48)	(0.14)
12	Profit After Taxation	1,043.83	1,083.17	4.09	(6.03)	(2800.01)	5.57	(6.79)	(8.04)
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14	% of shareholding	100%	59.98%	60%	100%	96.53%	100%	100%	100%

The following information shall be furnished: -

- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year- NIL

Annexure to the Board's Report

Part "B": Associates and Joint Ventures –

Name of Associates/Joint Ventures	Bandhan Bank Limited
1. Latest audited Balance Sheet Date	31st March, 2025
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	64,41,15,857
Amount of Investment in Associates/Joint Venture	₹ 16,839.99 Million (Investment by wholly owned subsidiary Bandhan Financial Holdings Limited)
Extend of Holding %	39.98%
3. Description of how there is significant influence	The wholly owned Subsidiary Company- Bandhan Financial Holdings Limited, holds 39.98% stake in Bandhan Bank Limited.
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 95,227.28 million
6. Profit / Loss for the year	
i. Considered in Consolidation	₹ 9,770.66 million
ii. Not Considered in Consolidation	₹ 14,666.34 million

The following information shall be furnished: -

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
 Chairman
 (DIN: 00342477)

Place: Kolkata
 Date: August 21, 2025

Annexure to the Directors' Report

Annexure – 2

Annual Report on CSR Activities for the Period April 01, 2024, to March 31, 2025

1. A BRIEF OUTLINE ON CSR POLICY

Bandhan Financial Services Limited is aware of its corporate, social and environmental responsibilities and recognises that a good Environment, Social and Governance ("ESG") leads to a better trusteeship of all stakeholders. The CSR of the Company is not just philanthropy, but it is a strong commitment to contribute to social and environmental growth and prosperity and is pivotal to its business sustainability. CSR initiatives, will continue to enhance value creation and inclusion of hard core poor people in the mainstream of the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate

2. COMPOSITION OF CSR COMMITTEE:

Name of Member	Category	No. of meetings held during the year	No. of meetings entitled to attend	No. of meeting attended
Prof. Amit Kumar Hazra (DIN-09196376)	Chairman	2	2	2
Mr. Subrata Mandal (DIN-09196193)	Member	2	2	2
Ms. Hulya Kefeli (DIN-08836080)	Member	2	2	2

3. WEB-LINK WHERE THE COMPOSITION OF THE CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Sr. No.	Particulars	Weblink
1	Composition of CSR Committee	https://bandhangroup.com/investors-relation/corporate-governance/committees-of-the-board/index.html
2	CSR Policy	https://bandhangroup.com/investors-relation/corporate-governance/policies-and-codes/index.html
3	CSR Projects	https://bandhangroup.com/investors-relation/corporate-social-responsibility/index.html

4. DETAILS OF THE IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

No projects were qualified for impact assessment as per the sub-rule (3) of Rule of the Companies (Corporate Social Responsibility Policy) Rules, 2014

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in million)	Amount required to be set-off for the financial year, if any (₹ in million)
1	2021-22	-	-
2	2022-23	-	-
3	2023-24	-	-
	Total	-	-

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5).

Sl. No.	Financial Year	Net Profit Before Tax u/s 198 (₹ In million)
1	2021-22	169.03
2	2022-23	204.86
3	2023-24	396.50
	Average	256.79

Annexure to the Directors' Report

7. TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR

Sl. No.	Heads	₹ In million
a.	Two per cent of the average net profit of the company as per section 135(5)	5.20
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
c.	Amount required to be set off for the financial year, if any	0
d.	Total CSR obligation for the financial year (7a+7b-7c).	5.20

8. DETAILS OF CSR SPENDS DURING THE FINANCIAL YEAR

a. CSR amount spent or unspent for the financial year:

	Total Amount Spent for the Financial Year (₹ In million)	Amount Unspent (₹ In million)				
		Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).		
		Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	5.28	NA	NA	NA	NA	NA
Total	5.28	NA	NA	NA	NA	NA

b. Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4		5	6	7	8	9	
Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount spent in the current Financial Year (₹ In million)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ In million)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
			State	Districts					Name	CSR Registration No.
-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

c. Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ In million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Targeting The Hard Core Poor Programme (THP)	(i); (ii) & (iii)	Yes	Odisha	Balasore	3.58	No	Bandhan Konnagar	CSR00001463
2	Bandhan Climate Action Program (BCAP)	(ii)	Yes	West Bengal	(i) South 24 Parganas	0.59	No	Bandhan Konnagar	CSR00001463

Annexure to the Directors' Report

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹ In million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name CSR registration number
3	Bandhan Financial Literacy Program (BFLP)	(iii)	Yes	(i) North 24 Parganas West Bengal	1.11	No	Bandhan Konnagar CSR00001463
Total					5.28		

- d. Amount spent on Administrative Overheads NIL
- e. Amount spent on Impact Assessment, if applicable NIL
- f. Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 5.28 million
- g. Excess amount for set-off, if any

Sl. No.	Particular	₹ in million
1	Two per cent of the average net profit of the company as per section 135(5)	5.20
2	Total amount spent for the Financial Year	5.28
	Excess amount spent for the financial year [(ii)-(i)]	0.08
3	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
	The amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING FINANCIAL YEARS

- a. Details of Unspent CSR amount for the preceding three financial years: (₹ In million)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any.				The amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of transfer		
1.	2021-22	-	-	-	NIL	N/A	-	-
2.	2022-23	-	-	-	NIL	N/A	-	-
3.	2023-24	-	-	-	NIL	N/A	-	-
	Total	-	-		NIL			-

- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ In million)

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed /Ongoing.
-	-	-	-	-	-	-	-	-

Annexure to the Directors' Report

10. IN CASE OF CREATION OR ACQUISITION OF A CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR

No capital assets have been created or acquired in the balance sheet of the Company through CSR spends

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

The Company has spent the entire amount of 2% of the average net profit as per section 135(5)

Mr. Arvind Agrawal

Managing Director

Place: Kolkata

Date: August 21, 2025

Prof (Dr.) Amit Kumar Hazra

Chairman of CSR Committee

Place: Shantiniketan

Date: August 21, 2025

Mr. Chandra Shekhar Ghosh

Chairman of the Company

Place: Kolkata

Date: August 21, 2025

Annexure to the Directors' Report

Annexure – 2

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	

Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

(₹ in million)

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1.	Bandhan Bank Limited (Associate Company)	Current Account	N.A.	1.56	N.A.	N.A.	N.A.	N.A.
2.	Bandhan Bank Limited (Associate Company)	Fixed Deposit	N.A.	4616.95	N.A.	N.A.	N.A.	N.A.
3.	Bandhan Bank Limited (Associate Company)	Interest on Fixed Deposit	N.A.	368.32	NA	NA	NA	NA
4.	Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A.	230.50	NA	NA	NA	NA
5.	North East Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A.	54.80	NA	NA	NA	NA

Annexure to the Directors' Report

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) Of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
6.	Remuneration of Key Managerial Personnel Chandra Shekhar Ghosh Arvind Agrawal Amrit Daga Biplab Kr. Mani	Remuneration	N.A	19.14 19.73 7.65 5.19	NA	NA	NA	NA
7.	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Paid	N.A	0.14	NA	NA	NA	NA
8.	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Income	N.A	2.47	NA	NA	NA	NA
9.	Bandhan Financial Holdings Limited (Subsidiary Company)	Dividend Income	N.A	700.27	NA	NA	NA	NA
10.	Bandhan Financial Holdings Limited (Subsidiary Company)	Letter of Comfort	N.A	5000.00	NA	NA	NA	NA
11.	Genisys Information Systems (I) Private Limited [Subsidiary Company (with effect from September 04, 2024)]	Investment	N.A	372.60	NA	NA	NA	NA
12.	Bandhan AMC Limited (Subsidiary Company of Bandhan Financial Holdings Limited)	Domain Sale	N.A	0.22	NA	NA	NA	NA

For and on behalf of the Board of Directors
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
Chairman
(DIN: 00342477)

Place: Kolkata
Date: August 21, 2025

Annexure to the Directors' Report

Annexure- 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
BANDHAN FINANCIAL SERVICES LIMITED
CIN: U70101WB1995PLC073339
DN-32, Sector-V, Salt Lake City,
Kolkata-700091

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bandhan Financial Services Limited (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder-- Not applicable to the Company;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - The Company being unlisted, the same is not applicable to the Company.
- (vi) Other specifically applicable laws to the Company, namely;
 - a. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking NBFC, which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. There is no change in the composition of the Board of Directors of the company during the Audit period.

Annexure to the Directors' Report

- Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory Auditors, Tax Auditors and other designated professionals.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.:

1. The shareholders of the Company at their AGM held on September 30, 2024 have approved:
 - a. Declaration of Dividend of Rs. 1.43 per Equity Share having face value of Rs 10 (ten) each fully paid-up, as recommended by the Board of Director.
 - b. Approve the appointment of Statutory Auditor.
 - c. Revision of Remuneration of Mr. Arvind Agrawal (DIN- 02268683) as Managing Director.
 - d. Appointment of Mr. Chandra Shekhar Ghosh (DIN: 00342477) as Executive Director of the Company.

M Shahnawaz & Associates

Company Secretaries

Firm Regn. No: S2015WB331500

CS Md. Shahnawaz

Proprietor

Membership No.: 21427

CP No.: 15076

Peer Review Regn No. 6376/2025

UDIN: A021427G001052347

Place: Kolkata

Date: August 21, 2025

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure to the Directors' Report

'ANNEXURE A'

To,
The Members
BANDHAN FINANCIAL SERVICES LIMITED
CIN: U70101WB1995PLC073339
DN-32, Sector-V, Salt Lake City,
Kolkata-700091

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

M Shahnawaz & Associates

Company Secretaries
Firm Regn. No: S2015WB331500

CS Md. Shahnawaz

Proprietor
Membership No.: 21427
CP No.: 15076
Peer Review Regn No. 6376/2025
UDIN: A021427G001052347

Place: Kolkata
Date: August 21, 2025

Annexure to the Directors' Report

Annexure- 4

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship (a)	Nature of contracts / arrangements / transactions (b)	Duration of contracts / arrangements / transactions (c)	Salient features of contracts / arrangements / transactions, including value, if any (d)	Justification for entering into such contracts / arrangements / transactions (e)	Date(s) of approval by the Board (f)	Amount paid as advances, if any (g)	Date on which special resolution was passed in General meeting u/s 188(1) (h)
Not Applicable								

2. Details of material contracts or arrangements or transactions at arm's length basis:

(₹ in million)

Sl. No.	Name of the related party and nature of relationship (a)	Nature of contracts / arrangements / transactions (b)	Duration of contracts / arrangements / transactions (c)	Salient features of contracts / arrangements / transactions, including value, if any (d)	Justification for entering into such contracts / arrangements / transactions (e)	Date(s) Of approval by the Board / Audit Committee (f)	Amount paid as advances, if any (g)	Date on which special resolution was passed in general meeting u/s 188(1) (h)
1	Bandhan Bank Limited (Associate Company)	Current Account	N.A.	1.56	N.A.	N.A.	N.A.	N.A.
2	Bandhan Bank Limited (Associate Company)	Fixed Deposit	N.A.	4616.95	N.A.	N.A.	N.A.	N.A.
3	Bandhan Bank Limited (Associate Company)	Interest on Fixed Deposit	N.A.	368.32	NA	NA	NA	NA
4	Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A.	230.50	NA	NA	NA	NA
5	North East Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A.	54.80	NA	NA	NA	NA
	Remuneration of Key Managerial Personnel - Chandra Shekhar Ghosh - Arvind Agrawal - Amrit Daga - Biplab Kr. Mani	Remuneration	N.A.	19.14 19.73 7.65 5.19	NA	NA	NA	NA

Annexure to the Directors' Report

Sl. No.	Name of the related party and nature of relationship (a)	Nature of contracts / arrangements / transactions (b)	Duration of contracts / arrangements / transactions (c)	Salient features of contracts / arrangements / transactions, including value, if any (d)	Justification for entering into such contracts / arrangements / transactions (e)	Date(s) Of approval by the Board / Audit Committee (f)	Amount paid as advances, if any (g)	Date on which special resolution was passed in general meeting u/s 188(1) (h)
	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Paid	N.A	0.14	NA	NA	NA	NA
	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Income	N.A	2.47	NA	NA	NA	NA
	Bandhan Financial Holdings Limited (Subsidiary Company)	Dividend Income	N.A	700.27	NA	NA	NA	NA
	Bandhan Financial Holdings Limited (Subsidiary Company)	Letter of Comfort	N.A	5000.00	NA	NA	NA	NA
	Genisys Information Systems (I) Private Limited [Subsidiary Company (with effect from September 04, 2024)]	Investment	N.A	372.60	NA	NA	NA	NA
	Bandhan AMC Limited (Subsidiary Company of Bandhan Financial Holdings Limited)	Domain Sale	N.A	0.22	NA	NA	NA	NA

For and on behalf of the Board of Directors
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
Chairman
(DIN: 00342477)

Place: Kolkata
Date: August 21, 2025

Annexure to the Directors' Report

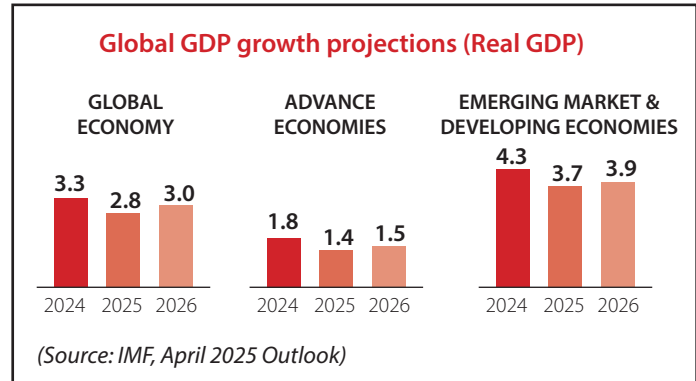
Annexure- 5

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2025

Economic Scenario

Global Economy

After enduring a prolonged and unprecedented series of shocks, the global economy appeared to have stabilized, with steady yet underwhelming growth rates. However, the landscape has changed as governments around the world reorder policy priorities and uncertainties have climbed to new highs. Global economic growth is projected to moderate from 3.3% in 2024 to 2.8% in 2025, reflecting the impact of persistent trade tensions, policy uncertainties, and financial vulnerabilities. While inflation is showing signs of easing, with global headline inflation expected to fall from 5.9% in 2024 to 4.5% in 2025, economic momentum remains uneven across regions. Advanced economies are seeing slower recoveries, particularly the United States, where growth is forecasted at 1.8% for 2025. China's growth outlook has also been revised downward to 4.0% due to continued pressures in its property sector and external trade challenges. Conversely, India continues to stand out with strong and stable growth, contributing significantly to global expansion. The report highlights key risks including escalating trade protectionism, geopolitical uncertainties, and high public debt, all of which pose threats to medium-term stability and investment sentiment.



INDIAN ECONOMY

Based on the Reserve Bank of India's March 2025 bulletin, the Indian economy has demonstrated remarkable resilience in the face of persistent global trade tensions and geopolitical uncertainties. The data highlights the strength of domestic fundamentals — particularly in GDP growth, inflation control, employment, and trade dynamics — even as the global environment remains volatile.

Domestic Economic Developments

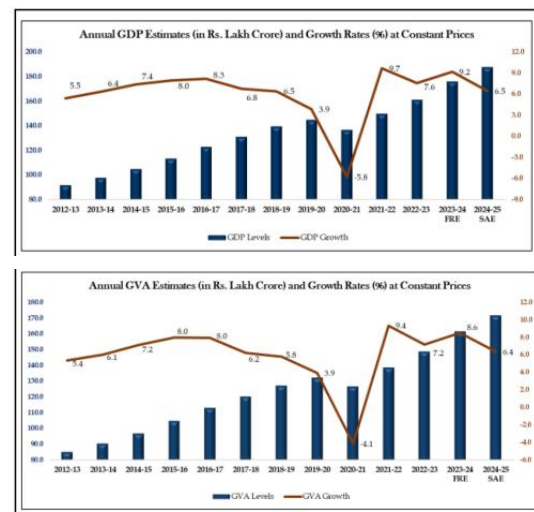
India's GDP is projected to grow by 6.5% in FY 2024–25, according to the NSO's Second Advance Estimates. The economy rebounded strongly in Q3 FY25, registering a 6.2% growth compared to 5.6% in Q2, driven largely by higher private consumption and government expenditure. Key growth sectors include construction, trade, and financial services.

Supporting this momentum, Real Gross Value Added (GVA) for 2024–25 is estimated at Rs.171.80 lakh crore, up from Rs.161.51 lakh crore in FY 2023–24, reflecting a growth rate of 6.4%, though moderating from the 8.6% seen in the previous year. Nominal GVA is projected to reach Rs.300.15 lakh crore, compared to Rs.274.13 lakh crore in FY 2023–24, marking a 9.5% growth.

Inflation trends also show significant improvement, with CPI inflation dropping to a seven-month low of 3.6% in February 2025 due to falling vegetable prices. However, core inflation (excluding food and fuel) edged up to 4.1%, pointing to persistent structural pressures.

Employment indicators remain positive. Manufacturing employment expanded at the second-fastest pace since the inception of the PMI survey, while the services sector also saw robust hiring. Urban unemployment dropped to a historic low of 6.4%, indicating sustained labor market strength.

Annual GDP and GVA Estimates along with Y-o-Y Growth Rates at Constant Prices



Annexure to the Directors' Report

External Sector and Trade

India's external sector showed mixed trends. Exports between April 2024 and February 2025 rose marginally by 0.1% to \$395.6 billion. However, merchandise exports fell 10.9% YoY in February, largely impacted by global demand weakness. Electronics, rice, and ores emerged as the top-performing export categories, while petroleum products, engineering goods, chemicals, and gems & jewellery witnessed declines.

On the import side, overall imports rose 5.7% to \$656.7 billion during the same period. Imports of gold, electronics, and petroleum drove this increase, though a 16.3% decline in February (led by oil and gold) narrowed the trade deficit. Consistent demand for electronic goods and machinery indicates healthy domestic investment momentum.

BUDGET 2025-26 HIGHLIGHTS

Agriculture & Rural Economy

The budget takes a significant step toward rural prosperity with the launch of the PM Dhan-Dhaanya Krishi Yojana and a Cotton Productivity Mission targeting over 100 districts. A new six-year mission focused on pulses like Tur, Urad, and Masoor will promote climate-resilient seeds, enhance protein content, and strengthen post-harvest infrastructure. To improve credit access, the Kisan Credit Card (KCC) limit has been raised to Rs.5 lakh, benefiting 7.7 crore farmers, including those in dairy and fisheries. Additionally, India Post will be positioned as a rural economic hub by offering digital and financial services such as insurance, credit facilitation, EMI collections, and DBT support.

MSMEs & Manufacturing

In a major push for small businesses, the government has revised MSME classification thresholds, enabling more enterprises to qualify for regulatory benefits. Ten lakh micro-enterprises registered on the Udyam portal will be issued customised credit cards with a Rs.5 lakh limit. Furthermore, a new scheme will offer term loans up to Rs.2 crore to five lakh first-time entrepreneurs over the next five years, with special focus on women, SCs, and STs. Labour-intensive sectors like footwear, toys, and food processing will benefit from targeted cluster-based schemes aimed at improving quality, employment, and exports. A comprehensive manufacturing mission will also focus on enhancing ease of doing business, enabling clean-tech, and building a future-ready workforce.

Infrastructure & Urban Development

To catalyse capital expenditure, the budget provides Rs.1.5 lakh crore in interest-free loans to states. An Urban Challenge Fund worth Rs.1 lakh crore will support the redevelopment of cities, sanitation, and water infrastructure. The Jal Jeevan Mission is extended till 2028 with enhanced funding to ensure 100% coverage. To address housing needs, SWAMIH Fund-2 with a Rs.15,000 crore outlay will expedite completion of one lakh affordable homes. Additionally, a Rs.25,000 crore Maritime Development Fund will offer long-term financing, and the UDAN scheme will expand regional air connectivity to 120 new destinations.

Education, Skilling & Innovation

Education and research receive a major boost with the establishment of 50,000 Atal Tinkering Labs, 10,000 new medical seats, and five Centres of Excellence with global partnerships. A Rs.500 crore outlay has been allocated to develop an AI Centre for Education, and digital access to Indian language educational books will be enhanced. The PM Research Fellowship will support 10,000 PhD students in technology and science, while Rs.20,000 crore is earmarked to encourage private sector-led research, development, and innovation.

Employment & Social Welfare

Online platform workers will now be registered through the e-Shram portal and gain healthcare access under PM Jan Arogya Yojana. PM SVANidhi will be revamped to offer UPI-linked credit cards and skilling support to street vendors. On the policy front, regulatory reforms will be implemented through a new high-level committee, and the FDI cap in the insurance sector will be increased from 74% to 100%. NaBFID will also introduce a Partial Credit Enhancement Facility for infrastructure bonds, aimed at deepening financial markets.

Export & Trade Promotion

Exports will be supported through a new Export Promotion Mission with sectoral and ministerial targets, easing access to credit and tackling non-tariff barriers. The government is expected to launch BharatTradeNet, a digital infrastructure platform to unify trade documentation and financing. Additionally, warehousing and logistics upgrades for air cargo, especially for perishables, will further aid export competitiveness.

Annexure to the Directors' Report

Tax Reforms & Middle-Class Relief

Middle-class taxpayers will benefit from several direct tax measures. The tax rebate limit for senior citizens is doubled to Rs.1 lakh, and the annual TDS threshold on rent is increased from Rs.2.4 lakh to Rs.6 lakh. Individuals can now claim deductions on two self-occupied properties. The time limit for filing updated returns has been extended from two to four years. Moreover, rationalization of customs duty structures and tax incentives for electronics, EVs, and life-saving drugs aim to promote industry while easing burdens on consumers.

NBFC INDUSTRY IN INDIA

The Indian NBFC industry in FY 2024–25 remains a vital enabler of financial inclusion and credit accessibility, underlining its pivotal role in supporting diverse sectors of the economy. Despite a backdrop of global uncertainty and tightening liquidity conditions, the sector has exhibited steady credit growth driven predominantly by retail lending, microfinance, vehicle finance, and housing finance. Enhanced asset quality measures and a focus on digital transformation—such as improved underwriting processes, streamlined KYC, and innovative fintech collaborations—have contributed to operational efficiencies and broader customer reach. Regulatory initiatives aimed at strengthening capital adequacy and corporate governance further underscore the industry's commitment to resilience and sustainable development.

The Indian Non-Banking Financial Company (NBFC) sector, after witnessing a strong run of 17% credit growth over the last two fiscal years, is now poised for a moderated expansion trajectory. Credit growth is projected to ease to 13–15% in FY2025 and FY2026, largely due to a high base, tighter liquidity conditions, and evolving borrower risk profiles (Source: Economic Times and ICRA). As of December 2024, NBFCs had a total credit outstanding of approximately Rs.52 trillion. This figure is projected to surpass Rs.60 trillion by FY 2025–26, indicating a robust growth trajectory.

Asset Performance & Segmental Stress

While NBFCs have diversified their portfolios, stress is emerging in specific unsecured retail segments. Microfinance, personal loans, credit cards, and unsecured business loans are showing elevated delinquencies and write-offs in FY2025. Notably, unsecured business loans comprised nearly 28% of retail NBFC credit as of December 2024 (Source: Economic Times and ICRA). Although stress is largely concentrated in unsecured lending, the refinancing capability of borrowers — particularly those availing small-ticket vehicle and mortgage loans — is expected to come under pressure in a constrained credit environment.

Liquidity & Funding Landscape

Despite regulatory headwinds and asset-level stress, the sector's liquidity position remains adequate, supported by limited short-term funding exposure and stable balance sheets across most large NBFCs. Debt issuances showed improvement in FY2025 and are expected to remain strong, further aided by a favorable interest rate outlook. However, access to matched funding for growing loan books remains a crucial determinant of sustained performance.

Profitability & Competitive Dynamics

The industry is likely to face profitability headwinds in FY2025–FY2026 due to rising credit costs — particularly from the stressed unsecured retail segments — and elevated competitive pressures which may compress margins, even as borrowing costs soften. Return on Average Managed Assets (RoMA) is expected to decline by 30–50 basis points compared to FY2024 levels (Source: Economic Times and ICRA), excluding housing finance companies which are relatively more stable in profitability outlook.

OUTLOOK FOR 2025 AND BEYOND - NAVIGATING CHALLENGES, TAPPING OPPORTUNITIES

The Indian NBFC sector is expected to face moderate near-term headwinds in the first half of FY2025, primarily due to regulatory and macroeconomic pressures. The regulatory overhang, including pending compliance with Key Fact Statement (KFS) requirements and operational risk norms, may place additional strain on operational and financial resources. Simultaneously, global inflationary trends and ongoing geopolitical tensions could further tighten funding conditions, impacting liquidity and capital access.

However, over the long term, NBFCs are well-positioned to capitalize on structural opportunities across emerging sectors. Green financing is set to become a major growth area, with NBFCs playing a critical role in funding solar energy projects and electric vehicle (EV) infrastructure, aligning with India's climate commitments and net-zero targets. Additionally, the post-pandemic formalization of MSMEs has unlocked a \$1.3 trillion addressable credit market, prompting NBFCs — such as Capital India Finance — to expand branch networks and capture this segment. Furthermore, partnership-led models with fintechs and ecosystem platforms, including e-commerce and logistics players, are expected to drive product innovation and enhance customer acquisition across semi-urban and rural markets.

To sustain competitiveness and build long-term resilience, NBFCs must implement key strategic initiatives. These include strengthening capital buffers through retained earnings and selective equity infusions to absorb potential regulatory shocks. Diversifying the funding mix, such as increasing reliance on external commercial borrowings (ECBs) and exploring retail deposit

Annexure to the Directors' Report

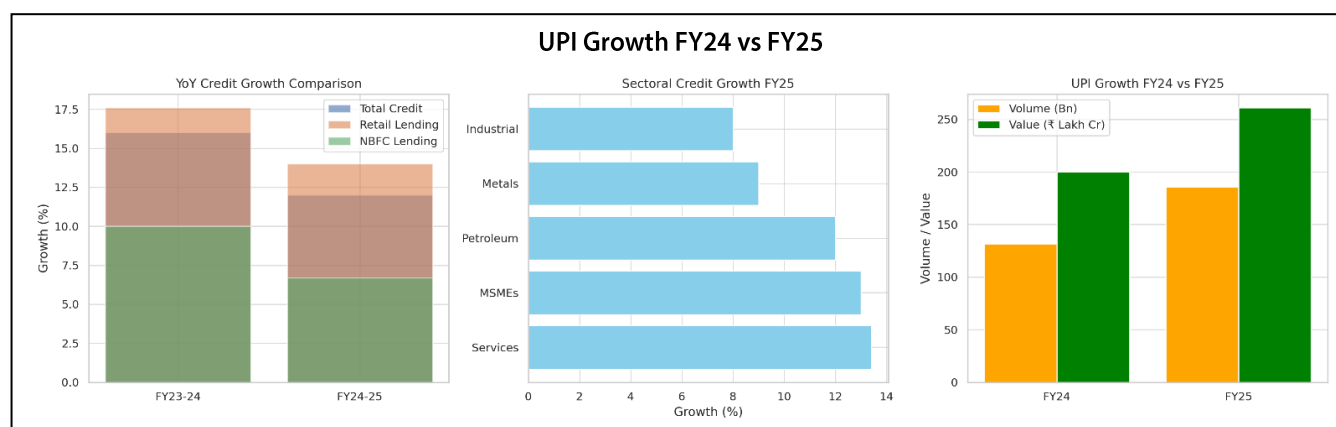
mobilization (where eligible), can help mitigate liquidity risks. Additionally, the adoption of data analytics and AI-powered credit modeling will be vital in enabling predictive risk management, improving borrower assessment, and delivering personalized lending experiences, which will ultimately distinguish market leaders from the rest.

BANKING INDUSTRY IN INDIA

Overview

The banking sector of India stands as a cornerstone of the nation's economic development, playing a crucial role in mobilizing capital, enhancing access to credit, and promoting financial inclusion. Despite facing challenges such as regulatory changes, increasing operational expenses, and mounting competition from fintech firms, the sector is actively embracing opportunities arising from digital innovation, structural reforms, and evolving customer demands. Leading initiatives like UPI's global expansion, a surge in fintech investments, and grassroots financial programs like Jan Dhan Yojana are reshaping India's banking landscape, paving the way for a more inclusive, technology-driven, and resilient financial ecosystem. According to the Reserve Bank of India (RBI), India's banking sector maintains adequate capitalization and robust regulation. The financial and economic landscapes in the country are notably stronger compared to global benchmarks.

The Indian banking sector in FY2024-25 entered a phase of moderated expansion following two years of robust growth. Bank credit growth decelerated to 12% year-on-year (YoY), down from 16% in FY2023-24. This slowdown was largely attributed to regulatory tightening measures introduced by the Reserve Bank of India and the statistical impact of a high base effect. A key driver of bank credit in recent years, retail lending, also exhibited signs of fatigue, with growth slowing to 14% in FY25 from 17.6% in the previous fiscal. The slowdown was most pronounced in unsecured personal loans, vehicle loans, and credit card outstanding balances, where rising risk perceptions and increased capital requirements curtailed growth. In contrast, secured lending products such as gold loans witnessed accelerated traction, driven by a 50% surge in gold prices. Additionally, there was a significant increase in renewable energy financing, which registered a remarkable 79% YoY growth, highlighting the sectoral shift toward sustainable and green finance (Source: Angelone).



While credit expansion moderated, deposit mobilization posed a bigger challenge. Deposit growth lagged at 10.3% YoY, insufficient to keep pace with the credit growth, and led to a sharp rise in the credit-to-deposit (C/D) ratio, which reached 80.8%—the highest level in 15 years. In response, banks adopted aggressive strategies to attract deposits, including increased term deposit rates and elevated issuance of wholesale funding instruments. Certificates of Deposit (CDs) touched an all-time high of Rs.10.58 lakh crore in FY25, marking a 34% rise YoY. Similarly, the issuance of commercial papers (CPs) grew by 13.5%, reaching Rs.13.90 lakh crore. These developments indicate a higher cost of liability management and have put pressure on net interest margins (NIMs), particularly for public sector banks that rely heavily on low-cost retail deposits (Source: Financial Express and PIB).

Despite funding challenges, the asset quality of Indian banks continued to improve. Scheduled Commercial Banks (SCBs) reported a gross non-performing asset (GNPA) ratio of 2.6% as of September 2024—the lowest in twelve years. Net NPAs fell sharply to 0.6%, indicating the success of loan recovery and resolution efforts. Public sector banks led this improvement, leveraging enhanced recovery mechanisms, increased provisioning, and strategic write-offs. The Reserve Bank of India projected further improvement in bad loan ratios, forecasting a reduction in gross NPAs to 2.5% by the end of FY25. This optimistic outlook was underpinned by a strong provisioning coverage ratio (PCR), which stood at 76.8%, providing a robust buffer against potential future slippages (Source: PIB and New Indian Express).

In terms of profitability, the banking sector experienced a strong performance in the first half of FY25. Profit after tax (PAT)

Annexure to the Directors' Report

for SCBs grew by 22.2% YoY, driven by lower credit costs and better cost management. Private sector banks remained at the forefront, posting an average return on assets (ROA) of 1.8%. Public sector banks, while still lagging, showed improvement with a ROA of 0.9%, thanks to continued efforts in digitization, cost rationalization, and operational efficiencies (Source: PIB).

The regulatory and macroeconomic landscape saw significant developments, most notably the RBI's decision to increase the risk weights on unsecured loans by 25 basis points in late 2024. This led to a strategic shift in bank portfolios, including a slowdown in credit extended to non-banking financial companies (NBFCs), where growth dropped to 6.7%—a four-year low. While the measure may have constrained short-term credit growth, it bolstered systemic resilience, reflected in the sector's healthy capital position. The Capital to Risk-Weighted Assets Ratio (CRAR) for SCBs rose to 16.8% in FY25, well above the regulatory threshold of 11.5%, ensuring adequate shock absorption capacity. Credit trends varied significantly across sectors. The services sector led the credit expansion with 13.4% growth, particularly in trade and professional services. Industrial credit growth remained modest at 8%, although sub-sectors such as petroleum and metals registered healthy demand at 12% and 9% respectively. Lending to Micro, Small and Medium Enterprises (MSMEs) outpaced that to large corporates, growing at 13% YoY. This was supported by a combination of government guarantee schemes, greater digital adoption, and improved credit analytics platforms catering to small business borrowers (Source: Angelone, PIB and Upstox).

The year also marked continued digital transformation in banking services. In the fiscal year 2024–25 (FY25), the Unified Payments Interface (UPI) continued its robust growth, solidifying its position as the cornerstone of India's digital payments ecosystem. According to the Reserve Bank of India's (RBI) Annual Report for FY25, UPI processed approximately 185.8 billion transactions, marking a 41% increase over the previous fiscal year. The total value of these transactions surged to Rs.261 lakh crore, up from Rs.200 lakh crore in FY24, reflecting a 30.3% year-on-year growth. UPI's share in the total volume of digital transactions rose to 83.7% in FY25, up from 79.7% in FY24, underscoring its expanding footprint in the country's payment landscape. This growth trajectory contributed to India accounting for 48.5% of global real-time payment transactions by volume, highlighting the country's leadership in digital payment adoption. The RBI has also outlined plans to extend UPI's reach internationally, aiming to expand its presence to 20 countries by 2028–29. Currently, UPI services are operational in countries such as Bhutan, France, Mauritius, Nepal, Singapore, Sri Lanka, and the United Arab Emirates, facilitating seamless cross-border transactions for Indian travelers and businesses. This was also complemented by banks collaborating with fintech companies, which enabled API-based lending, automated credit assessment, and broader access to wealth management tools (Source: Dajiworld and Economictimes).

However, the rapid pace of digitization brought heightened cybersecurity concerns. Total financial frauds reported in FY24 surged to Rs.177.05 crore, with card and internet-based frauds accounting for 62% of the incidents. In response, banks allocated 18 to 20% of their IT budgets to cybersecurity investments. These included the deployment of artificial intelligence for fraud detection, biometric authentication systems, and real-time monitoring tools (Source: Anytimeinvest).

RECALIBRATING INDIA'S BANKING FUTURE IN 2025: NAVIGATING LIQUIDITY, REGULATION, AND DIGITAL DISRUPTION

The Indian banking sector, while exhibiting improved profitability and asset quality in FY2024-25, is confronting a new phase of structural recalibration shaped by funding imbalances, technological disruption, and a tightening regulatory environment. These evolving challenges are pushing banks to rethink their strategic approach to liquidity management, operational agility, and long-term resilience building.

One of the most immediate headwinds is the mounting pressure on liquidity and funding costs. With deposit growth consistently trailing credit expansion, banks have increasingly resorted to wholesale market instruments to meet funding requirements.

At the same time, the competitive landscape is being redefined by digital-first financial entities. Fintechs and digital-only banks have captured an estimated 12% of new-to-credit (NTC) customers in FY25. Their success stems from nimble operating models, AI-powered underwriting algorithms, and minimal infrastructure costs. In contrast, traditional banks, while attempting to stay competitive through interest rate discounts and improved digital user experiences, are now facing compressed margins.

In light of these pressures, Indian banks must embrace a phased strategy combining near-term tactical measures with long-term structural transformation. In the immediate future, deposit mobilization must take center stage. This includes campaigns to boost CASA (Current Account Savings Account) balances, along with targeted schemes offering tiered interest rates for senior citizens and SME customers—segments known for stable deposits and higher product cross-sell potential. Portfolio diversification is another imperative. Banks must scale their exposure to green and sustainable lending, including solar energy, electric vehicle (EV) infrastructure, and climate-resilient agri-tech loans. These sectors benefit from policy tailwinds and fall under the RBI's enhanced priority sector lending guidelines, offering regulatory incentives and risk mitigation frameworks.

Simultaneously, banks must leverage emerging technologies to enhance operational efficiency and customer experience. The deployment of generative AI in customer servicing holds the potential to reduce contact center costs, while the application of

Annexure to the Directors' Report

blockchain in trade finance is expected to cut transaction processing time.

Looking ahead, building resilience requires a strategic shift toward collaborative ecosystems and workforce transformation. By forging alliances with agritech and healthtech companies, banks can embed financial services into digital-first platforms, unlocking access to India's projected \$1.2 trillion rural digital economy by 2030. Furthermore, with data and analytics becoming core to modern banking, upskilling the workforce is vital. Banks must target reskilling at least majority of their employees in AI, machine learning, and data science by 2026 to bridge the widening tech-talent gap and maintain innovation momentum.

In conclusion, the path forward for Indian banks involves a careful balancing act—managing immediate risks related to liquidity and compliance, while laying the groundwork for a digitally-enabled, sustainable, and inclusive banking model. Those institutions that act decisively on these strategic imperatives will not only mitigate current pressures but also shape the future contours of Indian banking.

INDIAN MUTUAL FUND INDUSTRY

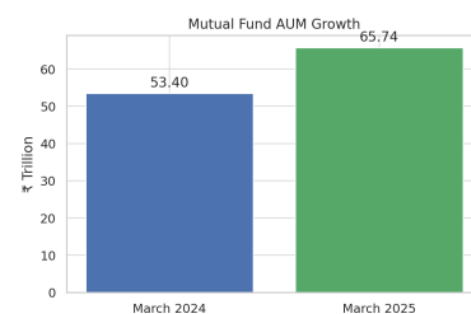
Overview

In fiscal year 2024–25, the Indian mutual fund industry achieved significant growth, with assets under management (AUM) reaching Rs.65.74 trillion by March 2025, marking a 23.11% increase from Rs.53.40 trillion in March 2024. This growth was driven by net inflows of Rs.8.15 trillion and favorable market conditions, including mark-to-market gains in both equity and debt markets (Source: Business Standard)

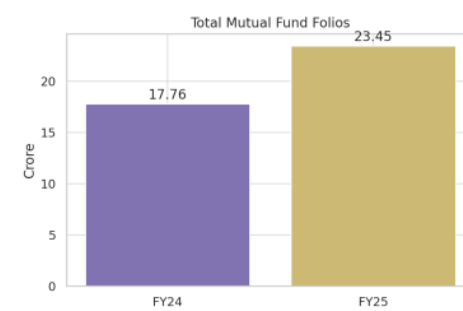
The investor base expanded considerably, surpassing 5 crore participants, with nearly 1 crore new investors joining during the fiscal year, reflecting a 22% year-over-year increase. This surge indicates growing financial awareness and digital penetration across the country. Systematic Investment Plans (SIPs) continued their upward trajectory, with monthly collections reaching Rs.26,632 crore in April 2025, the highest ever recorded. The total number of SIP accounts also rose to 8.38 crore, demonstrating the increasing popularity of disciplined, regular investment approaches among retail investors (Source: Economic Times, Business Today and Economic Times)

Equity-oriented schemes attracted Rs.4.17 trillion in net investments during FY25, more than double the inflows from the previous year, underscoring investors' confidence in India's long-term growth prospects. Debt-oriented schemes also saw a revival, recording net inflows of Rs.1.38 trillion after three consecutive years of outflows, indicating a growing sophistication in portfolio diversification strategies (Source: The Economic Times and Live Mint). The total number of mutual fund folios increased by 32% to reach 23.45 crore by the end of FY25, highlighting the broad-based retail participation and the industry's success in catering to varied investor risk profiles and investment objectives (Source: Angelone).

Mutual Fund AUM Growth



Total Mutual Fund Folios



CHALLENGES AND OUTLOOK: SUSTAINING GROWTH, ENHANCING RESILIENCE IN 2025

Despite the impressive growth, the mutual fund industry faces several challenges. Market volatility remains a concern, particularly its potential impact on the holding power of newer retail investors who have not yet experienced significant market downturns. The concentration of flows in mid-cap, small-cap, and thematic funds raises questions about portfolio concentration risks and the need for enhanced investor education about diversification principles.

The industry's penetration levels, while improving, remain significantly lower than those observed in many developed economies, highlighting substantial growth opportunities alongside the need for continued efforts in financial inclusion and investor education. The regulatory framework continues to evolve to balance investor protection with market development objectives, with stricter Know Your Customer (KYC) norms being one example of enhanced compliance requirements that have tangible impacts on investor registration patterns.

Distribution network optimization remains an ongoing challenge, particularly in ensuring adequate coverage and service quality across India's diverse geographic and demographic landscape. The industry needs to balance the efficiency gains from digital distribution with the relationship-based service requirements of many investor segments, especially in smaller cities and

Annexure to the Directors' Report

rural areas where personal interaction remains important for building trust and confidence.

Looking ahead, the industry must remain vigilant about managing concentration risks, ensuring adequate investor education, and maintaining the delicate balance between growth and stability. The foundation laid during FY25 positions the Indian mutual fund industry well for continued expansion, provided it maintains its focus on investor protection, product innovation, and service excellence while navigating the evolving regulatory and market landscape.

COMPANY OVERVIEW

Bandhan Financial Services Limited (BFSL) stands as the pioneering institution behind the formation of both Bandhan Financial Holdings Limited (BFHL) and Bandhan Bank Limited. Incorporated on August 3, 1995, BFSL initially operated as a non-banking financial company focused on developmental finance. In 2009, it was officially recognized by the Reserve Bank of India (RBI) as a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI), marking the beginning of its journey in providing microcredit to underserved and financially excluded sections of society.

With its deep-rooted presence in microfinance and a growing footprint across India, BFSL became a symbol of responsible lending and financial empowerment, particularly for women entrepreneurs and rural households. As its operations scaled and matured, the institution aligned itself with the RBI's February 22, 2013, "Guidelines for Licensing of New Banks in the Private Sector," which sought to encourage entities with a track record in financial inclusion to transition into full-fledged banks.

In June 2015, BFSL received the RBI's approval to establish a universal bank under this framework. This pivotal moment led to the creation of Bandhan Bank Limited, under the aegis of Bandhan Financial Holdings Limited (BFHL) - a Non-Operative Financial Holding Company (NOFHC) promoted by BFSL. In August 2015, BFSL formally transferred all its microfinance-related assets and liabilities to Bandhan Bank, thereby completing a historic transformation from a microfinance institution to a promoter of one of India's youngest and fastest-growing universal banks.

Today, BFSL continues to play an instrumental role in the Bandhan Group's journey of inclusive finance, having laid the institutional foundation for both a commercial bank and a financial holding company committed to furthering access to formal financial services across India.

Brief financial performance for 2024-25 is given below:

(Amount in ₹ Million)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Income	1428.39	497.06	14890.06	6705.82
Profit before share of profit of associate & exceptional item	1250.36	415.21	(634.38)	1726.08
Share of profit of associate	-	-	9964.58	7734.59
Profit before exceptional item	-	-	9330.20	9460.67
Profit before Tax	1250.36	415.21	(12633.04)	16072.60
Tax expenses	152.42	109.65	2109.59	2415.28
Profit for the year	1097.94	305.56	(14742.63)	13657.32

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios, alongwith detailed explanations thereof including:

Ratios	2024-25	2023-24	% Change	Reason (if more than 25% change)
Debtors Turnover	NA	NA	NA	
Inventory Turnover	NA	NA	NA	
Interest Coverage Ratio	NA	NA	NA	
Current Ratio	NA	NA	NA	
Debt Equity Ratio	NA	NA	NA	
Operating Profit Margin (%)	NA	NA	NA	
Net Profit Margin (%)	NA	NA	NA	
Return in Net Worth (%)	NA	NA	NA	

RISKS AND CONCERNS

BFSL, as a promoter of regulated financial entities, is exposed to indirect risks arising from the performance and regulatory compliance of its subsidiaries and associates. While BFSL does not conduct lending operations post the transfer of its microfinance portfolio to Bandhan Bank in 2015, changes in RBI guidelines applicable to promoter shareholding, NOFHC structures, or ownership norms may impact its strategic role. In addition, reputational risks remain, as BFSL's credibility is closely

Annexure to the Directors' Report

linked to the governance and performance of the institutions it has promoted. The Company remains vigilant of these evolving dynamics and continues to ensure compliance with applicable regulations while maintaining financial prudence.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust framework of internal controls aimed at maintaining the integrity of financial and operational processes. These controls are designed to provide reasonable assurance regarding the accuracy and reliability of accounting records, safeguard of assets, and adherence to statutory obligations. The internal control environment is further reinforced by regular reviews, process audits, and the adoption of best practices in governance.

To ensure effective monitoring, the Company engages an independent internal audit team that conducts periodic assessments of key operational areas. These evaluations are supplemented by external audit checks conducted by reputed audit firms. The findings from these audits are presented to the Audit Committee, which plays a critical role in reviewing observations and driving accountability within the system.

The statutory audit for the financial year has been carried out by M/s Suresh Surana & Associates LLP. In accordance with Section 143 of the Companies Act, 2013, the auditors have also issued their report on internal financial controls, confirming the adequacy of the Company's internal control over financial reporting.

The Audit Committee ensures that audit recommendations are implemented in a timely manner and that control systems remain aligned with evolving operational needs and regulatory expectations. Regular engagement between the Committee, internal auditors, and statutory auditors reinforces transparency and supports continuous improvement.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Bandhan Financial Services Limited continues to place significant emphasis on developing a resilient and future-ready workforce. Human resources remain a critical enabler of the Company's mission-driven growth, particularly in the context of its financial sector responsibilities. During the year, the Company focused on strengthening its talent strategy through structured recruitment, transparent role alignment, and the integration of performance-linked development frameworks. Learning and development remained a key priority, with focused training initiatives aimed at enhancing functional expertise, leadership capabilities, and regulatory awareness across levels. In addition to onboarding local talent, the Company has introduced programs that foster internal mobility and long-term career progression, helping to retain institutional knowledge while promoting merit-based growth.

To promote inclusivity and employee engagement, several cultural and team-building initiatives were undertaken, aligned with the Company's core values. The work environment is continuously shaped to ensure empowerment, well-being, and alignment with ethical and compliance standards. As of 31 March 2025, the Company's employee strength stood at 9, reflecting its commitment to building a motivated and high-performing team.

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

For and on behalf of the Board of Directors
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
Chairman
(DIN: 00342477)

Place: Kolkata
Date: August 21, 2025

INDEPENDENT AUDITOR'S REPORT

The Members of
Bandhan Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Bandhan Financial Services Limited** (hereinafter referred to as the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 read with relevant Rules issued thereon (hereinafter referred to as the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards notified under section 133 of the Act, (hereinafter referred to as the "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements, standalone financial statements and our auditors' reports thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS notified under section 133 of the Act.

INDEPENDENT AUDITOR'S REPORT

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

Other Matter

The audit of the standalone financial statements of the Company for the year ended March 31, 2024, was conducted and reported by the predecessor auditors and had expressed unmodified opinion vide their report dated June 28, 2024. Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
 - e. On the basis of the written representations received from the Directors as on March 31, 2025 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2025 from being appointed as a Director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements of the Company.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 39 (viii) to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 39 (viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatso-

INDEPENDENT AUDITOR'S REPORT

ever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend paid by the Company during the year, in respect of the same declared for the previous year and the interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with and the relevant edit logs are being maintained as per the statutory requirements for record retention.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees and commission) paid by the Company to its Directors during the current financial year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For LODHA & CO LLP

Chartered Accountants

Firm's Icai Registration No.: 301051E/ E300284

Indranil Chaudhuri

(Partner)

Membership No.: 058940

UDIN: 25058940BMMIRB1868

Place: Kolkata

Date: June 26, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report to the members of Bandhan Financial Services Limited)

- i. In respect of the Company's property, plant and equipment and intangible assets:
 - a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - b. During the year, property, plant and equipment have been physically verified by the management pursuant to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in note no. 6-8 and 11 investment property, property, plant and equipment, right of use assets and asset held for sale are held in the name of the Company.
 - d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.
 - e. According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at the March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3(i)(e) of the order is not applicable to the Company.
- ii. According to the information and explanations given to us and based on our examination of the books of account of the Company:
 - a. The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits by any banks or financial institutions at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in subsidiaries and also in other instruments as permitted by Reserve Bank of India (hereinafter referred to as "the RBI"). Other than this, the Company has not provided any loan or guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
 - a. The Company is a core investing company and accordingly reporting under clauses (iii)(a) and (iii)(e) of paragraph 3 of the Order is not applicable to the Company.
 - b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made by the Company during the year are, prima facie, not prejudicial to the interest of the Company.
 - c. The company has not provided loans and advances in the nature of loans and hence reporting under clause (iii)(c) of the Order is not applicable.
 - d. The company have not granted any loans and advances in the nature of loan, hence there is no amount overdue at the balance sheet date.
 - e. The Company has not granted Loans or advances in the nature of loans which is either repayable on demand or without specifying any terms or period of repayment and hence reporting under clause (iii)(f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given loan to any director in accordance with the provisions of Section 185 of the Companies Act, 2013. The Company has not given any loans or guarantees. The Company is a non-banking financial company, due to which its investments are exempted under Section 186(11)(b). The Company has not made investments through more than two layers of investment companies in

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

accordance with the provisions of Section 186(1) of the Act. Accordingly, the Company has complied with the provisions of Sections 185 and 186 of the Act, as applicable.

- v. According to the information and explanation given to us and based on our examination of the books and records of the Company, during the year, the Company has neither accepted any deposits or amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under paragraph 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013 with regard to the activities of the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and based on our examination of the books of account:
 - a. During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to it. There are no undisputed amounts in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues, in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
 - b. There are no statutory dues referred to in clause (vii)(a) above, which have not been deposited on account of any dispute.
- viii. In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable.
- ix. In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company:
 - a. The Company did not have any borrowings outstanding as at the beginning of the year nor it availed any borrowings during the year and accordingly reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company;
 - b. The Company has not been declared willful defaulter by any bank or financial institution or any other lenders;
 - c. The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
 - d. During the year Company has not availed any funds on short term basis and accordingly reporting under paragraph 3(ix)(d) of the Order is not applicable;
 - e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f. The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x. According to the information and explanations given to us and based on our examination of the books of account of the Company:
 - a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable;
 - b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year and accordingly, the reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi. a. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

- b. According to the information and explanation given to us and on the basis of our examination of the books of accounts, no report under sub-section (12) of section 143 of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report. Accordingly, reporting under clause (xi) (b) of paragraph 3 of the Order is not applicable to the Company.
- c. According to the information and explanation given to us and based on our examination of the books of account of the company, no whistle blower complaints have been received during the year by the company. Accordingly reporting under paragraph (xi) (c) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 is not applicable to it. Hence, the reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with provisions of sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv.
 - a. The Company has appointed an external firm of chartered accountants for conducting the internal audit of the Company. In our opinion and according to the information and explanations given to us the company has an internal audit system commensurate with the size and nature of its business.
 - b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the Work of Internal Auditors".
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the books and records of the Company:
 - a. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company;
 - b. Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any non-banking financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. The Company has not conducted any housing finance activities during the year;
 - c. The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and it continues to fulfil the criteria of a CIC during the year.
 - d. Based on the representation received from the management, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern and other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

- xx. According to the information and explanations given to us and based on our examination of the books and records of the Company there are no unspent amount towards Corporate Social Responsibility (CSR) on either ongoing projects or other than ongoing projects as stated in section 135 of the Act and accordingly, reporting under paragraph 3(xx) (a) & (b) of the Order is not applicable for the year.
- xxi. The reporting under clause (xxi) of Paragraph 3 of the Order is not applicable in respect of audit of Standalone Financial Statements.

For LODHA & CO LLP***Chartered Accountants***

Firm's Icai Registration No.: 301051E/ E300284

Indranil Chaudhuri***(Partner)***

Membership No.: 058940

UDIN: 25058940BMMIRB1868

Place: Kolkata

Date: June 26, 2025

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“hereinafter referred to as the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Bandhan Financial Services Limited (“hereinafter referred to as the Company”) as at March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls with reference to the Standalone Financial Statements

The Board of Directors of the Company are responsible for establishing and maintaining Internal Financial Controls based on the Internal Financial Control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (hereinafter referred to as “the Guidance Note”) issued by the Institute of Chartered Accountants of India (hereinafter referred to as “the ICAI”). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to the Standalone Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to the standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO LLP**Chartered Accountants**

Firm's Icai Registration No.: 301051E/ E300284

Indranil Chaudhuri**(Partner)**

Membership No.: 058940

UDIN: 25058940BMMIRB1868

Place: Kolkata

Date: June 26, 2025

Standalone Balance Sheet as at March 31, 2025

(₹ in million)

	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Financial assets			
Cash and cash equivalents	2	1.92	2.05
Bank balances other than cash and cash equivalents	3	4,616.96	4,291.05
Investments	4	28,522.20	28,463.50
Other financial assets	5	3.88	0.21
Subtotal		33,144.96	32,756.81
Non-financial assets			
Current tax assets (net)		33.90	36.28
Investment property	6	-	27.31
Property, plant and equipment	7	28.94	4.34
Right of use assets	8	41.24	2.40
Intangible assets	9	0.04	0.04
Other non-financial assets	10	0.63	0.15
Subtotal		104.75	70.52
Assets held for sale	11	26.95	-
Total assets		33,276.66	32,827.33
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
(I) Trade payables	12		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7.04	3.85
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	13	49.72	16.00
Other financial liabilities	14	55.51	16.01
Sub total		112.27	35.86
Non-financial liabilities			
Provisions	15	16.45	8.22
Deferred tax liabilities (net)	16	0.61	33.87
Other non-financial liabilities	17	2.43	1.85
Sub total		19.49	43.94
Equity			
Equity share capital	18	1,278.21	1,278.21
Other equity	19	31,866.69	31,469.32
Total equity		33,144.90	32,747.53
Total liabilities and equity		33,276.66	32,827.33

The accompanying notes 1 to 43 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For **Lodha & Co LLP****Chartered Accountants**

(ICAI Firm Registration Number : 301051E/ E300284)

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited**Indranil Chaudhuri****Partner**

(Membership Number : 058940)

Chandra Shekhar Ghosh**Executive Chairman**

DIN:00342477

Kolkata

Arvind Agrawal**Managing Director**

DIN:02268683

Kolkata

Place : Kolkata

Date : June 26, 2025

Amrit Daga**Chief Financial Officer**

Kolkata

Biplab Kumar Mani**Company Secretary**

(Membership Number: A19883)

Kolkata

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(₹ in million)

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations			
Interest income	20	453.99	388.45
Dividend income	21	700.27	-
Net gain on fair value changes	22	60.93	106.22
Gain on de-recognition of financial instrument	23	-	0.83
Total revenue from operations		1,215.19	495.50
Other income	24	213.20	1.56
Total income		1,428.39	497.06
Expenses			
Finance costs	25	3.74	0.27
Employee benefits expense	26	62.69	30.76
Depreciation and amortisation expense	27	8.20	3.81
Other expenses	28	103.40	47.01
Total expenses		178.03	81.85
Profit before tax		1,250.36	415.21
Tax expense	29	152.42	109.65
Current tax		185.63	83.25
Adjustment of tax relating to earlier year		0.01	0.09
Deferred tax		(33.22)	26.31
Profit for the year		1,097.94	305.56
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(0.15)	(0.15)
Tax impact thereon		0.04	0.04
Other comprehensive income for the year, net of taxes		(0.11)	(0.11)
Total comprehensive income for the year		1,097.83	305.45
Earnings per equity share			
Basic & Diluted (₹)	32	8.59	2.39
Nominal value per share (₹)		10	10

The accompanying notes 1 to 43 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

Place : Kolkata

Date : June 26, 2025

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited
Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Standalone Statement of Cash Flows for the year ended March 31, 2025

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities		
Profit before tax	1,250.36	415.21
Adjustments for:		
Depreciation and amortisation expense	8.20	3.81
Dividend income	(700.27)	-
Finance cost	3.74	0.27
Interest on income tax refunds	(210.50)	-
Net gain on fair value changes	(60.93)	(106.22)
Gain on derecognition of financial instrument	-	(0.83)
Interest on deposits with banks	(381.83)	(370.02)
Interest on govt. securities	(71.97)	(18.43)
Interest on unwinding of security deposits	(0.19)	-
Operating profit/ (loss) before working capital changes	(163.39)	(76.21)
Movements in working capital:		
(Increase)/ decrease in other non-financial assets	(0.47)	(0.08)
Increase/(decrease) in other non- financial liabilities	0.58	(1.33)
Increase/(decrease) in provisions	8.08	2.51
Increase/(decrease) in trade and other payables	36.91	(3.68)
Increase/(decrease) in other financial liabilities	0.05	-
(Increase)/decrease in other financial assets	(5.74)	0.22
Cash generated from/ (used in) operations before dividend and interest income	(123.98)	(78.57)
Dividend received	700.27	-
Interest received	439.23	17.23
Cash generated from/ (used in) operations	1,015.52	(61.34)
Direct taxes paid (net of refunds)	26.41	(86.78)
Net cash flow generated from/ (used in) operating activities (A)	1,041.93	(148.12)
B. Cash flows from investing activities		
Net deposits (created)/ redemption with banks	(311.50)	1,206.73
Purchase of investment in subsidiary	(1,170.00)	-
Purchase of property, plant and equipment	(26.92)	(1.01)
Purchase of intangible assets	(0.03)	(0.05)
Net (purchase)/ redemption from other investments	1,172.40	(969.51)
Net cash flow generated from/ (used in) investing activities (B)	(336.05)	236.16

Standalone Statement of Cash Flows for the year ended March 31, 2025

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
C. Cash flows from financing activities		
Dividend paid	(700.46)	(100.98)
Payment of principal included in lease liabilities	(2.64)	(0.27)
Payment of interest included in lease liabilities	(2.91)	(0.18)
Net cash flow used in financing activities (C)	(706.01)	(101.43)
Net increase /(decrease) in cash and cash equivalents (A+B+C)	(0.13)	(13.39)
Cash and cash equivalents at the beginning of the year	2.05	15.44
Cash and cash equivalents at the end of the year	1.92	2.05

	Year ended March 31, 2025	Year ended March 31, 2024
Components of cash and cash equivalents		
Cash on hand*	0.01	0.01
Balances with banks	1.91	2.04
Total Cash and cash equivalents (refer note no. 2)	1.92	2.05

* Represents cash in hand of ₹ 6,576 (March 31, 2024 ₹ 5,260)

Note -1 The above standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows".

Note -2 Cash and cash equivalents do not include any amount which is not available to the Company for its use.

Note -3 Company has spent ₹ 5.20 millions (previous year ₹ 4.00 millions) in cash on account of corporate social responsibility (CSR) expenditure during the year ended March 31, 2025.

The accompanying notes 1 to 43 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited

Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Place : Kolkata

Date : June 26, 2025

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**1. Equity share capital**

	No. of shares	₹ in million
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Opening balance	12,78,21,101	1,278.21
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	12,78,21,101	1,278.21
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	12,78,21,101	1,278.21

2. Other Equity**Previous reporting period**

(₹ in million)

	Reserves and Surplus				Total other equity
	Statutory Reserve	General Reserve	Securities Premium	Retained Earnings	
Balance as at April 01, 2023 (Opening balance)	15,703.28	2,779.55	11,971.05	810.97	31,264.85
Restated balance at the beginning of the reporting year	15,703.28	2,779.55	11,971.05	810.97	31,264.85
Profit for the year	-	-	-	305.56	305.56
Other comprehensive income (net of tax)	-	-	-	(0.11)	(0.11)
Final dividend for the year 2022-23	-	-	-	(100.98)	(100.98)
Transfer from retained earnings to statutory reserve	61.11	-	-	(61.11)	-
Balance as at March 31, 2024	15,764.39	2,779.55	11,971.05	954.33	31,469.32

Current reporting period

(₹ in million)

	Reserves and Surplus				Total other equity
	Statutory Reserve	General Reserve	Securities Premium	Retained Earnings	
Balance as at April 01, 2024 (Opening balance)	15,764.39	2,779.55	11,971.05	954.33	31,469.32
Restated balance at the beginning of the reporting year	15,764.39	2,779.55	11,971.05	954.33	31,469.32
Profit for the year	-	-	-	1,097.94	1,097.94
Other comprehensive Income (net of tax)	-	-	-	(0.11)	(0.11)
Final dividend for the year 2023-24	-	-	-	(182.78)	(182.78)
Interim dividend for the year 2024-25	-	-	-	(517.68)	(517.68)
Transfer from retained earnings to statutory reserve	219.59	-	-	(219.59)	-
Balance as at March 31, 2025	15,983.98	2,779.55	11,971.05	1,132.11	31,866.69

Note 2.1 : During the year Company had paid the final dividend for the year ended March 31, 2024 at the rate of ₹1.43 per share as approved by the shareholders at the last annual general meeting. Furthermore, the company declared & paid an interim dividend of ₹ 4.05 per share as approved by the Board during its meeting held on February 28, 2025.

Note 2.2 : For nature of the reserves please refer note 19.1.

The accompanying notes 1 to 43 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited

Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Place : Kolkata

Date : June 26, 2025

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

A. Corporate Information

Bandhan Financial Services Limited (hereinafter referred to as "the Company") is registered with Corporate ID No. (CIN U70101WB1995PLC073339) under Ministry of Corporate Affairs. The Company is registered as a Core Investment Company (CIC) with effect from 21st September, 2017. The registered office of the Company is located at Unit – 507, 5th Floor, North Wing, Adventz Infinity@5, Near Techno Polis, BN-5, Sector V, Salt Lake City, Kolkata – 700091, West Bengal.

The RBI vide its notification dated October 19, 2023 has issued Scale Based Regulation (SBR) for NBFCs. As per the above notification, the Company is categorised in the Middle layer and applicable disclosures to such Middle layer entities have been considered in these financial statements. The company made an application to surrender Certificate of Registration in May 27, 2024.

B. Basis of Preparation of Financial Statements

a. Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 (hereinafter referred to as 'the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act and other accounting principles generally accepted in India. The Company has also consider the applicable Master Directions, Circulars/ notifications issued by the Reserve Bank of India for the preparation of the Standalone Financial Statements.

The accounting policies have been consistently applied, except in cases where a newly issued Ind AS is initially adopted or when a revision to an existing Ind AS required a change in the accounting policy previously in use.

These standalone financial statements have been approved by the Company's Board of Directors and authorized to issue on June 26, 2025.

b. Basis of Measurement

The standalone financial statement are prepared on the accrual basis as a going concern and under the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value and defined benefit plans for employees that are measured as per actuarial valuation under Projected Unit Credit Method at the end of each reporting date as required under relevant Ind AS.

c. Form of Presentation

The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including Other Comprehensive Income) and Standalone Statement of Changes in Equity adhere to the format prescribed in Division III of Schedule III to the Act. The Standalone Statement of Cash Flows is prepared and presented as per the requirements of Ind AS.

A summary of material accounting policies and other explanatory information is provided in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Act and accounting principles generally accepted in India.

d. Functional and Presentation Currency

The financial statements are presented in Indian Rupees in millions except otherwise, which is also the functional currency of the Company with rounding off to two decimals.

e. Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the standalone financial statements and the reported amount of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the standalone financial statements have been disclosed as applicable in the respective notes to accounts.

Accounting estimates can change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

f. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities for which fair value is measured or disclosed in the financial statements has been categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team headed by Chief Financial Officer, that has overall responsibility for overseeing all significant fair value measurements, who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1. Summary of Material Accounting Policies

1.1 Cash and Cash Equivalents

Cash and cash equivalent comprises of cash on hand and cash at bank including demand deposits and time deposits with original maturity of three months or less and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.2 Revenue Recognition

1.2.1 Interest income

Interest income is accounted for all financial assets at amortized cost or at fair value through other comprehensive income using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes transaction costs and all other premium and discounts. Transaction Costs include incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company has calculated interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the Company has calculate interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

1.2.2 Dividend Income

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**1.3 Investment Property**

Investment property is a property held to earn rentals and/ or capital appreciation (including property under construction for such purposes). Investment properties has be measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties is be stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes non-recoverable duties and taxes and any directly attributable costs of bringing the investment property to the condition of its intended use. In addition, interest on borrowings use to finance the construction of qualifying assets is capitalized as part of the asset's cost until such time that the asset is ready for its intended use. The carrying amount of the replaced part of the investment property consequent to the additions made thereto derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss, as incurred.

When parts of an item of investment property have different useful lives, they are accounted for as separate components. The Company, based on technical assessment made by the Management, depreciates the building over estimated useful lives as prescribed by Schedule II of the Companies Act, 2013.

1.4 Assets held for sale

The Company classifies Assets as Held for Sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment or investment property once classified as held for sale are not depreciated. All other assets in the financial statements are at amounts for continuing operations, unless otherwise mentioned.

1.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right-to-use the asset or assets, even if that right is not explicitly specified in an arrangement.

1.5.1 The Company as a Lessee

The Company's lease asset classes primarily consist of buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes Right of Use (ROU) Asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of lease.

Right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.5.2 The Company as a Lessor

Leases, for which the Company is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Fit-out rental income is recognised in the statement of profit and loss on accrual basis.

For finance leases, the amount due from lessee are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.6 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.6.1 Current tax

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

1.6.2 Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax for the year is recognized in Statement of Profit and Loss. However, Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or equity). Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**1.7 Foreign currency translation**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the Statement of Profit and Loss.

Non-monetary items carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

1.8 Provision and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the same. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent asset is not recognized in the Standalone Financial Statements, however, is disclosed where an inflow of economic benefits is probable.

1.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares is treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.10 Dividends on equity shares

The Company recognises a liability for making cash to equity holders of the Company when the dividend is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.11.1 Financial Assets**Initial recognition and measurement**

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. Financial Assets (unless it is a trade receivable without a significant financing component) are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1.11.1.1 Debt instruments at amortized cost

1.11.1.1.2 Debt instruments at fair value through other comprehensive income (FVOCI)

1.11.1.1.3 Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

1.11.1.1.4 Equity instruments measured at fair value through other comprehensive income(FVOCI)

1.11.1 Debt instruments at amortized costs

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

1.11.1.2 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is also taken to OCI. The amount accumulated in this respect is transferred within the Equity on derecognition.

1.11.1.3 Impairment of Financial Assets

The Company applies the Expected Credit Loss (ECL) Model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease/ trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In case of debt instruments at FVTOCI, the loss allowance measured in accordance with the above requirements and is recognised in other comprehensive income with a corresponding effect to the statement of profit and loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

No Expected credit losses is recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience.

1.11.2 Financial Liabilities

1.11.2.1 Classification as Debt or as Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

1.11.2.2 Initial recognition and measurement

The Company recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to Statement of Profit and Loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to Statement of Profit and Loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.11.2.3 Classification and Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

1.11.2.3.1 Financial Liabilities at Amortized Cost

The Company subsequently measures all financial liabilities at amortised cost using the EIR Method.

1.11.3 De-recognition of financial assets and liabilities

1.11.3.1 Financial Assets

The Company derecognizes Financial Assets, when the contractual rights to the cash flows from the asset has expired or the Company has transferred its right to receive the cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in Statement of Profit and Loss.

Financial Assets are written off when there is no reasonable expectation of recovering a financial asset in its entirety or portion thereof. The Company may apply enforcement activities to the financial assets written off. Recoveries resulting from the Company's enforcement activities are recognized in the Standalone Statement of Profit and Loss on actual realization.

1.11.3.2 Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

1.12 Investment in Subsidiary and Associate

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Para 10 of Ind AS 27 'Separate Financial Statements'. Cost of Investment represents amount paid for acquisition of the said investment. The Company assesses at the end of each reporting period if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/ amount of the investment and provides for impairment, if any, i.e. the deficit in the recoverable value over cost.

1.13 Property, Plant and Equipment ("PPE")

PPE are stated at acquisition cost or construction cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent costs are included in the PPE's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

1.14 Capital work-in-progress

Capital work-in-progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

1.15 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the other intangible assets.

Administrative and other general overhead expenses that are specifically attributable to the acquisition of other intangible assets are allocated and capitalised as part of the cost of the other intangible assets. Expenses on software support and maintenance are charged to the standalone statement of profit and loss during the year in which such costs are incurred. Intangible assets are amortised on a straight line method over their estimated useful lives. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.16 Depreciation and Amortisation

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their estimated useful lives specified in Schedule II to the Act, or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values is also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is recognised on prospective basis. PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Depreciation for additions to/ deductions from, owned assets is calculated pro rata to the period of use. Freehold land is not depreciated. Leasehold land is amortised over the duration of the lease. The useful life of the property, plant and equipment held by the Company are as follows:

Asset	Useful Life
Building	5 to 60 Years
Leasehold Improvements	Shorter of lease period or estimated useful life
Office Equipment	5 Years
Furniture and Fixtures	Shorter of lease period or estimated useful life
Computer Hardware	3 Years

Right of use Assets are depreciated on a straight-line basis over the Shorter of the lease term and useful life of the underlying asset.

Intangible Assets and their useful lives are as under:

Asset	Estimated Useful Life
Computer Software	3 years

1.17 Impairment of Non-Financial Assets

The Company assesses at each balance sheet date where there is any indication that a non-financial asset may be impaired due to events or changes in circumstances. If any such indicators exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash generating units' (CGU) fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value, less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculations on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

1.18 Borrowing Costs

Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs, if any, are charged to the Statement of Profit and Loss in the period in which they incurred.

1.19 Statement of Cash Flows

The Statement of Cash Flows is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

1.20 Employee Benefits

1.20.1 Short-term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expenses) and are measured at the amounts expected to be paid when the liabilities are settled. The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

1.20.2 Defined Contribution Plans

Provident Fund: The Company makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute.

1.20.3 Defined Benefits Plans (Gratuity Obligation)

The obligation in respect of defined benefits plans, which covers Gratuity, is provided for on the basis of an actuarial valuation at the end of each financial year.

In respect of Gratuity being post-retirement benefits, remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, (if applicable) and the return on plan assets (excluding net interest) are reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is not reclassified to the Statement of Profit and Loss.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restricting costs. The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:
- Service costs (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- Net interest expenses or income.

The Company presents the above two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plans' liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds. The retirement benefit obligations recognised in the Balance Sheet represent the actual deficit or surplus in the Company's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

1.21 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialized. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.22 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.23 Operating Leases

The Company has entered into commercial property leases for its offices. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination options, and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

1.24 Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value, less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices, less incremental costs for disposing of the asset. The value-in-use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the assets' performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.25 Fair value of Investment Property/ Assets held for Sale

As per the Ind AS, the Company is required to disclose the fair value of the investment property and measure the assets identified to be held for sale at lower of carrying value and fair value less cost to sales whichever is lower. Accordingly, the Company has conducted valuation to assess the fair values of investment property as at March 31, 2024 and for asset held for sale as at March 31, 2025. The investment property/ Asset held for sale was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property.

1.26 Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions, including disclosures thereof.

1.27 Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.28 Contingent Liabilities and Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**2. Cash and cash equivalents**

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Cash on hand*	0.01	0.01
Balances with bank		
- In current accounts	1.91	2.04
	1.92	2.05

* Represents cash in hand of ₹ 6,576 (March 31, 2024 ₹ 5,260)

3. Bank balances other than cash and cash equivalents

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Deposits with banks having original maturity exceeding three months	4,616.95	4,291.05
Unclaimed dividend	0.01	-
	4,616.96	4,291.05

4. Investments

(₹ in million)

	Nos.	At Amortised cost	At fair value through profit and loss	Subtotal	Others (at cost)	Total
As at Mar 31, 2025						
-In India						
Equity instrument (subsidiary) at cost						
Bandhan Financial Holdings Limited	2,59,36,04,000	-	-	-	26,163.20	26,163.20
Genisys Information Systems (India) Private Limited	8,94,317	-	-	-	1,170.00	1,170.00
Investment in debt instrument (measured at amortised cost)						
7.18% Govt Securities 2037	1,00,00,000	1,007.22	-	1,007.22	-	1,007.22
Investment in debt instrument (measured at FVTPL)						
Mutual funds	-	-	181.78	181.78	-	181.78
Total Gross		1,007.22	181.78	1,189.00	27,333.20	28,522.20
Less: Impairment loss allowance		-	-	-	-	-
Total Net		1,007.22	181.78	1,189.00	27,333.20	28,522.20

(₹ in million)

Other disclosures :

Aggregate amount of unquoted investments	27,514.98
Aggregate amount of quoted investments	1,007.22

Details of investment in subsidiary:

Name	Bandhan Financial Holdings Limited	Genisys Information Systems (India) Private Limited
Principal place of business	West Bengal	Karnataka
Proportion of the ownership interest and voting rights held	100%	100%
Method used to account for above stated subsidiary	Cost	Cost

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

	Nos.	At Amortised cost	At fair value through profit and loss	Subtotal	Others (at cost)	Total
As at March 31, 2024						
-In India						
Equity instrument (Subsidiary) at cost						
Bandhan Financial Holdings Limited	2,59,36,04,000	-	-	-	26,163.20	26,163.20
Investment in debt instrument (measured at Amortised Cost)						
7.18% Govt Securities 2037	1,00,00,000	1,007.05	-	1,007.05	-	1,007.05
Investment in debt instrument (measured at FVTPL)						
Mutual funds	-	-	1,293.25	1,293.25	-	1,293.25
Total- Gross		1,007.05	1,293.25	2,300.30	26,163.20	28,463.50
Less: Impairment loss allowance		-	-	-	-	-
Total net		1,007.05	1,293.25	2,300.30	26,163.20	28,463.50

(Amount in ₹ million)

Other disclosures :

Aggregate amount of unquoted investments	27,456.45
Aggregate amount of quoted investments	1,007.05

Details of investment in subsidiary:

Name	Bandhan Financial Holdings Limited
Principal place of business	West Bengal
Proportion of the ownership interest and voting rights held	100%
Method used to account for above stated subsidiary	Cost

5. Other financial assets (unsecured, considered good)

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Security deposits	3.88	0.21
	3.88	0.21

6. Investment property

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Building		
Gross carrying amount		
Opening gross carrying amount	38.17	38.17
Additions	-	-
Disposal	-	-
Closing gross carrying amount	38.17	38.17
Accumulated depreciation		

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Opening accumulated depreciation	10.86	9.79
Depreciation charge	0.36	1.07
Closing accumulated depreciation	11.22	10.86
Carrying amount	26.95	27.31
Less: Investment property classified as held for sale as at February 28, 2025 (Refer Note 11)	(26.95)	-
Net carrying amount	-	27.31

The fair value of investment property as at 31st March 2024 is ₹ 67.13 Million, on the basis of valuation carried out by an registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The property is a commercial unit situated in Tripura, India, and its fair value was derived using the market approach method without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

(i) Amount recognised in profit or loss for investment property

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Rental income	2.26	1.56
Direct operating expenses for property that generated rental income	-	-
Direct operating expenses for property that did not generate rental income	-	-
Profit from investment property before depreciation	2.26	1.56
Less: Depreciation	(0.36)	(1.07)
Profit from investment property	1.90	0.49

7. Property, plant and equipment

(₹ in million)

	Furniture & fixtures	Leasehold Improvements	Computer hardware	Office equipment	Vehicle	Total
Cost						
As at April 01, 2023	0.45	3.92	0.47	1.46	-	6.30
Additions	-	-	0.31	0.70	-	1.01
Disposals	-	-	-	-	-	-
As at March 31, 2024	0.45	3.92	0.78	2.16	-	7.31
Additions	-	12.94	0.53	3.44	10.00	26.91
Disposals	-	-	-	-	-	-
As at March 31, 2025	0.45	16.86	1.31	5.60	10.00	34.22
Depreciation						
As at April 01, 2023	0.03	0.27	0.34	0.15	-	0.79
Depreciation for the year	0.12	1.03	0.21	0.82	-	2.18
Disposals	-	-	-	-	-	-
As at March 31, 2024	0.15	1.30	0.55	0.97	-	2.97
Depreciation for the year	0.04	1.04	0.14	0.43	0.66	2.31
Disposals	-	-	-	-	-	-
As at March 31, 2025	0.19	2.34	0.69	1.40	0.66	5.28
Net carrying amount						
March 31, 2025	0.26	14.52	0.62	4.20	9.34	28.94
March 31, 2024	0.30	2.62	0.23	1.19	-	4.34

Note : The company has change the method of depreciation in the current year to straight line method from erstwhile written down value method. This is accounted for as change in accounting estimate as per Ind AS 8. As a result of this change, there is a net decrease in the amount of depreciation of Rs. 2.27 million for the current year.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

8. Right of use assets

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
At cost at the beginning of the year	2.98	2.98
Additions	44.34	-
Disposals	-	-
At cost at the end of the year	47.32	2.98
Accumulated depreciation as at the beginning of the year	0.58	0.25
Depreciation for the year	5.50	0.33
Disposals	-	-
Accumulated depreciation as at the end of the year	6.08	0.58
Net carrying amount as at the end of the year	41.24	2.40

(a) Amount recognised in the statement of profit & loss

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation charge on right of use assets	5.50	0.33
Interest expense	2.91	0.27

(b) Amount recognised in the statement of cash flows.

Total cash outflows for lease	5.55	0.44
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9. Intangible assets

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Computer software		
At cost at the beginning of the year	0.57	0.52
Additions	0.03	0.05
Disposals	-	-
At cost at the end of the year	0.60	0.57
Accumulated amortisation as at the beginning of the year	0.53	0.30
Amortisation for the year	0.03	0.23
Disposals	-	-
Accumulated amortisation as at the end of the year	0.56	0.53
Net carrying amount as at the end of the year	0.04	0.04

10. Other non-financial assets

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	0.24	0.15
Capital advances	0.01	-
Advance for expenses	0.38	-
	0.63	0.15

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**11. Assets held for sale****Carrying amount of non-current asset classified as held for sale as at 31 March 2025**

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment property	26.95	-

In February 2025, the Board of Directors of the Company resolved to sell the investment property at Tripura comprising of building and proportionate share of land appurtenant thereto. Considering the criteria specified under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", the said investment property has been classified as non-current assets held for sale.

The aforesaid assets have been measured at carrying amount, i.e., at the lower of carrying amount and fair value less costs to sell, and accordingly, impairment loss has not been recognised in the standalone financial statements in this respect.

12. Trade Payables (at amortised cost)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total undisputed outstanding dues of micro enterprises and small enterprises.	-	-
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises.	7.04	3.85
	7.04	3.85

As at March 31, 2025

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- to micro enterprises and small enterprises	-	-	-	-	-	-	-
Undisputed dues- to other than micro enterprises and small enterprises	4.12	0.45	2.47	-	-	-	7.04
Disputed dues- to micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues- to other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	4.12	0.45	2.47	-	-	-	7.04

As at March 31, 2024

(₹ in million)

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- to micro enterprises and small enterprises	-	-	-	-	-	-	-
Undisputed dues- to other than micro enterprises and small enterprises	2.46	-	1.30	-	-	0.09	3.85
Disputed dues- to micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues- to other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	2.46	-	1.30	-	-	0.09	3.85

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

12.1 Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount remaining unpaid to any supplier.	-	-
(ii) Interest due thereon remaining unpaid at the end of the year.	-	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the period of delay	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

13. Other Payables (at amortised cost)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Other payables		
Total undisputed outstanding dues of micro enterprises and small enterprises	-	-
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises		
-Payable for Donation	49.72	16.00
	49.72	16.00

13.1 Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount remaining unpaid to any supplier.	-	-
(ii) Interest due thereon remaining unpaid at the end of the year.	-	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the period of delay	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

14. Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note i below)	42.20	2.76
Other employee payables	0.06	0.01
Unpaid dividend	0.01	-
Insurance claim payable	13.24	13.24
	55.51	16.01

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**Note i: Lease liabilities.**

The company has entered into a new lease of property located in Mumbai on August 22, 2024 as lessee. This has been accounted for per provisions of Ind AS 116 on Leases.

(a) Minimum lease payment

The following table sets forth, for the periods indicated, the details of liability for premises taken on lease:

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	10.99	5.54
Later than one year and not later than five years	42.68	53.09
Later than five years	0.15	0.74
Total	53.82	59.37

(b) Lease liabilities schedule

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding as at the beginning of the year	2.76	2.93
Additions during the year	42.08	-
Deductions during the year	-	-
Interest expense	2.91	0.27
Cash outflow	(5.55)	(0.44)
Outstanding as at the end of the year	42.20	2.76

15. Provisions

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefit obligations	16.45	8.22
	16.45	8.22

16. Deferred tax liabilities (net)

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
On account of timing difference in		
-Property, plant and equipment	2.21	1.70
-Right of use assets	10.38	0.60
-Fair value gain on investment	1.03	34.36
	13.62	36.66
Deferred tax assets		
On account of timing difference in		
-Unabsorbed short-term capital loss	-	1.14
-Lease liability	10.62	0.69
-Post employment benefits	1.89	0.96
-Security deposit	0.50	-
	13.01	2.79
Net deferred tax liabilities	0.61	33.87

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Movement in deferred tax (assets)/liabilities (net)

(₹ in million)

	As at March 31, 2023	Charged/credited to OCI	Charged/credited to profit or loss	As at March 31, 2024	Charged/credited to OCI	Charged/credited to profit or loss	As at March 31, 2025
Deferred tax liabilities							
-Property, plant and equipment	2.00	-	(0.30)	1.70	-	0.51	2.21
-Right of use assets	0.69	-	(0.09)	0.60	-	9.78	10.38
-Fair value gain on investment	12.29	-	22.07	34.36	-	(33.33)	1.03
	14.98	-	21.68	36.66	-	(23.04)	13.62
Deferred tax assets							
-Unabsorbed short-term capital loss	6.04	-	(4.90)	1.14	-	(1.14)	-
-Lease liability	0.74	-	(0.05)	0.69	-	9.93	10.62
-Post employment benefits	0.60	0.04	0.32	0.96	0.04	0.89	1.89
-Security deposit	-	-	-	-	-	0.50	0.50
	7.38	0.04	(4.63)	2.79	0.04	10.18	13.01
Net Deferred Tax (Assets)/Liabilities	7.60	(0.04)	26.31	33.87	(0.04)	(33.22)	0.61

17. Other Non-financial liabilities

(₹ in million)

Particulars	As at March 31, 2025	As at March 31, 2024
Rent received in advance	-	0.65
Statutory liabilities	2.43	1.20
	2.43	1.85

18. Equity Share Capital

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Authorised equity share capital		
15,00,00,000 (15,00,00,000) Equity Shares of ₹ 10 each fully paid up	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, subscribed and fully paid-up equity shares		
12,78,21,101 (12,78,21,101) Equity Shares of ₹ 10 each fully paid up	1,278.21	1,278.21
	1,278.21	1,278.21

(i) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares at the beginning of year	12,78,21,101	1,278.21	12,78,21,101	1,278.21
Add: Shares issued during the year	-	-	-	-
Equity Shares at the end of year	12,78,21,101	1,278.21	12,78,21,101	1,278.21

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**(ii) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) The Company does not have any holding or ultimate holding company.**(iv) Details of shareholders holding more than 5% shares in the company**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares held	% of Holding in the class	No. of Shares held	% of Holding in the class
Financial Inclusion Trust	4,20,61,424	32.91	4,20,61,424	32.91
North East Financial Inclusion Trust	1,00,00,000	7.82	1,00,00,000	7.82
Caladium Investment Pte. Ltd.	2,13,50,912	16.70	2,13,50,912	16.70
Bandhan Employee's Welfare Trust	1,86,80,922	14.61	1,86,80,922	14.61
International Finance Corporation	1,73,68,339	13.59	1,73,68,339	13.59
Small Industries Development Bank of India	1,03,93,489	8.13	1,03,93,489	8.13

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- (v) The Company has not reserved any shares for issue under options and contracts nor there are any commitments for the sale of shares or disinvestment.
- (vi) For the period of five years immediately preceding the date at which the Balance Sheet is prepared, the Company has a) not allotted any shares other than for cash, b) not allotted any shares by way of bonus, c) not bought back any shares.
- (vii) The Company has neither issued nor there are any outstanding securities convertible into equity/preference shares during the year.
- (viii) There are no calls unpaid by directors and officers of the Company.
- (ix) Please refer note 41 for capital management disclosures.

(x) Details of shareholding of promoters

Sl. No.	As at March 31, 2025			As at March 31, 2024		
	No. of Shares held	% of Holding in the class	% of change during the year	No. of Shares held	% of Holding in the class	% of change during the year
1 Financial Inclusion Trust	4,20,61,424	32.91	-	4,20,61,424	32.91	-
2 North East Financial Inclusion Trust	1,00,00,000	7.82	-	1,00,00,000	7.82	-

19. Other Equity

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Securities premium	11,971.05	11,971.05
Statutory reserve	15,983.98	15,764.39
General reserve	2,779.55	2,779.55
Retained earnings	1,132.11	954.33
	31,866.69	31,469.32

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

19.1 Nature and purpose of reserves:

(a) Securities premium

The amount received in excess of the face value of the share capital issued and subscribed is recognized in securities premium. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(b) Statutory reserve

Statutory Reserve is created in accordance with section 45-1C (1) of the Reserve Bank of India (RBI) Act, 1934 every NBFC to create a reserve fund equal to a sum not less than 20% of its net profit every year before declaring the dividend, if any. Appropriation from this reserve fund is permitted only for the purpose specified by RBI.

(c) General Reserve

The Company has created General Reserve for the purpose of meeting contingencies and unforeseen events. It is created voluntarily and, the Company is transferring funds to it on a voluntary basis depending on the availability of sufficient distributable profit. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013 and rules & regulations notified by the Reserve Bank of India.

(d) Retained Earnings

Retained earnings represents accumulated profits earned by the Company and remaining undistributed as on date. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013 and rules & regulations notified by the Reserve Bank of India.

It also includes cumulative amount of remeasurement of defined benefit liability determined based on changes in actuarial assumption.

20. Interest income

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Financial Instrument measured at amortised cost		
- Interest on deposits with banks	381.83	370.02
- Interest on government securities	71.97	18.43
- Interest on security deposits	0.19	-
	453.99	388.45

21. Dividend income

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Financial instrument measured at amortised cost		
-Dividend income from subsidiary	700.27	-
	700.27	-

22. Net gain on fair value changes

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Net gain on financial instruments at fair value through profit or loss -		
Investment in Mutual funds -		
Realised	193.33	18.68
Unrealised*	(132.40)	87.54
	60.93	106.22

*includes reversal of unrealised gain/(loss) till previous year.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**23. Gain on de-recognition of financial instrument**

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Gain on de-recognition of financial instrument at amortised cost	-	0.83
	-	0.83

24. Other income

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Rental income	2.47	1.56
Interest on income tax refund	210.50	-
Other income	0.23	-
	213.20	1.56

25. Finance costs

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on lease liabilities	2.91	0.27
Interest on income tax	0.83	-
	3.74	0.27

26. Employee benefits expense

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	60.61	29.19
Contribution to provident fund and other funds	1.79	1.56
Staff welfare expenses	0.29	0.02
	62.69	30.76

27. Depreciation and amortisation expense

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of property, plant and equipment	2.31	2.18
Depreciation on right-of-use assets	5.50	0.33
Depreciation on investment Property	0.36	1.07
Amortisation of intangible assets	0.03	0.23
	8.20	3.81

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

28. Other expenses

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Rent, taxes & energy costs	2.94	1.14
Repairs & maintenance	0.73	0.70
Communication costs	0.22	0.19
Printing & stationery	0.23	0.10
Directors' fees, allowances and expenses	3.21	1.63
Auditors' fees & expenses (Refer Note 28(i))	3.22	2.30
Legal and professional charges	23.87	17.15
Insurance	0.28	0.28
Travelling and conveyance	8.81	1.80
Bank charges	0.44	0.03
Donation	49.70	16.00
Corporate social responsibility expenses (Refer Note 28(ii))	5.20	4.00
Miscellaneous expenses	4.55	1.69
	103.40	47.01

28(i). Details of Auditors' fees & expenses

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Payment to auditors		
As auditors:		
Audit fees	2.02	1.80
Tax audit fees	0.35	0.35
Certification fees	0.83	0.12
Reimbursement of expenses	0.02	0.04
	3.22	2.30

28(ii). Expenditure incurred on corporate social responsibility (CSR) activities

a. Details of CSR Expenditure:

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
a) Gross amount required to be spent by the Company during the year	5.20	4.00
b) amount spent during the year		
(i) Construction/ acquisition of any asset		
- in cash	-	-
- yet be paid in cash	-	-
(ii) On purposes other than (b)(i) above		
- in cash	5.20	4.00
- yet be paid in cash	-	-
	5.20	4.00
(c) Carry forward from previous year adjusted to meet current year's spending requirements	-	-
(d) Unspent amount during the year	-	-
(e) Reason for shortfall	-	-
(f) Details of related party transactions	5.20	4.00

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**b. Nature of CSR activities**

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
1) Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care, contribution the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	3.55	3.50
2) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1.10	0.00
3) Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.	0.55	0.50
Total	5.20	4.00

c. Details of excess amount spent

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	-	-
Amount required to be spent during the year	5.14	4.00
Amount spent during the year	5.20	4.00
Balance as at the end of the year	0.06	-
- to be carried forward for next year	-	-
- not to be carried forward for next year	0.06	-

29. Tax expenses**The major components of income tax expense for the year ended March 31, 2025**

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Current income tax:		
Current income tax	185.63	83.34
"Adjustments in respect of excess income tax provision of earlier year (representing Rs 8,649; P.Y. Rs 91,277)"	0.01	0.09
Deferred tax:		
-Relating to origination and Reversal of temporary difference	0.51	(0.30)
-Unabsorbed short-term capital loss	1.14	-
-Mark to Market gain on FVTPL Investments	(33.33)	26.97
-Post employment benefits	(0.89)	(0.41)
-Right of Use Assets	9.78	(0.09)
-Lease Liability	(9.93)	0.05
-Security deposit	(0.50)	-
	152.42	109.65

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before income tax	1,250.36	415.21
Company's tax rate	25.17%	25.17%
Income tax expense calculated using company's income tax rate	314.69	104.50
Effect of non deductible expenses	14.03	5.06
Effect of favourable deductions	(176.31)	-
Adjustment of tax relating to earlier periods	0.01	0.09
Tax expense reported in the financial statements	152.42	109.65

30. Commitment, contingent liabilities and contingent assets

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
a. Commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Relating to purchase of the vehicle for business use.	1.90	-
b. Contingent liabilities		
The company does not have any contingent liability requiring disclosure in the financial statements.	-	-
c. Contingent assets		
The company does not have any contingent assets.	-	-

31. Segment Reporting:

The company is registered as a Core Investment Company (CIC) with effect from 21st September, 2017 and involved in investing activities only. There are no other segment which needs to be evaluated & reported under Ind AS 108 - Operating Segments.

32. Earnings Per Share

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Net profit/(loss) attributable to equity shareholders (₹ in million)	1,097.94	305.56
Weighted average no. of equity shares (nos.)	12,78,21,101	12,78,21,101
Basic & diluted earning per share (₹)	8.59	2.39
Nominal value of equity shares (₹)	10	10

33 Employee benefits

a) Defined contribution plan

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Employer's contribution to provident fund	1.21	1.03
Employer's contribution to pension fund	0.58	0.53

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

b) Defined benefit plan - gratuity

The Gratuity scheme is a final salary defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Associated Risks :

1) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2) Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

3) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
(A) Changes in Defined Benefit Obligation		
Present Value of Defined Benefit Obligation as at the beginning of the year	1.16	0.65
Current service cost	1.29	0.31
Past service cost - plan amendments	-	-
Interest Cost	0.08	0.05
Actuarial (Gains)/ Loss	0.15	0.15
Benefits Paid		
Present Value of Defined Benefit Obligation as at the end of the year	2.68	1.16
(B) Amount recognised in the Balance Sheet		
Present Value of Unfunded Obligation	2.68	1.16
Net Liability recognised in the Balance Sheet	2.68	1.16

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
(C) Expense recognized in Statement of Profit and Loss		
Total Service Cost	1.29	0.31
Interest cost	0.08	0.05
Total Expense required to be recognized in Statement of Profit and Loss	1.37	0.36
(D) Expense recognized in the Other Comprehensive Income (OCI)		
Remeasurements - Due to Demographic Assumptions	0.08	0.13
Remeasurements - Due to Financial Assumptions	0.07	0.02
Remeasurements - Due to Experience Adjustments	-	-
Net (Income)/ Expense for the period to be recognized in OCI	0.15	0.15

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(E) Sensitivity Analysis

(₹ in million)

	Year ended March 31, 2025		Year ended March 31, 2024	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount Rates				
+ 100 Basis Points	(4.50%)	(0.12)	(7.30%)	(0.08)
- 100 Basis Points	5.00%	0.13	8.20%	0.09
Salary Growth				
+ 100 Basis Points	3.50%	93.87	(5.90%)	0.07
- 100 Basis Points	(3.50%)	(92.64)	(6.00%)	(0.07)

(F) Maturity profile of Defined Benefit Obligation

(₹ in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Year 1	0.94	0.04
ii) Year 2	0.09	0.06
iii) Year 3	0.15	0.06
iv) Year 4	0.15	0.10
v) Year 5	0.15	0.10
vi) Year 6 to Year 10	1.23	0.83
Total	2.71	1.19

(G) The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

(₹ in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate (per annum)	6.40%	7.20%
Salary increase (per annum)	8.80%	8.80%
Withdrawal rate	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

34 Related party transactions
A. Names of related parties and nature of relationship

(₹ in million)

Entities	Nature of relationship
Financial Inclusion Trust	Promoter entity
North East Financial Inclusion Trust	Promoter entity
Bandhan Financial Holdings Limited	Subsidiary Company
Genisys Information Systems (I) Private Limited	Subsidiary Company (with effect from September 04, 2024)
Bandhan AMC Limited	Subsidiary Company of Bandhan Financial Holdings Limited
Bandhan Mutual Fund Trustee Ltd	Subsidiary Company of Bandhan Financial Holdings Limited
Bandhan Life Insurance Limited	Subsidiary Company of Bandhan Financial Holdings Limited (with effect from February 23, 2024)
Investment Managers (Mauritius) Limited	Subsidiary Company of Bandhan AMC Limited (with effect from February 1, 2023)

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Genisys Software Limited (USA)	Subsidiary Company of Genisys Information Systems (I) Private Limited (with effect from October 23, 2024)
Genisys Software Limited (UK)	Subsidiary Company of Genisys Information Systems (I) Private Limited (with effect from October 23, 2024)
Bandhan Bank Limited	Associate of Bandhan Financial Holdings Limited
Bandhan Konnagar	Promoter group entity
Key Management Personnel	
Mr. Chandra Shekhar Ghosh	Director (w.e.f. 10-07-2024) and Executive Director (w.e.f. 05-09-2024) (designated Executive Chairman by the Board)
Mr. Arvind Agrawal	Managing Director
Mr. Amrit Daga	Chief Financial Officer
Mr. Biplab Kumar Mani	Company Secretary
Non-executive / Independent directors	
Mr. Arun Shrivastava	Independent Director
Mr. Subrata Mandal	Independent Director
Mr. Arup Kumar	Nominee Director of Small Industries Development Bank of India.(upto 04th December 2024).
Mr. Sriradha Ramana Saripalli	Nominee Director of Small Industries Development Bank of India.(with effect from 04th December 2024).
Mr. Pankaj Sood	Nominee Director of Caladium Investment Pte. Ltd.
Ms. Hulya Kefeli	Nominee Director of International Finance Corporation.
Mr. Arindam Banik	Non Executive Director.
Mr. Amit Kumar Hazra	Non Executive Director

(B) Nature of transactions

(₹ in million)

Sl. No.	Name of Related Party	Year ended March 31, 2025	Year ended March 31, 2024
1.	Financial Inclusion Trust		
	Transaction during the year		
	Dividend paid	230.50	33.23
2.	North East Financial Inclusion Trust		
	Transaction during the year		
	Dividend paid	54.80	7.90
3	Bandhan Bank Limited		
	Transaction during the year		
	Interest Income	368.32	248.69
	Balance outstanding		
	Deposits	4,616.95	3,806.56
	Current Account	1.56	1.73
4	Bandhan Financial Holdings Limited		
	Transaction during the year		
	Dividend Received	700.27	-
	Balance outstanding		
	Investment	26,163.20	26,163.20
	Letter of comfort (given) (Note i)	5,000.00	-
5	Genisys Information Systems (I) Private Limited		
	Transaction during the year		
	Investment	372.60	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

Sl. No.	Name of Related Party	Year ended March 31, 2025	Year ended March 31, 2024
6	Bandhan Konnagar		
	Transactions during the year		
	Donation	49.72	16.00
	Contribution towards Corporate social responsibility expenses (Refer note- 28(ii))	5.20	4.00
	Office Rent	0.14	0.13
	Rental Income	2.47	1.56
	Balance outstanding		
	Rent received in Advance	-	0.65
	Donation and Corporate social responsibility expenses payable	49.72	16.00
7	Bandhan AMC		
	Transactions during the year		
	Domain Sale	0.22	-
8	Key Managerial Personnel		
	Remuneration and other allowances (refer Note ii below)		
	Mr. Chandra Shekhar Ghosh	19.14	-
	Mr. Arvind Agrawal	19.73	17.16
	Mr. Amrit Daga	7.65	6.27
	Mr. Biplab Kumar Mani	5.19	4.10
9	Sitting Fees to non-executive / independent directors		
	Mr. Arun Shrivastava	0.62	0.32
	Mr. Subrata Mandal	0.72	0.36
	Mr. Pankaj Sood*	0.42	0.24
	Ms. Hulya Kefeli*	0.40	0.23
	Mr. Arup Kumar*	0.19	0.09
	Mr. Sriradha Ramana Saripalli	0.10	-
	Mr. Arindam Banik	0.45	0.23
	Mr. Amit Kumar Hazra	0.32	0.17
	Balance outstanding		
	Ms. Hulya Kefeli*	0.13	-

* Sitting Fees have been paid to Respective Nominee companies of the Directors.

Note i : The Company has issued a letter of comfort dated May 28, 2024 to its wholly owned subsidiary, Bandhan Financial Holdings Limited (BFHL) for extending financial assistance not exceeding ₹ 5000 million over the period of next 5 years for meeting financial obligations of BFHL towards Bandhan Life Insurance Limited (erstwhile Aegon Life Insurance Limited).

Note ii: Key managerial compensation

(₹ in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	50.11	26.05
Post employment benefits	1.61	1.47

The amounts paid to the Key managerial personnel includes bonus for the previous year being disbursed along with salary for the current year. Performance linked bonus is disclosed under RPT once the same is finalized by the recommendation of the Nomination and Remuneration Committee.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Note iii: Bandhan AMC is the step-down subsidiary of the Company and acts as a fund manager of Bandhan Mutual Fund. The Company has made investment in the schemes of Bandhan Mutual Fund in the normal course of business. The transactions and outstanding balances with Bandhan Mutual Fund are as follows :

(₹ in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net investments during the year	(247.36)	23.66
Balance as on March 31, 2025	88.22	313.01

Note iv: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of the year and, accordingly, have not been considered above. Further, non-accumulated leave encashment balances are included above.

35.a Category wise classification of financial assets and liabilities as at 31-03-2025

	Fair value through profit and loss	Fair value through other comprehen- sive income	Amortised cost	Total carrying amount
Financial assets:				
Cash and cash equivalents	-	-	1.92	1.92
Bank balances other than cash and cash equivalents	-	-	4,616.96	4,616.96
Investments	181.78	-	1,007.22	1,189.00
Other financial assets		-	3.88	3.88
Financial liabilities				
Trade payables	-	-	7.04	7.04
Other payables	-	-	49.72	49.72
Other financial liabilities	-	-	55.51	55.51

Investment in subsidiaries are measured at cost as per Ind AS 27 and hence do not form part of disclosures above.

35.b Category wise classification of financial assets and liabilities as at 31-03-2024

(₹ in million)

	Fair value through profit and loss	Fair value through other comprehen- sive income	Amortised cost	Total carrying amount
Financial assets:				
Cash and cash equivalents	-	-	2.05	2.05
Bank balances other than cash and cash equivalents	-	-	4,291.05	4,291.05
Investments*	1,293.25	-	1,007.05	2,300.30
Other financial assets		-	0.21	0.21
Financial liabilities				
Trade payables	-	-	3.85	3.85
Other payables	-	-	16.00	16.00
Other financial liabilities	-	-	16.01	16.01

*Investment in subsidiaries are measured at cost as per Ind AS 27 and hence do not form part of disclosures above.

36 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

36.a Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

(₹ in million)

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial assets				
Investments in government securities	1,007.22	-	-	1,007.22
Investment in mutual funds	181.78	-	-	181.78
Total financial assets measured at fair value	1,189.00	-	-	1,189.00

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial assets				
Investments in government securities	1,007.05	-	-	1,007.05
Investment in mutual funds	1,293.25	-	-	1,293.25
Total financial assets measured at fair value	2,300.30	-	-	2,300.30

Note: There is no movement between Level 1 and Level 2 fair values during the year and there are no financial liabilities being measured at fair values.

37. Risk Management Framework

The Company is a Core Investment Company (CIC) and its operations are limited to being a CIC. The risks therefore relate to investments made in its Subsidiary. Apart from that surplus funds of the Company are generally invested in Deposits with Banks, Government Securities and Money Market Investments. The operations of subsidiary, the risks faced by it and the risk mitigation tools followed by it to manage these risks are reviewed periodically by the Audit Committees, Risk Management Committees and the Board of the Subsidiary. The Company is exposed to Equity Investment Risk, credit risk, liquidity risk and market risk.

Risk Management Governance

Risk management is the responsibility of the Risk Management Committee and the Board of Directors, which approves risk policies and the delegation matrix. The Board is supported by the Risk Management committees and the Audit Committee as part of the Risk Governance framework. The Company operates within overall limits set by the Board and Committees to whom powers are delegated by the Board.

The Audit Committee of the Board assists the Board in carrying out its oversight responsibilities as they relate to the Company's financial and other reporting practices, internal control, and compliance with laws, regulations, and ethics. From risk management perspective, Risk Management committees and Audit Committee reviews the adequacy of Company's risk management policies, processes and report the matter to the Board of Directors.

i. Equity Investment Risk

The Company's investments in non-listed equity securities are accounted at cost in the financial statements net of impairment. The expected cash flows from these entities are regularly monitored internally and also independently, wherever necessary, to identify impairment indicators.

ii. Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash equivalents, bank balances, financial assets measured at amortised cost, financial assets measured at FVTPL.

Financial assets are represented substantially by investments, the Company has an investment policy which allows the Company to invest only with Govt. Securities and Money market instruments. The Company reviews these investment on regular basis. Further, Investment in subsidiary is reviewed by Board of Directors at regular intervals.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

iii. Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents, investments in money market instruments and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period.

iv. Other risk

Market Risk

The Company has deployed part of its surplus funds in money market instruments. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

The Company always regard that managing the risks that affect its business as a fundamental activity, as they influence performance, reputation and future success. Effective risk management involves taking an integrated and balanced approach to risk and reward, and assists in achieving objectives of mitigating potential loss or damage and optimizing financial growth opportunities. Risk Management framework of the Company is aimed at aligning capital to investment strategy, to protect Company's financial strength, reputation and to ensure support to various investment activities while enhancing shareholder value.

Currency risk

Unhedged foreign currency exposure

The company has following unhedged foreign currency exposure:

Currency	Nature of exposure	Amount (in USD)	Equivalent INR	Remarks
USD	Sitting fees payable to nominee director of IFC	1,522.00	1,30,859.00	Unhedged
USD	Due diligence fees	10,500.00	8,98,380.00	Unhedged

We have not disclosed sensitivity analysis of the exposure considering the materiality aspect as the effect of currency sensitivity for the above exposure is not material.

38. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in million)

Currency	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1.92	-	1.92	2.05	-	2.05
Bank Balances other than Cash and cash equivalents	4,616.96	-	4,616.96	4,291.05	-	4,291.05
Investments	195.27	28,326.93	28,522.20	1,279.91	27,183.59	28,463.50
Other financial assets	-	3.88	3.88	-	0.21	0.21
Non-Financial assets						
Current tax assets (net)	33.90	-	33.90	36.28	-	36.28
Deferred tax assets (net)	-	-	-	-	-	-
Investment property	-	-	-	-	27.31	27.31
Property Plant & Equipment	-	28.94	28.94	-	4.34	4.34
Right of Use Assets	-	41.24	41.24	-	2.40	2.40
Intangible Assets	-	0.04	0.04	-	0.04	0.04
Other non-financial assets	-	0.63	0.63	0.15	-	0.15
Asset held for sale	26.95	-	26.95			
TOTAL - ASSETS	4,875.00	28,401.66	33,276.66	5,609.44	27,217.89	32,827.33

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Currency	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
LIABILITIES						
Financial Liabilities						
Trade and other payables	56.76	-	56.76	20	-	20
Other financial liabilities	20.04	35.47	55.51	13.25	2.76	16.01
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	8.97	7.48	16.45	4.55	3.67	8.22
Deferred tax liabilities (net)	-	0.61	0.61	-	33.87	33.87
Other non-financial liabilities	2.43	-	2.43	1.85	-	1.85
Total - Liabilities	88.20	43.56	131.76	39.50	40.30	79.80

39 Additional regulatory information required by Schedule III

i) Details of Benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

iii) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Company, neither had any transactions during the years ended 31st March, 2025 and 31st March, 2024 with companies, which have been struck off by the Registrar of Companies, nor any balance is outstanding from such companies as at the end of reporting period.

v) Registration of charges or satisfaction with Registrar of Companies (ROC)

The company had taken loan from Union Bank of India (erstwhile Corporate Bank) amounting to Rs 250 million and the loan settlement period was 2016-17. The company is under the jurisdiction of Kolkata ROC and the company had to file the registration of charge pertaining to this loan by June 2, 2016. However, due to technical glitch, the company could not file the relevant documents with governing Registrar of Companies within the said due date and the same has since been filed on May 22, 2025.

vi) Restrictions on number of layers

The company is a systemically important non-deposit taking Non Banking Financial Company as defined in clause (f) of Section 45I of the Reserve Bank of India Act, 1934. Accordingly Companies (Restriction on Number of Layers) Rules, 2017 is not applicable to the holding company.

vii) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

viii) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account.

x) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

xi) Revaluation of PPE, Intangible Asset and Investment Property

The company has not revalued its property, plant and equipment (including right-of-use assets), intangible assets or investment property during the current or previous year.

xi) Loans and advances to directors, promoters, KMP and related parties

The company has not granted any loans and advances to directors, promoters, KMP and related parties severally or jointly with any other person during the current or previous year.

xii) Undisclosed income

The Company no instances of transaction which have not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 for the current or previous reporting period.

xiii) Details of crypto or virtual currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous reporting period.

40 Additional disclosures pursuant to the Reserve Bank Directions vide :

A) Circular no. DNBS (PD) CC.No. 300 /03.10.038/2012-13 dated August 03, 2012

i) Exposure to Gold Loan

The Company has no exposure to Gold Loan directly or indirectly.

B) Circular no. RBI/2014-15/299, DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014

List of disclosures pertaining to captioned circular

1. Components of ANW and other related information

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
ANW as a % of Risk Weighted Assets	120.02%	119.12%
Unrealized appreciation in the book value of quoted investments	-	-
Diminution in the aggregate book value of quoted investments	-	-
Leverage ratio	0.34%	0.24%

Note : As advised to the Company, the Letter of Comfort (refer note no. 34(b) (iii)) has not been considered for calculation of Risk Weighted Assets.

2. Investment in other CICs

The company has not made any investments in other CICs during the year or during the previous year.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

3. Off-balance sheet exposure

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Off balance sheet exposure	-	-
Financial Guarantee as a % of total off-balance sheet exposure	-	-
Non-Financial Guarantee as a% of total off-balance sheet exposure	-	-
Off balance sheet exposure to overseas subsidiaries	-	-

4. Other disclosures

Sl. No.	Particulars	Remarks
a	Investments	Refer Note No. 40(D)
b.	Derivatives	The Company has no transaction or exposure in derivatives hence this disclosure is not applicable.
	i) Forward rate agreement / interest rate swap	
	ii) Exchange traded interest rate (IR) derivatives	
	iii) Disclosures on risk exposure in derivatives	
c.	Disclosures relating to securitisation	
	i) Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposures retained by the NBFC as on the date of balance sheet (Duly certified by the SPV's auditors obtained by the originating NBFC from the SPV.)	The Company has not entered into any securitisation transaction during the years ended 31st March, 2025 and 31st March, 2024.
	ii) Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction	The Company has not sold financial assets to securitisation or reconstruction company for assets reconstruction.
	iii) Details of assignment transactions undertaken by NBFCs	The Company has not entered into any assignment transaction during the years ended 31st March, 2025 and 31st March, 2024.
d.	Details of non-performing financial assets purchased / sold	The Company has not purchased / sold non-performing financial assets during the years ended 31st March, 2025 and 31st March, 2024.
	i) Details of non-performing financial assets purchased :	
	ii) Details of non-performing Financial assets sold :	
e.	Asset Liability Management Maturity pattern of certain items of Assets and Liabilities	Refer Note No. 40 (H)
f.	Exposures	
	i) Exposure to real estate sector	The Company has no exposure to real estate sector directly or indirectly.
	ii) Exposure to capital market	The Company has no exposure to capital market directly or indirectly.
g.	Details of financing of parent company products	This Disclosure is not applicable as the Company does not have any parent company.
h.	i) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	The Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	ii) Unsecured Advances	The Company does not have any advances as on 31st March, 2025 and 31st March, 2024.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Sl. No.	Particulars	Remarks
i.	Miscellaneous	
	i) Registration obtained from other financial sector regulators	Refer Note No. 40(E)
	ii) Disclosure of penalties imposed by RBI and other regulators	No penalties were imposed by RBI and other regulators during the current and previous year.
	iii) Related party transactions	Refer Note 40(J)
	iv) Ratings assigned by credit rating agencies and migration of ratings during the year	Refer Note No. 40(F)
	v) Remuneration of Directors	Refer Note No. 40(J)
	vi) Management discussion and analysis	Refer Management discussion and analysis section of annual report.
	vii) Net Profit or Loss for the period, prior period items and changes in accounting policies	Standalone statement of profit and loss and Note No.1.
	viii) Revenue Recognition	Refer Note No. 1 (Material Accounting Policies)
	ix) Accounting Standard 21 -Consolidated Financial Statements (CFS)	Consolidated Financial Statement is prepared by the company as per IND AS 110.
j.	Additional Disclosures	
	i) Provisions and Contingencies	Refer Note 40(G) and Note 30
	ii) Draw Down from Reserves	There are no draw down from reserves except to the extent for payment of dividends and transfer to statutory reserves. Refer statement of changes in equity for further details.
	iii) Concentration of Deposits, Advances, Exposures and NPAs	
	a) Concentration of Deposits (for deposit taking NBFCs)	Not applicable as the Company is non deposit taking NBFC.
	b) Concentration of Advances	Not applicable as the Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	c) Concentration of Exposure	Not applicable as the Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	d) Concentration of NPAs	Not applicable as the Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	e) Sector-wise NPAs	Not applicable as the Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	f) Movement of NPAs	Not applicable as the Company does not have any advances as on 31st March, 2025 and 31st March, 2024.
	iv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	Not applicable as the Company has no exposure or transaction with overseas assets.
	v) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	Not applicable as the Company has no such exposure or transactions.
k.i	Disclosure of Complaints	Not applicable to the Company since the company is a CIC and has no customers.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

Sl. No.	Particulars	Remarks
k.ii.	Top five grounds of compliants received by the NBFCs from the customers	Not applicable as per above.

C) Other Ratios

	Year ended March 31, 2025	Year ended March 31, 2024
i) Return on Equity	3.31%	0.93%
ii) Return on Assets	3.30%	0.93%
iii) Net Profit per employee (₹ In Million)	109.79	76.39
iv) Liquidity coverage ratio	42371.14%	160990.16%

D) Investments

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
1) Value of Investments		
i) Gross Value of Investments		
a) In India	28,522.20	28,463.50
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investment		
a) In India	28,522.20	28,463.50
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

E) Registration obtained from other financial sector regulators

The Company is registered with followings other financial sector regulator (Financial Regulator as described by Ministry of Finance)

- Ministry of Corporate Affairs
- Ministry of Finance (Financial Intelligence Unit)

F) Ratings assigned by credit rating agencies and migration of ratings during the year:

No rating had been assigned by credit rating agencies during the year.

The above information is as certified by the Management and relied upon by the auditors.

G) Provisions and contingencies

Break up of provisions shown under statement of profit and loss

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
i) Provision made towards income tax and deferred tax	152.42	109.65
ii) Provision for employee benefits	14.49	6.34

No contingent liability has been recognised in the statement of profit and loss

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025**I) Schedule to the Balance Sheet of a CIC**

(₹ in million)

Liabilities side	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1) Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured				
Debentures : Secured	-	-	-	-
(other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans (specify nature)	-	-	-	-

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Assets side		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	-	-
(b) Unsecured	-	-
(3) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
2. Unquoted :		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	181.78	1,293.25
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term Investments :		
1. Quoted :		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	1,007.22	1,007.05
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares		
(a) Equity	27,333.20	26,163.20
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :	As at March 31, 2025			As at March 31, 2024		
Category	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(1) Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same Group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
(2) Other than related parties	-	-	-	-	-	-
Total	-	-	-	-	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Category	As at March 31, 2025		As at March 31, 2024	
	Market Value/ Breakup/Fair value/Net Asset Value (NAV)	Book Value (Net of Provisions)	Market Value/ Breakup/Fair value/Net Asset Value (NAV)	Book Value (Net of Provisions)
(1) Related Parties				
(a) Subsidiaries	52,952.21	27,333.20	51,935.81	26,163.20
(b) Companies in the same Group	-	-	-	-
(c) Other related parties	-	-	-	-
(2) Other than related parties	1,189.00	1,189.00	2,300.30	2,300.30
Total	54,141.21	28,522.20	54,236.11	28,463.50

(7) Other information	As at March 31, 2025	As at 31st March, 2024
(i) Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

H) Maturity pattern of certain Assets & Liabilities

(₹ in million)

	Upto 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Cash and cash equivalents	1.92	-	-	-	-	-	-	-	1.92
	(2.05)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.05)
Bank balances other than cash and cash equivalents	0.01	-	-	1,030.21	3,586.74	-	-	-	4,616.96
	(-)	(-)	(-)	(484.49)	(3,806.56)	(-)	(-)	(-)	(4,291.05)
Investments	181.78	-	-	13.49	-	-	-	28,326.93	28,522.20
	(1,293.25)	(-)	(-)	(13.33)	(-)	(-)	(-)	(27,156.92)	(28,463.50)
Payables	3.81	0.13	0.01	52.81	-	-	-	-	56.76
	(1.50)	(-)	(-)	(2.35)	(13.24)	(-)	(-)	(2.76)	(19.85)
Other financial liabilities	0.56	0.51	0.51	1.63	16.82	17.75	17.02	0.70	55.51
	(-)	(0.01)	(-)	(-)	(13.24)	(-)	(-)	(2.76)	(16.01)

Note : The above Asset-Liability Management disclosure is on the basis of certain assumptions and estimates made by the management. The Company does not have any borrowing or Advances as on 31st March, 2025 and 31st March, 2024. Previous year figures are disclosed in paranthesis.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

J) Related party disclosure

(₹ in million)

	Parent (as per ownership or control)		Subsidiaries		Associate/ Joint ventures		Key Management		Relatives of Key Management Personnel		Promoter/ Promoter group		Non-executive/ Independent directors		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and current accounts	-	-	-	-	4,618.51	3,808.29	-	-	-	-	-	-	-	-	4,618.51	3,808.29
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	37.26	-	-	-	-	-	-	-	-	-	-	-	37.26	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	368.32	248.69	-	-	-	-	-	-	-	-	368.32	248.69
Dividend income	-	-	700.27	-	-	-	-	-	-	-	-	-	-	-	700.27	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	285.30	41.13	-	-	285.30	41.13
Letter of comfort given	-	-	5,000.00	-	-	-	-	-	-	-	-	-	-	-	5,000.00	-
Remuneration to KMP	-	-	-	-	-	-	51.72	27.53	-	-	-	-	-	-	51.72	27.53
Amount paid as part of donations	-	-	-	-	-	-	-	-	-	-	49.72	16.00	-	-	49.72	16.00
Others	-	-	-	-	-	-	-	-	-	-	7.81	5.68	3.21	1.62	11.02	7.30

K) Breach of Covenant

The company has not taken or availed loan or debt securities and hence this disclosure is not applicable.

L) Divergence in Asset Classification and Provision

NBFCs shall disclose details of divergence, if either or both of the following conditions are satisfied:

i) The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period.

ii) The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period.

The company is a CIC and there are no NPA. Hence above disclosure is not applicable.

M) Disclosure on provision required under IRACP and impairment allowance made under IndAS as per circular issued by Reserve Bank of India (RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, dated 13th March 2020):

The company has not granted any loan or debt securities, and hence this disclosure is not applicable.

N) Disclosure to Annual Financial Statements as per Section I - NBFC Scale base regulation

1) Exposure to real estate sector

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
"c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate iii. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies"	-	-
d) Others-Investment property * Investment property classified as held for sale as at February 28, 2025.	-	27.31
ii) Indirect exposure		
Fund based	-	-
Non-fund based	-	-
Total Exposure to Real Estate Sector	-	27.31

2) Exposure to capital market

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	181.78	1,293.25
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual fund	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market maker	-	-
v) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vi) Bridge loans to companies against expected equity flows / issues	-	-
vii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
viii) Financing to stockbrokers for margin trading		
ix) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
x) Total exposure to capital market	181.78	1,293.25

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2025

3) Sectoral Exposure

(₹ in million)

	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on Balance Sheet and off-Balance Sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-

4) Intra group exposure

(₹ in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	-	-

41 Capital Management

The Company is a core investment company and maintains a capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

42 Previous year's figures have been regrouped / reclassified , where necessary , to conform to Current year's classification.

43 Events after reporting period

There has been no significant events after the reporting date and before the approval of the financial statements that require adjustment or disclosure in these financial statements.

The accompanying notes 1 to 43 are an integral part of these Standalone Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

Place : Kolkata

Date : June 26, 2025

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited

Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bandhan Financial Services Limited

Report On The Audit Of The Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Bandhan Financial Services Limited** (hereinafter referred to as "the Parent Company") and its subsidiary companies (parent company and its subsidiary companies together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the intermediate consolidated financial statements and on the other financial information of the subsidiary companies referred to in the "Other Matters" paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, (hereinafter referred to as "the Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, their consolidated profit (including other comprehensive income), consolidated changes in equity and the consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its Associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTER

Attention is drawn to note no. 63 to the consolidated financial statements, dealing with the restatement of previous periods' financial statements in accordance with the principles of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" due to the reasons and as per the details provided in the said note. Impact in this respect have duly been incorporated and stated therein. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, and based on the consideration of reports of the other auditors on the intermediate consolidated financial statements, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

We have fulfilled the responsibilities described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying consolidated financial statements.

As reported by the auditors of one of the subsidiary companies, the following has been determined as Key Audit Matter for the Group:

INDEPENDENT AUDITOR'S REPORT

As reported by the joint auditors of Bandhan Bank Limited (BBL) - the Associate Company, vide their independent auditors' report dated April 30, 2025 on the financial statements of the associate for the year ended March 31, 2025, prepared under the Accounting Standards notified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 (hereinafter referred to as "Indian GAAP"), to be the key audit matters to be communicated in our report

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
1.	Identification and Provisioning of Non-Performing Advances Total NPA as on March 31, 2025: ₹ 64,355.60 million Provision for NPA as on March 31, 2025: ₹ 47,427.10 million (Reference made to note 9, 18.6 and 18.7 to the financial statements of BBL prepared as per the format required for banking companies) Identification of NPA and measurement of provision on account of NPA is made based on the assessment of various criteria stipulated in the Reserve Bank of India (RBI) guidelines on "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances (IRACP)". The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provision against advances is based on criteria such as past due status, out of order status, etc. The provision in respect of such NPAs are made based on ageing and classification of NPAs, recovery estimates, value of security, nature of loan products and other qualitative factors and is subject to minimum provisioning levels prescribed by the RBI and approved policy of the Bank in this regard. In addition to this, for restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines. Further, NPA classification is made borrower wise whereby if one facility of the borrower becomes NPA then all facilities of such a borrower will be treated as NPA. We have identified "Identification of NPA and Provisioning on Advances" as a key audit matter in view of the significant level of estimation involved, as well as stringent compliances laid down by the RBI in this regard.	During the course of their audit, the joint statutory auditors of Bandhan Bank Limited (BBL) performed the following procedures: • Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring, and recovery of loans, monitoring overdue/ stressed accounts, identification of NPA, provision for NPA, and valuation of security including collateral. Testing of application controls includes testing of automated controls, reports and system reconciliations. • Evaluated the governance process and tested controls over calculations of provision on non-performing advances, basis of provisioning in accordance with the Board approved policy. • Selected the borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per the IRACP norms and Bank policy. Performed other substantive procedures including but not limited to the following: • Selected sample of performing loans and assessed them independently as to whether these should be classified as NPA; • For sample selected, examined the security valuation, financial statements and other qualitative information of the borrowers; • Considered the accounts reported by the Bank and other Banks as Special Mention Accounts (SMA) in RBI's Central Repository of Information on Large Credits (CRILC) to identify stress; • Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needs to be considered as NPA; • Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level, NPA identification and verification of applicable provision rates as per IRACP norms and Bank's policy on test check basis; and assessed the adequacy of disclosures against the relevant accounting standards and the RBI requirements relating to NPAs. • We communicated the observations arising out of our above procedures with those charged with governance and management. The resultant modifications in IT procedures to improve financial and operating controls have been implemented or expected to be implemented in the near future. In the meanwhile, the management has made compensating computations through specific manual or other off system exercises to which we have applied audit tests, where necessary.

INDEPENDENT AUDITOR'S REPORT

Sl. No.	Key Audit Matters	Addressing the Key Audit Matters
2.	Information Technology (IT) Systems The Bank has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified "IT systems and controls" as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	During the course of their audit, the joint statutory auditors of Bandhan Bank Limited (BBL) performed the following procedures: In assessing the controls over the IT systems of the Bank, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and the IT systems. We evaluated and tested relevant IT general controls over the "in-scope" IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Bank. On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured. • User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel. • Program development, which includes controls over IT application development or implementation and related infrastructure, which are relied upon for financial reporting. In addition, understood where relevant, changes made to the IT landscape during the audit period. • IT operations, which includes job scheduling, monitoring and backup and recovery. We also evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business process, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. We communicated the observations arising out of our above procedures with those charged with governance and management. The resultant modifications in IT procedures to improve financial and operating controls have been implemented or expected to be implemented in the near future. In the meanwhile, the management has made compensating computations through specific manual or other off system exercises to which we have applied audit tests, where necessary.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Parent Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements, and our auditors' reports thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent

INDEPENDENT AUDITOR'S REPORT

with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS notified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective management and the Board of Directors either intends to liquidate their respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its Associate has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the 'Other Matters' paragraph of this audit report.

We communicate with those charged with governance of the Parent Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. We did not audit 2 intermediate consolidated financial statements comprising of 6 step-down subsidiaries and 1 associate that reflects total assets of Rs. 2,14,133.96 million as on March 31, 2025, total revenues of Rs. 14,162.16 million, total net profit/ (loss) after tax of Rs. (15,140.34) million, total comprehensive income of Rs. (14,961.43) million, and net cash flows of Rs. (1,577.26) million for the year ended on that date. These intermediate consolidated financial statements and other financial information, which as stated hereinabove are before giving effect to consolidation adjustments, have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. The other auditors, in case of Bandhan Financial Holdings Limited, vide their report dated July 21, 2025 on the intermediate consolidated financial statements in other matters paragraph has reported that:
 - a. The consolidated financial statements include the financial statements/ financial information of 4 subsidiaries (including 1 step down subsidiary), whose financial statements/ financial information reflects total assets of Rs. 61,071.38 million and net assets of Rs. 8,767.99 million as at March 31, 2025, total revenues of Rs. 12,838.50 million and net cash outflows amounting to Rs. 201.83 million for the year ended on that date. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 9,770.49 million for the year ended March 31, 2025, in respect of 1 associate. These financial statements/ financial information, including special purpose Ind AS financial statements of a subsidiary and special purpose condensed financial information of the associate, which as stated hereinabove are before giving effect to consolidation adjustments, have been audited by the respective auditors of these subsidiary companies and associate.
 - i. The financial statements of the one subsidiary has been prepared in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 as amended from time to time, including the orders/ master circulars/ directions issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI/ Authority') in this regard and the Accounting Standards specified under section 133 of the Act, further amended by the Companies (Accounting Standards) Rules, 2021, to the extent applicable, and have been audited by other joint auditors, whose report dated May 08, 2025 have been furnished by the management.
 - ii. The financial statements of the associate has been prepared in accordance with the accounting principles generally accepted in India, including the Indian GAAP and the provision of section 29 of the Banking Regulations Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time,

INDEPENDENT AUDITOR'S REPORT

and have been audited by other joint auditors, whose report dated April 30, 2025 have been furnished by the management.

- iii. One of the step-down subsidiary companies is located outside India whose financial statements/ other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by their auditor under generally accepted auditing standards applicable in its country.
- iv. Further, the management of the above mentioned companies have converted the aforesaid financial statements in accordance with Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, to prepare the financial information of the respective companies, to align with the Ind AS applicable to the Parent Company, and audited by their respective auditors whose audit reports have been furnished to us by the management of the Parent Company, for the purpose of preparation of the consolidated financial statements. Our report in terms of section 143(3) of the Act on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the above-mentioned companies is based solely on the aforesaid reports of the other auditors.

- b. In respect of Bandhan Life Insurance Limited, a step-down subsidiary company, the joint statutory auditors vide their audit report dated May 08, 2025 on the financial statements prepared under the Indian GAAP have reported that "The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discounted but liability exists as at March 31, 2025 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discounted but liability exists as at March 31, 2025 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Authority and the Institute of Actuaries of India in concurrence with the Authority. We relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discounted but liability exists in financial statements of the Company and for the sums transferred to the "Funds for Future Appropriation".

2. The audit of the consolidated financial statements of the Group for the year ended March 31, 2024, was conducted and reported by the predecessor auditors and had expressed unmodified opinion vide their report dated June 28, 2024 whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the consolidated financial statements.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in clause (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, according to the information and explanations given to us, and based on our reports and on consideration of the reports of other auditors on intermediate consolidated financial statements and other financial information of subsidiary companies, to which reporting under CARO is applicable, as noted in other matters paragraph, we report that the remarks given in the CARO Report of the respective companies are neither qualification nor adverse in nature except for the following:

Name of the Company	CIN	Company/ Associate	Clause number of the CARO report
Genisys Information Systems (India) Private Limited	U72200KA2005PTC035621	Subsidiary	(vii)(a) and (xx)
Bandhan Financial Holdings Limited	U67190WB2014PLC204317	Subsidiary	(vii)(a)
Bandhan AMC Limited	U65993MH1999PLC123191	Step-down Subsidiary	(i)(b), (xiv)(b)

2. As required by section 143(3) of the Act, and based on our audit and on the consideration of reports of the other auditors on the intermediate consolidated financial statements and other financial information of subsidiaries, as noted in "Other Matters" paragraph above, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Parent Company so far as it appears from our examination of those books and the report of the other auditors except for the matters stated in paragraph 3(vi) below on reporting under Rule 11(g) of the

INDEPENDENT AUDITOR'S REPORT

Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as reported by the auditors of Bandhan Financial Holdings Limited, "The Company is not taking daily backup of the books of account and other books and paper maintained in electronic mode";

- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. As reported by the auditors of Bandhan Financial Holdings Limited:
 - i. The joint statutory auditors of Bandhan Bank Limited vide their audit report dated April 30, 2025 prepared under Indian GAAP have reported that, "In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the guidelines prescribed by Reserve Bank of India."
 - ii. The joint statutory auditors of Bandhan Life Insurance Limited vide their audit report dated May 08, 2025 prepared under Indian GAAP have reported that, "In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act further amended by Companies (Accounting Standards) Rules, 2021, and to the extent they are not inconsistent with the accounting principles prescribed in the IRDAI Financial Statements Regulations and orders/ master circulars/ directions issued by the IRDAI in this regards."
 - e) Based on the written representations received from the Directors of the Parent Company as on March 31, 2025, taken on record by the Board of Directors of the Parent Company and as per the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India, are disqualified as on March 31, 2025 from being appointed as a Director in terms of section 164(2) of the Act;
 - f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014; and
 - g) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and its subsidiary companies which have been audited under the Act. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to the consolidated financial statements of the companies included in the Group, incorporated in India.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the intermediate consolidated financial statements as also the other financial information of the subsidiary companies as noted in "Other Matters" paragraph above, we report, to the extent applicable, that:
- i. Pending litigations (other than those already recognised in the consolidated financial statements) having a material impact on the financial position of the Group have been disclosed in the consolidated financial statements as required in terms of accounting standards and provisions of the Act- refer note no. 60(ii) to the consolidated financial statements;
 - ii. The Group has made provisions as on March 31, 2025 as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts, including derivative contracts;
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Parent Company and its subsidiary company as applicable, during the year ended March 31, 2025. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by other subsidiary company;
 - iv. a. The respective managements of the companies included in the Group, which are companies incorporated in India and whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary companies, as the case may be, that, to the best of their knowledge and belief, other than as disclosed in note no. 57(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the companies included in the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding,

INDEPENDENT AUDITOR'S REPORT

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies included in the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The respective managements of the companies included in the Group, which are companies incorporated in India and whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary companies, as the case may be, that, to the best of their knowledge and belief, other than as disclosed in note no. 57(vi) to the consolidated financial statements, no funds have been received by the companies included in the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the companies included in the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and that performed by the other auditors of the subsidiary companies, which are companies incorporated in India and whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, as stated under (a) and (b) above, contain any material misstatement;
- v. The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with the provisions of section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Parent Company and its subsidiary company, which is a company incorporated in India, whose financial statements have been audited under the Act during the year, as reported by the auditor of the subsidiary company, is in accordance with section 123 of the Act, to the extent it applies to payment of dividend. The final dividend proposed by the associate company, which is subject to the approval of its members at its ensuing annual general meeting, is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.
- vi. Relying on information, publication and other explanations provided by the Parent Company, reports of the respective auditors of the subsidiary companies and test checks carried out on the software application, we report that, in our opinion, the Parent Company and its subsidiary companies uses accounting software for maintaining their books of account having feature of recording audit trail (edit log) facility and that has been operating throughout the year for all relevant transactions recorded in the software, save for the exceptions listed below. Further, during the course of our audit, and based on reports of the respective auditors of the subsidiary companies, we or the other auditors did not come across any instance of audit trail feature being tampered with for the period for which it was enabled. Additionally, except for the instances mentioned below, the audit trail has been preserved by the Parent Company and its subsidiary companies as per the statutory requirements for record retention.

INDEPENDENT AUDITOR'S REPORT

The following has been reported in the audit report of the intermediate consolidated financial statements of Bandhan Financial Holdings Limited, a subsidiary company, which is a company incorporated in India:

Instance	Observation
Instances of accounting software for maintaining its books of account which did not had a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software Instances of non-preservation of the audit trail	- In respect of the company, as reported by us, the feature of recording audit trail (edit log) facility has been enabled from June 19, 2024. - In respect of 2 subsidiaries, as reported by their statutory auditors/ joint statutory auditors, with respect to an accounting software used for payroll processing by an outsourced service provider, the service organisation's auditor's report specifies that it has a feature of recoding audit trail (edit log) and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail record does not contain pre-modified values. The service organisation's auditor did not report any instance of the audit trail feature being tampered with or on the audit trail has been preserved by the Company as per the statutory requirements of record retention. - In respect of 1 subsidiary, as reported by their joint statutory auditors, the subsidiary has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for in the case of two software, one for servicing health policies and the other for servicing Other than health policies, for which audit trails for direct data changes at database level were enabled from April 30, 2024. - In respect of 1 associate, as reported by their joint statutory auditors, the associate has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except: - the audit trail configured at Database level logs record only modified values in respect of two accounting software(s). Further, for one of these applications, the change to capture pre-modified values were implemented from March 25, 2025. - The audit trail to log any direct data changes was enabled at database level in case of one accounting software from May 25, 2024. - In respect of the company, as reported by their auditors, since the feature of recording audit trail (edit log) facility has been enabled from June 19, 2024, hence we are unable to report on preservation of audit trail by the said subsidiary company as per the statutory requirements for record retention. - In respect of 2 subsidiaries, as reported by their statutory auditors/ joint statutory auditors, with respect to an accounting software used for payroll processing by an outsourced service provider, the service organisation's auditor did not report on preservation of the audit trail by the service organization as per the statutory requirements for record retention. - In respect of 1 associate, as reported by their joint statutory auditors, the audit trail, to the extent maintained in the prior year, has not been preserved by the associate as per the statutory requirements for record retention except in case of two sunset software discontinued during the previous year and one accounting software wherein audit trail was enabled at database level from May 25, 2024.

INDEPENDENT AUDITOR'S REPORT

4. With respect to the other matter to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us and based on the Auditors' Report of the subsidiary companies, incorporated in India, the remuneration paid by the Parent Company and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act. Further based on the reports of the other auditors of the subsidiary companies which were not audited by us, as stated in Other Matters paragraph above, we report that,
- The joint statutory auditors vide their report dated May 08, 2025 of Bandhan Life Insurance Limited prepared under Indian GAAP have reported that, "As per the information and explanation given to us, the managerial remuneration has been paid in accordance with the provisions of Section 34A of the Insurance Act 1938. Sitting fees paid to the Directors is in compliance with section 197 of the Companies Act, 2013."
 - The joint statutory auditors vide their report dated April 30, 2025 of Bandhan Bank Limited prepared under Indian GAAP have reported that, "In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act are not applicable to the Bank by virtue of section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act, is not applicable."

Place: Kolkata
Date: July 22, 2025

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No.: 301051E/ E300284
INDRANIL CHAUDHURI
(Partner)
Membership No.: 058940
UDIN: 25058940BMMIRI6847

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
(Referred to in point (g) of paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our
report of even date to the members of M/s Bandhan Financial Services Limited)**

**Report on the internal financial controls with reference to the consolidated financial statements under clause (i) of
sub-section 3 of section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")**

In conjunction with our audit of the consolidated financial statements of the **Bandhan Financial Services Limited** (hereinafter referred to as "the Parent Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to the consolidated financial statements of the Parent Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of the Parent Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements of the Group and the respective Company's Board of Directors are responsible for establishing and maintaining internal financial controls with reference to the intermediate consolidated financial statements and other financial information based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred to as "the Guidance Note") issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards on Auditing and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidences about the adequacy of the internal financial controls system with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Parent Company and such companies incorporated in India, which are its subsidiary companies have in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements was operating effectively as at March 31, 2025, based on the internal financial control with reference to the consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

- a. In case of Bandhan Life Insurance Limited, the actuarial valuation of liabilities for life policies in force and policies where premium is discounted is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Actuarial, Finance and Investment Functions of Insurers) Regulations 2024 (the "IRDA Financial Statements Regulations") and has been relied upon by their auditors.
- b. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to its subsidiary companies as on the balance sheet date, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
- c. Our opinion is not modified in respect of these matters.

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No.: 301051E/ E300284
INDRANIL CHAUDHURI
(Partner)
Membership No.: 058940
UDIN: 25058940BMMIRI6847

Place: Kolkata
Date: July 22, 2025

Consolidated Balance Sheet as at March 31, 2025

(₹ in million)

	Note	As at March 31, 2025	As at March 31, 2024 (restated)	As at April 1, 2023 (restated)
Assets				
Financial assets				
Cash and cash equivalents	2	1,270.77	2,712.17	41.95
Bank balances other than cash and cash equivalents	3	5,702.85	6,902.97	11,892.73
Derivative financial instruments	4	15.47	-	-
Receivables				
Trade receivables	5	545.24	331.91	196.89
Loans	6	585.11	523.95	-
Investments				
Investments of life insurance business				
Policyholders	7(a)	36,626.43	33,062.04	-
Shareholders	7(b)	1,680.15	894.27	-
Other investments	7(c)	6,978.97	7,040.80	3,784.35
Assets held to cover linked liabilities	8	9,364.20	10,210.00	-
Other financial assets	9	4,644.84	3,969.51	72.60
Total financial assets		67,414.03	65,647.62	15,988.52
Non-financial assets				
Current tax assets (net)	10(a)	279.24	292.67	224.60
Deferred tax assets (net)	11(a)	26.13	-	27.03
Investment property	12	-	27.31	28.38
Property, plant and equipment	13(a)	294.94	166.13	110.03
Right-of-use assets	14	629.98	384.95	320.06
Capital work-in-progress	13(b)	29.28	-	-
Goodwill	15	26,344.87	25,762.32	25,762.32
Other intangible assets	16	116.52	229.94	12.73
Investment accounted using equity method	17	1,24,711.70	1,37,489.00	1,23,515.88
Other non-financial assets	18	709.73	539.50	128.81
Total non-financial assets		1,53,142.39	1,64,891.82	1,50,129.84
Assets held for sale	19	26.95	-	-
Total assets		2,20,583.37	2,30,539.44	1,66,118.36
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
I) Trade payables	20			
i) total outstanding dues of micro enterprises and small enterprises		27.62	24.44	5.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		674.70	544.38	121.86
II) Other payables	21			
i) total outstanding dues of micro enterprises and small enterprises		1.48	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		50.68	22.85	71.22
Policyholders' liabilities	22	49,170.13	46,204.91	-
Other financial liabilities	23	2,071.29	2,020.42	870.97
Total financial liabilities		51,995.90	48,817.00	1,069.85
Non-financial liabilities				
Current tax liabilities (net)	10(b)	221.55	306.86	129.60
Provisions	24	230.46	76.87	16.64
Deferred tax liabilities (net)	11(b)	15,188.36	13,638.74	11,958.67
Other non-financial liabilities	25	318.53	243.29	99.93
Total non-financial liabilities		15,958.90	14,265.76	12,204.84

Consolidated Balance Sheet as at March 31, 2025

(₹ in million)

	Note	As at March 31, 2025	As at March 31, 2024 (restated)	As at April 1, 2023 (restated)
Equity				
Equity share capital	26	1,278.21	1,278.21	1,278.21
Other equity	27	1,49,412.82	1,64,717.64	1,50,752.06
Equity attributable to owners of the parent		1,50,691.03	1,65,995.85	1,52,030.27
Non-controlling interest		1,937.54	1,460.83	813.40
Total equity		1,52,628.57	1,67,456.68	1,52,843.67
Total liabilities and equity		2,20,583.37	2,30,539.44	1,66,118.36

The accompanying notes 1 to 67 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**
Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri
Partner

(Membership Number : 058940)

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited
Chandra Shekhar Ghosh
Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal
Managing Director

DIN:02268683

Kolkata

Place : Kolkata

Date : July 22, 2025

Amrit Daga
Chief Financial Officer

Kolkata

Biplab Kumar Mani
Company Secretary

(Membership Number: A19883)

Kolkata

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ in million)

	Note	As at March 31, 2025	As at March 31, 2024 (restated)
Revenue from operations			
Interest income	28	3,521.37	1,059.89
Dividend income	29	24.99	4.64
Fees and commission income	30	4,945.89	3,855.85
Premium income from insurance business	31	4,334.62	684.62
Net gain on fair value changes	32	1,019.99	1,085.83
Gain on de-recognition of financial instrument	33	-	0.83
Sale of services	34	818.11	-
Total revenue from operations		14,664.97	6,691.66
Other income	35	225.09	14.16
Total income		14,890.06	6,705.82
Expenses			
Finance costs	36	46.54	33.82
Fees and commission expense	37	795.87	41.16
Impairment on financial instruments	38	0.51	1.49
Cost of services rendered	39	374.88	-
Employee benefits expense	40	3,897.10	1,552.79
Depreciation and amortisation expense	41	408.73	171.99
Net change in insurance/investment contract liabilities	42	2,822.00	976.19
Claims incurred pertaining to insurance business	43	4,198.53	734.38
Other expenses	44	2,980.28	1,467.92
Total expenses		15,524.44	4,979.74
Profit/(loss) before share of profit of associate, exceptional item and tax		(634.38)	1,726.08
Share of profit of associate		9,964.58	7,734.59
Profit/(loss) before exceptional item and tax		9,330.20	9,460.67
Exceptional item	63	(21,963.24)	6,611.93
Profit/(loss) before tax		(12,633.04)	16,072.60
Tax expense	45		
Current tax		618.20	775.93
Deferred tax		1,491.39	1,639.35
Profit/(loss) for the year		(14,742.63)	13,657.32
Other comprehensive income	46		
(a) Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) on defined benefit plan		(24.34)	(3.63)
ii) Share of other comprehensive income of associate		(461.40)	533.10
Tax impact on above		51.74	(60.00)
Subtotal		(434.00)	469.47
(b) Items that will be reclassified to profit or loss			
i) Foreign currency translation		2.46	0.02
ii) Debt instruments through other comprehensive income		343.89	37.35
iii) Effective portion of cash flow hedge		32.39	-
iv) Share of other comprehensive income of associate		267.49	59.67
Tax impact on above		(33.43)	(6.83)
Subtotal		612.80	90.21
Other comprehensive income for the year (a + b)		178.80	559.68
Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)		(14,563.83)	14,217.00

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ in million)

	Note	As at March 31, 2025	As at March 31, 2024 (restated)
Profit/(loss) for the year attributable to			
Attributable to :			
Owners of the parent		(15,077.36)	13,127.98
Non-controlling interest		334.73	529.34
Other comprehensive income for the year			
Attributable to :			
Owners of the parent		172.67	559.18
Non-controlling interest		6.13	0.50
Total comprehensive income for the year			
Attributable to :			
Owners of the parent		(14,904.69)	13,687.16
Non-controlling interest		340.86	529.84
Earnings per equity share	47		
[Face value of share ₹ 10 (March 31, 2024: ₹ 10)]			
Basic and Diluted (₹)		(117.96)	102.71

The accompanying notes 1 to 67 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

Place : Kolkata

Date : July 22, 2025

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited
Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Consolidated Statement of Cash flows for the year ended March 31, 2025

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities		
Profit/ (loss) before tax	(12,633.04)	16,072.60
Adjustments for:		
Share of profit of associate	(9,964.58)	(7,734.59)
Depreciation and amortisation expense	408.73	171.99
Impairment on financial instruments	0.51	1.49
Interest on income tax refund	(220.07)	(9.30)
Profit on sale of property, plant and equipment (net)	(0.37)	(1.93)
Gain on de-recognition of financial instrument	-	(0.83)
Net change in insurance/investment contract liabilities	2,822.00	976.19
Loss on translation of foreign currency transactions	8.39	-
Interest income	(3,521.37)	(1,059.89)
Net gain on fair value changes	(1,019.99)	(1,085.83)
Provisions/liabilities no longer required written back	(0.61)	-
Dividend income	(24.99)	(4.64)
Share based payments expense	109.29	61.52
Finance costs	46.54	33.82
Exceptional item	21,963.24	(6,611.93)
Operating profit/ (loss) before working capital changes	(2,026.32)	808.67
Changes in working capital:		
(Increase)/ decrease in trade receivables	(29.87)	(106.51)
(Increase)/ decrease in other receivables	(471.86)	(188.07)
Increase/ (decrease) in trade and other payables, other liabilities and provisions	(5.48)	687.77
Cash generated from/ (used in) operations before dividend and interest received	(2,533.53)	1,201.86
Dividend received	991.44	970.81
Interest received	3,294.03	1,056.96
Cash generated from/ (used) in operations	1,751.94	3,229.63
Direct taxes paid (net of refunds)	(432.84)	(656.11)
Net cash generated from/ (used in) operating activities (A)	1,319.10	2,573.52
B. Cash flows from investing activities		
Additions to property, plant and equipment and capital work-in-progress	(215.24)	(106.46)
Proceeds from sale of property, plant equipment	0.51	5.97
Additions to intangible assets	(59.76)	(6.22)
Loans	-	(0.91)
Payments made for business combination	(1,019.77)	(1,238.61)
Purchase of other investments (net)	(2,078.76)	(4,218.41)
Proceeds from deposits with banks (net)	1,361.08	4,989.76
Net cash generated from/ (used in) investing activities (B)	(2,011.94)	(574.88)
C. Cash flows from financing activities		
Dividend paid	(700.46)	(100.98)
Payment of principal included in lease liability	(131.85)	(73.79)
Payment of interest included in lease liability	(45.69)	(33.82)
Net cash generated from/ (used in) in financing activities (C)	(878.00)	(208.59)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,570.84)	1,790.05
Cash and cash equivalents as at the beginning of the year	2,712.17	41.95
Cash and cash equivalent on business combination	129.44	880.17
Cash and cash equivalents as at the end of the year	1,270.77	2,712.17
Components of cash and cash equivalents		
Cash on hand	0.10	0.01
Stamps on hand	15.01	8.45
Balances with banks	1,255.66	2,703.71
Total cash and cash equivalents (refer note 2)	1,270.77	2,712.17

Consolidated Statement of Cash flows for the year ended March 31, 2025

Note i: The above Consolidated statement of cash flows has been prepared under the Indirect method as set out in the IND AS-7 "Statement of Cash Flows".

Note ii: Cash and cash equivalents do not include any amount which is not available to the Group for its use.

Note iii: The Group has spent ₹ 61.77 million (PY: ₹ 66.12 million) in cash on account of corporate social responsibility (CSR) expenditure during the year ended March 31, 2025.

Note iv: Reconciliation of movement of liabilities to cash flow arising from financing activities is as follows:

(₹ in million)

	As at March 31, 2024	Changes from financing cash flow	Non cash changes			As at March 31, 2025
			Foreign exchange movement	Adjustment for business combination	Others	
Lease liabilities	457.60	(177.54)	-	-	423.91	703.97

(₹ in million)

	As at April 1, 2023	Changes from financing cash flow	Non cash changes			As at March 31, 2024
			Foreign exchange movement	Adjustment for business combination	Others	
Lease liabilities	375.23	(107.61)	-	27.18	162.80	457.60

The accompanying notes 1 to 67 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

Place : Kolkata

Date : July 22, 2025

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited

Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Amrit Daga

Chief Financial Officer

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

A. Equity share capital

	No. of shares	(₹ in million)
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at the beginning of April 1, 2023	12,78,21,101	1,278.21
Changes in equity share capital	-	-
Balance as at March 31, 2024	12,78,21,101	1,278.21
Changes in equity share capital	-	-
Balance as at March 31, 2025	12,78,21,101	1,278.21

B. Other equity and non-controlling interests

	Statutory reserve	General reserve	Securities premium	Employee stock options outstanding account (restated)	Capital reserve	Reserves and surplus	Foreign currency translation reserve (restated)	Cash flow hedge reserve	Equity instruments through OCI (restated)	Debt instruments through OCI (restated)	Other equity attributable to owners of the parent (restated)	Non-controlling interest (restated)	Total other equity and non-controlling interest (restated)
Balance as at the beginning of April 1, 2023	38,883.29	2,651.42	11,971.05	-	-	2,00,111.78	0.03	-	-	-	2,53,617.57	813.40	2,54,430.97
Changes in accounting policy/prior period adjustments (refer note 63)	-	-	-	-	-	(65.89)	0.94	-	293.18	(228.23)	-	-	-
Deferred tax on investment in associate (refer note 63)	-	-	-	-	-	(11,939.42)	-	-	(33.57)	26.13	(11,946.86)	-	(11,946.86)
Impairment in carrying amount of investment in associate (refer note 63)	-	-	-	-	-	(90,918.65)	-	-	-	-	(90,918.65)	-	(90,918.65)
Restated balance at the beginning of April 1, 2023	38,883.29	2,651.42	11,971.05	-	-	97,187.82	0.97	-	259.61	(202.10)	1,50,752.06	813.40	1,51,565.46
Profit for the year	-	-	-	-	-	13,127.98	-	-	-	-	13,127.98	529.34	13,657.32
Other comprehensive income for the year	-	-	-	-	-	(17.62)	0.01	-	488.18	88.61	559.18	0.50	559.68
Total comprehensive income for the year	-	-	-	-	-	13,110.36	0.01	-	488.18	88.61	13,687.16	529.84	14,217.00
On acquisition of stake in subsidiary	-	-	-	-	364.80	-	-	-	-	-	364.80	70.67	435.47
Adjustment for increase of stake in subsidiary	-	-	-	-	-	(46.92)	-	-	-	-	(46.92)	46.92	-
Employee stock option expense for the year	-	-	-	61.52	-	-	-	-	-	-	61.52	-	61.52
Final Dividend paid for the financial year 2022-23 (refer note below)	-	-	-	-	-	(100.98)	-	-	-	-	(100.98)	-	(100.98)
Transfer from retained earnings	311.86	-	-	-	-	(311.86)	-	-	-	-	-	-	-
Balance as at March 31, 2024	39,195.15	2,651.42	11,971.05	61.52	364.80	1,09,838.42	0.98	-	747.79	(113.49)	1,64,717.64	1,460.83	1,66,178.47

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(₹ in million)

	Statutory reserve	General reserve	Securities premium	Employee stock options outstanding account	Capital reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	Equity instruments through OCI	Debt instruments through OCI	Other equity attributable to owners of the parent	Non-controlling interest	Total other equity and non-controlling interest
Balance as at March 31, 2024	39,195.15	2,651.42	11,971.05	61.52	364.80	1,09,838.42	0.98	-	747.79	(113.49)	1,64,717.64	1,460.83	1,66,178.47
Profit/(loss) for the year	-	-	-	-	-	(15,077.36)	-	-	-	-	(15,077.36)	334.73	(14,742.63)
Other comprehensive income for the year	-	-	-	-	-	(47.83)	2.37	31.27	(379.15)	566.01	172.67	6.13	178.80
Total comprehensive income for the year	-	-	-	-	-	(15,125.19)	2.37	31.27	(379.15)	566.01	(14,904.69)	340.86	(14,563.83)
Adjustment for increase of stake in subsidiary	-	-	-	-	-	(135.85)	-	-	-	-	(135.85)	135.85	-
Adjustment to the carrying amount of investment in associate (refer note 17.1)	-	-	-	-	-	216.21	-	-	-	110.68	326.89	-	326.89
Employee stock option expense for the year	-	-	-	109.29	-	-	-	-	-	-	109.29	-	109.29
Transfer on lapse of vested options	-	1.78	-	(1.78)	-	-	-	-	-	-	-	-	-
Final dividend for the financial year 2023-24 (refer note below)	-	-	-	-	-	(182.78)	-	-	-	-	(182.78)	-	(182.78)
Interim dividend for the financial year 2024-25 (refer note below)	-	-	-	-	-	(517.68)	-	-	-	-	(517.68)	-	(517.68)
Transfer from retained earnings	480.55	-	-	-	-	(480.55)	-	-	-	-	-	-	-
Balance as at March 31, 2025	39,675.70	2,653.20	11,971.05	169.03	364.80	93,612.58	3.35	31.27	368.64	563.20	1,49,412.82	1,937.54	1,51,350.36

Refer note 27 for the nature and purpose of items of other equity.

Note: During the year, the Parent Company had paid the final dividend for the year ended March 31, 2024 (PY: final dividend for the year ended March 31, 2023) at the rate of ₹ 1.43 per share (PY: ₹ 0.79 per share), as approved by the shareholders at the respective annual general meeting. Furthermore, the parent company declared and paid an interim dividend of ₹ 4.05 per share (PY: Nil), as approved by the Board during its meeting held on February 28, 2025.

The accompanying notes 1 to 67 are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For **Lodha & Co LLP**

Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri

Partner

(Membership Number : 058940)

For and on behalf of the Board of Directors of

Bandhan Financial Services Limited

Chandra Shekhar Ghosh

Executive Chairman

DIN:00342477

Kolkata

Arvind Agrawal

Managing Director

DIN:02268683

Kolkata

Place : Kolkata

Date : July 22, 2025

Amrit Daga

Chief Financial Officer

Kolkata

Biplab Kumar Mani

Company Secretary

(Membership Number: A19883)

Kolkata

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Accounting Policy

A. Corporate Information

Bandhan Financial Services Limited (hereinafter referred to as "the Parent Company") is registered with Corporate ID No. (CIN U70101WB1995PLC073339) under Ministry of Corporate Affairs. The Parent Company is registered as a Core Investment Company (CIC) with effect from 21st September, 2017. The registered office of the Parent Company is located at Unit – 507, 5th Floor, North Wing, Adventz Infinity@5, Near Techno Polis, BN-5, Sector V, Salt Lake City, Kolkata – 700091, West Bengal.

The RBI vide its notification dated October 19, 2023 has issued Scale Based Regulation (SBR) for NBFCs. As per the above notification, the Parent Company is categorised in the Middle layer and applicable disclosures to such Middle layer entities have been considered in these financial statements. The Parent Company made an application to surrender Certificate of Registration in May 27, 2024.

The Parent Company is the holding company of Bandhan Financial Holdings Limited (hereinafter referred to as 'BFHL') which in turn is the holding company of Bandhan AMC Limited, Bandhan Mutual Fund Trustee Limited, Bandhan Investment Managers (Mauritius Limited), Bandhan Life Insurance Limited (collectively, the 'Group') and holds investment in Bandhan Bank Limited, its associate. In the current year the Parent Company has ventured into the Information Technology business by acquiring Genisys Information Systems (I) Private Limited, which in turn invested in Genisys Software Limited (USA) and Genisys Software Limited (UK).

The Group is in varied sectors encompassing a broad spectrum of businesses principal amongst which are financial services, life insurance, asset management, Information technology (IT) and IT enabled services. The Group's associate is primarily engaged in banking operations.

B. Basis of Preparation of Financial Statements

I. Statement of Compliance

The consolidated financial statements of the Group and its Associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 (hereinafter referred to as 'the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act and other accounting principles generally accepted in India. The Group its Associate has also considered the applicable Master Directions, Circulars/ notifications issued by the Reserve Bank of India for the preparation of the Consolidated Financial Statements.

The accounting policies have been consistently applied, except in cases where a newly issued Ind AS is initially adopted or when a revision to an existing Ind AS required a change in the accounting policy previously in use.

These consolidated financial statements have been approved by the Board of Directors and authorized to issue on July 22, 2025.

II. Basis of Measurement

The consolidated financial statements are prepared on the accrual basis as a going concern and under the historical cost basis, except for certain financial assets and liabilities, business combination and employee stock option plans (ESOP) which are measured at fair value and defined benefit plans for employees that are measured as per actuarial valuation under Projected Unit Credit Method at the end of each reporting date as required under relevant Ind AS.

III. Principles of Consolidation

The Consolidated Financial Statements relating to Bandhan Financial Services Limited, its Subsidiary companies (the 'Group') have been prepared on the following basis:

- The Financial Statements of the Parent Company and its Subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses unless cost cannot be recovered, as per IND AS 110 – Consolidated Financial Statements.
- The financial statements of the Subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e., March 31, 2025.
- The excess of Cost to BFHL of its Investment in the Subsidiary companies over the BFHL's portion of the Equity is recognised in the Financial Statements as Goodwill, being an asset in the Consolidated Financial Statements. The

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

excess of the Parent Company's portion of Equity of the Subsidiary companies on the acquisition date over its Cost of Investment is treated as Capital Reserve.

- d. The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company, its Subsidiary companies ('the Group') and the associate company. Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.
- e. Subsidiary companies is consolidated from the date control commences until the date control ceases. The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.
- f. Profit or loss and other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- g. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
- h. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group's interests in equity accounted investees comprise interests in its Associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in Associate are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases. The carrying amount is further adjusted/ reduced by any dividend received from the Associate.

(i) Non-controlling interests (NCI): NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date acquisition.

(ii) Changes in the Group's ownership interest in existing subsidiaries

- a. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.
- b. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate.

(iii) The financial statements of the following subsidiary companies/ associate have been considered for consolidation:

Name of the Entity	Relationship	Country of Incorporation	Percentage of Holding	
			As at March 31, 2025	As at March 31, 2024
Bandhan Financial Holdings Limited	Subsidiary	India	100.00%	100.00%
Genisys Information Systems (India) Private Limited	Subsidiary	India	100.00%	NIL
Bandhan AMC Limited	Step Down Subsidiary	India	59.98%	59.98%
Bandhan Mutual Fund Trustees Limited		India	60.00%	60.00%
Bandhan Investment Managers (Mauritius) Limited		Mauritius	100%	60.00%
Bandhan Life Insurance Limited		India	96.83%	96.06%
Genisys Software Limited (USA)		USA	100.00%	NIL
Genisys Software Limited (UK)		United Kingdom	100.00%	NIL
Bandhan Bank Limited	Associate	India	39.98%	39.98%

(iv) Business Combinations

- The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their values at the acquisition date.
- Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. However, if there is no clear evidence of bargain purchase, the Group recognizes the gain is recognized directly in equity as capital reserve, without routing the same through OCI.
- The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in the equity of subsidiaries.
- If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income (OCI), as appropriate.
- Business combinations arising from transfer of interests in entities that are the under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.
- A cash-generating unit to which the goodwill has been allocated, is tested for impairment annually or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.
- Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**(v) Presentation**

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Statement of Changes in Equity adhere to the format prescribed in Division III of Schedule III to the Act. The Consolidated Statement of Cash Flows is prepared and presented as per the requirements of Ind AS.

A summary of material accounting policies and other explanatory information is provided in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of the Act and accounting principles generally accepted in India.

(vi) Functional and Presentation Currency

The financial statements are presented in Indian Rupees in millions except otherwise, which is also the functional currency of the Group with rounding off to two decimals.

(vi) Use of Estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the consolidated financial statements and the reported amount of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the consolidated financial statements have been disclosed as applicable in the respective notes to accounts.

Accounting estimates can change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

(vii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities for which fair value is measured or disclosed in the financial statements has been categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team headed by Chief Financial Officer, that has overall responsibility for overseeing all significant fair value measurements, who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1. Summary of Material Accounting Policies**1.1 Cash and Cash Equivalents**

Cash and cash equivalent comprises of cash on hand and cash at bank including demand deposits and time deposits with original maturity of three months or less and short-term highly liquid investments that

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.2 Revenue Recognition

1.2.1 Interest Income

Interest income is accounted for all financial assets at amortized cost or at fair value through other comprehensive income using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes transaction costs and all other premiums and discounts. Transaction Costs include incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Group and its Associate has calculated interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the Group and its Associate has calculated interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets is no longer credit-impaired, the Group and its Associate reverts to calculating interest income on a gross basis.

1.2.2 Dividend Income

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

1.2.3 Premium Income

- Premium (net of goods and service tax) is recognized as income when due from policyholders. Premiums on lapsed contracts are recognised on receipt basis.
- For linked business, premium income is recognised when the associated units are allotted and income from linked fund which includes fund management charges, annual administration charges, mortality charges etc. is recovered from the linked funds in accordance with terms and conditions of the policy and is accounted on the accrual basis.
- Amounts received under investment contracts other than those with a discretionary participating feature (DPF) contracts are recorded as deposits and credited directly to investment contract liabilities.

1.2.4 Management Fees

Management fees from mutual funds and alternative investment funds are recognized on accrual basis in accordance with terms of investment management agreement entered into by the Bandhan AMC Limited with Bandhan Mutual Fund Trustee Limited and provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, SEBI (Alternative Investment Funds) Regulation, 2012 and amendments thereto. Revenue from management fees is recognized as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group.

1.2.5 Portfolio Management Fees

Portfolio management fees (management fees, administration fees and performance fees) are recognised on an accrual basis in accordance with the respective terms of contract with counter parties. Revenue from portfolio management fees is recognized as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group.

1.2.6 Advisory Fees

Advisory fees are recognized as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group i.e., advisory fees are recognized on accrual basis as per the terms of the contract entered into with each client.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

1.2.7 Sale of services

Revenue from rendering of services is recognized over time as the customer receives the benefits from the entity's performance of its obligation and the Group has enforceable right to payment for the services transferred.

1.3 Investment Property

Investment property is a property held to earn rentals and/ or capital appreciation (including property under construction for such purposes). Investment properties have been measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties have been stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes non-recoverable duties and taxes and any directly attributable costs of bringing the investment property to the condition of its intended use. In addition, interest on borrowings used to finance the construction of qualifying assets capitalized as part of the asset's cost until such time that the asset is ready for its intended use. The carrying amount of the replaced part of the investment property consequent to the additions made thereto derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss, as incurred.

When parts of an item of investment property have different useful lives, they are accounted for as separate components. The Group, based on technical assessment made by the Management, depreciates the building over estimated useful lives as prescribed by Schedule II of the Companies Act, 2013.

1.4 Assets held for sale

The Group classifies Assets as Held for Sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment or investment property once classified as held for sale are not depreciated. All other assets in the financial statements are at amounts for continuing operations, unless otherwise mentioned.

1.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right-to-use the asset or assets, even if that right is not explicitly specified in an arrangement.

1.5.1 The Group as a Lessee

The Group's lease asset classes primarily consist of buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset; (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes Right of Use (ROU) Asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low value leases. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of lease.

Right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.5.2 The Group as a Lessor

Leases, for which the Group is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Fit-out rental income is recognised in the statement of profit and loss on accrual basis.

For finance leases, the amount due from lessee are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.6 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.6.1 Current tax

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

1.6.2 Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax for the year is recognized in Statement of Profit and Loss. However, Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or equity). Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

1.7 Foreign currency translation

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the Statement of Profit and Loss.

Non-monetary items carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The results and financial position of foreign operations (none of which has the currency of a hyperinflation economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities are translated at the closing rate at the date of that balance sheet,
- b. Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- c. All resulting exchange differences are recognized in other comprehensive income.

1.8 Provision and contingencies

A provision is recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the same. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent asset is not recognized in the Consolidated Financial Statements, however, is disclosed where an inflow of economic benefits is probable.

1.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares is treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

1.10 Investor Education Awareness Fund

In accordance with the AMFI best practice circular, the accruals of Investor Education Awareness (IEA) across all mutual fund schemes is pooled and then transferred on monthly basis to a sperate bank account maintained by the Group. The funds are utilized towards investor education and awareness initiatives undertaken by the Group. During the year the same has been transferred to Bandhan Mutual Fund.

1.11 Brokerage Expenses

Brokerage is paid to the brokers for portfolio management and Alternative Investment Schemes as per the terms of agreement entered with respective brokers. Brokerage paid by the Group in line with the applicable regulations is charged to consolidated statement of profit and loss over the contractual period or claw back period in case of portfolio management services.

1.12 New Fund Offer Expenses

Expenses relating to new fund offer of Bandhan Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

1.13 Reinsurance Premium

Premium ceded on reinsurance is accounted in accordance with the terms of the treaty on due basis at the time when related premium income is accounted for. For reinsurance arrangements where the Group is entitled to profit sharing for eligible business outlined in the treaty, the revenue is recognized in accordance with the terms of the arrangement and is netted off against premium ceded on reinsurance.

1.14 Acquisition Costs

1.14.1 Insurance Contracts

Acquisition costs such as commission, medical fees, stamp duty etc. are costs that vary with and are primarily relatable to the acquisition of insurance contracts. Such costs are expensed in the period in which they are incurred. As the gross premium valuation method used to determine insurance contract provisions makes implicit allowance for the deferral of acquisition costs, no explicit deferred acquisition cost (DAC) asset is recognized in the statement of financial position for the contracts issued.

1.14.2 Investment Contracts

Incremental costs that are directly attributable to securing an investment management service contract are recognised as an asset if they can be identified separately and measured reliably and it is probable that they will be recovered. DAC represents the contractual right to benefit from providing investment management services and is amortised as the related revenue is recognised. Costs attributable to investment management service contracts in the asset management businesses are also recognised on this basis. However, if the investment contract is measured at Fair Value Through Profit and Loss then no DAC is recognised and all the acquisition cost are expenses as incurred.

1.15 Benefits Paid

Benefits paid comprise of policy benefit amount, surrenders, annuity, claim investigation fees and specific claims settlement costs where applicable and change in the outstanding provision for claims at the year end. Claims by death and surrender are accounted when intimated. Surrenders also include amounts payable towards the lapse policies and is accounted net of surrender charge on the due date as per the Policy Contract. Survival benefits and Annuity are accounted when due. Maturity claims are accounted on the date of maturity. Withdrawals under linked policies are accounted on the date of intimation in the respective schemes along with cancellation of associated units and are accounted net of charge.

Amounts recoverable from reinsurers are accounted for in the same period of the related claim.

Amounts paid under investment contracts other than those with a discretionary participating feature are recorded as reductions of the investment contract liabilities.

Amounts received under investment contracts, are not recorded through profit or loss, except for fee income and investment income attributable to those contracts but are accounted for directly through the statement of financial position as an adjustment to investment contract liabilities.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**1.16 Policy Liabilities**

Actuarial liabilities on policies in force and policies in respect of which premium has been discontinued but a liability exists determined by the appointed actuary using generally accepted actuarial practice in accordance with the standards and guidance notes issued by the Institute of Actuaries of India, the requirement of the Insurance Laws (Amendment) Act, 2015, the regulations as applicable and the relevant circulars issued by the Insurance Regulatory and Development Authority of India (IRDA).

The liabilities are calculated in a manner that together with estimated future premium income and investment income, the Group can meet estimated future claims and expenses related to maintenance of policies and settlement of claims.

The liabilities under unit linked policies comprise of unit reserve and non-unit reserve. Unit reserves are measured at fair value of the underlying investments. Non-unit reserves are estimated using gross premium method. Liabilities under non-linked policies including health products are estimated using gross premium method. For the group insurance business, liability is based on higher of the liability estimated using gross premium method or the unearned premium method.

1.17 Exceptional items

Exceptional items include income or expenses that are part of ordinary activities. However, they are of such significance and nature that separate disclosure enables the user of consolidated financial statements to understand the impact more clearly. These items are identified by their size or nature to facilitate comparison with prior periods and assess underlying trends in the Group's financial performance.

1.18 Segment information

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Director and Chief Financial Officer (being the Chief operating decision maker) in making decisions regarding allocation of resources and assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the group. Segment assets, segment liabilities, segment revenue and segment expenses have been identified to the segments on the basis their relationship to the operating activities of the segment. Those revenue, expenses, assets and liabilities which are related to the group as a whole but are not allocable to reportable segments on a reasonable basis are included under un-allocable revenue, expenses, assets and liabilities.

1.19 Dividends on equity shares

The Group recognises a liability for making cash to equity holders of the Group when the dividend is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.20.1 Financial Assets**1.20.1.1 Initial recognition and measurement**

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. Financial Assets (unless it is a trade receivable without a significant financing component) are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

1.20.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.20.1.3 Debt instruments at amortized costs

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

1.20.1.4 Debt Instruments at Fair Value through Other Comprehensive Income

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- The assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets;
- The contractual term of the instrument gives rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; and
- That are designated at fair value.

Movement in carrying amount is taken through other comprehensive income, except for recognition of impairment gains or losses; interest revenues and foreign exchange gains and losses on the instrument's amortized cost that are recognized in consolidated statement of profit and loss.

1.20.1.5 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is also taken to OCI. The amount accumulated in this respect is transferred within the Equity on derecognition.

1.20.1.6 Portfolio Investments

Portfolio investments are carried at Fair value through profit or loss. Where there is a decline, other than temporary, in the carrying amounts of investments, the resultant reduction in the carrying amount is charged to the revenue account during the period in which such decline is identified.

1.20.1.7 Impairment of Financial Assets

The Group applies the Expected Credit Loss (ECL) Model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease/ trade receivables, other

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In case of debt instruments at FVTOCI, the loss allowance measured in accordance with the above requirements and is recognised in other comprehensive income with a corresponding effect to the statement of profit and loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

No Expected credit losses is recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience.

1.20.2 Financial Liabilities**1.20.2.1 Classification as Debt or as Equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instruments.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

1.20.2.2 Initial recognition and measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to Statement of Profit and Loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to Statement of Profit and Loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.20.2.3 Classification and Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Financial Liabilities at Amortized Cost

The Group subsequently measures all financial liabilities at amortised cost using the EIR Method.

1.20.3 Derivative Instruments

All derivatives are recognized in the balance sheet at their fair value. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

Hedge effectiveness is the degree to which changes in cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter.

The portion of fair value gain/ (loss) on the interest rate derivatives that is determined to be an effective hedge is recognized in OCI within equity as "cash flow hedge reserve". The ineffective portion of the change in fair value of such instruments is recognized in the statement of profit and loss in the period in which they arise. The accumulated gains or losses recognized directly in the cash flow hedge reserve are reclassified into statement of profit and loss, in the same period during which income from hedged forecast cash flows affect the statement of profit and loss (in the periods that income on the investments acquired from underlying forecasted cash-flow is recognized in the statement of profit and loss).

If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and accumulated gains or losses that were recognized directly in the cash flow hedge reserve are reclassified into statement of profit and loss.

Costs associated with derivative contracts are considered as at point in time cost. The notional or contractual amount associated with derivative financial instruments are not recorded as assets or liabilities in the balance sheet as they do not represent the fair value of these transactions.

1.20.4 De-recognition of financial assets and liabilities

1.20.4.1 Financial Assets

The Group derecognizes Financial Assets, when the contractual rights to the cash flows from the asset has expired or the Group has transferred its right to receive the cash flows from the asset and the Group has transferred substantially all the risks and rewards of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in Statement of Profit and Loss.

Financial Assets are written off when there is no reasonable expectation of recovering a financial asset in its entirety or portion thereof. The Group may apply enforcement activities to the financial assets written off. Recoveries resulting from the Group's enforcement activities are recognized in the Consolidated Statement of Profit and Loss on actual realization.

1.20.4.2 Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

1.21 Product Classification

Financial Instruments (Investment Contracts) are separated from insurance contracts under specified conditions under Ind AS 104 "Insurance Contracts".

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**1.21.1 Insurance Contracts**

Contracts are classified as Insurance Contracts where the Group has accepted significant insurance risk from the policyholder by agreeing to compensate if a specified uncertain future event adversely affects the policyholder. Benefits paid is compared with the benefits payable if the insured event did not occur to determine the presence of significant risk.

Further as suggested by IRDAI working committee report dated December 30, 2016 below threshold have been considered for product classification into Insurance Contracts:

- At least 5% of the fund value at any time during the life on the contract for unit linked products, or
- At least 5% of the annualized premium or Single Premium, as the case may be, at any time during the life on the contract for unit linked products
- Ratio of Expected Present Value (EPV) of death benefits to EPV of Other than death benefits is at least 5% measured at the inception of the policy.

1.21.2 Investment Contracts

Contracts are classified as Investment contracts where the Group has accepted significant financial risk from the policyholder and there is no significant insurance risk in the contract. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contract once classified as an insurance contract remains as an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts are reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without Discretionary Participating Feature (DPF). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- Likely to be significant portion of the total contractual benefits;
- The amount or timing of which is contractually at the discretion of the issuer;
- That are contractually based on;
- The performance of a specified pool of contracts or a specified type of contracts;
- Realized and or unrealized investment returns on a specified pool of assets held by the issuer;
- The profit or loss of the entity, fund or other entity that issues the contract.

Derivatives embedded in an insurance contract or an investment contract with DPF are separated, and fair valued through the income statement unless the embedded derivative which is itself qualifying as an insurance contract or investment contract with DPF. The derivative is not separated where the host insurance contract and/or investment contract with DPF is measured at fair value through the income statement.

1.21.3 Insurance Contract Liabilities

Insurance contract provisions have been computed using a gross premium valuation method. Provisions for investment contracts with a discretionary participating feature are also computed using the gross premium valuation method.

1.21.4 Investment Contract Liabilities

Investment contract liabilities without DPF are recognized when contracts are entered into and premiums are charged.

Investment contract liabilities for unit-linked business are measured at fair value. Investment contract liabilities in respect of the Group's other than unit-linked business are recorded at amortized cost unless designated at fair value through profit or loss to eliminate or significantly reduce a measurement or recognition inconsistency.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The measurement of investment contracts without discretionary participation features is carried out in accordance with Ind AS 109 to reflect the deposit nature of the arrangement, with premiums and claims reflected as deposits and withdrawals and taken directly to the statement of financial position as movements in the financial liability balance.

1.21.5 Liability Adequacy Test

The Group performs adequacy testing on its insurance liabilities to ensure that the carrying amounts (net of related deferred acquisition costs) and, where relevant, present value of acquired in-force business is sufficient to cover current estimates of future cash flows. Any deficiency is immediately charged to the Statement of Profit and Loss.

1.22 Reinsurance Assets

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract, and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the income statement.

1.23 Investment in Subsidiary and Associate

The Group has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Para 10 of Ind AS 27 'Separate Financial Statements'. Cost of Investment represents amount paid for acquisition of the said investment. The Group assesses at the end of each reporting period if there are any indications that the said investment may be impaired. If so, the Group estimates the recoverable value/ amount of the investment and provides for impairment, if any, i.e. the deficit in the recoverable value over cost.

1.24 Property, Plant and Equipment ("PPE")

PPE are stated at acquisition cost or construction cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent costs are included in the PPE's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item is expected to flow to the Group and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

1.25 Capital work-in-progress

Capital work-in-progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

1.26 Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the other intangible assets.

Administrative and other general overhead expenses that are specifically attributable to the acquisition of other intangible assets are allocated and capitalized as part of the cost of the other intangible assets. Expenses on software support and maintenance are charged to the consolidated statement of profit and loss during the year in which such costs are incurred. Intangible assets are amortised on a straight line method over their estimated useful lives. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.27 Depreciation and Amortisation

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their estimated useful lives specified in Schedule II to the Act, or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values is also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is recognised on prospective basis. PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation for additions to/ deductions from, owned assets is calculated pro rata to the period of use. Freehold land is not depreciated. Leasehold land is amortised over the duration of the lease. The useful life of the property, plant and equipment held by the Group are as follows:

Asset	Useful Life
Building	5 to 60 Years
Leasehold Improvements	Shorter of lease period or estimated useful life
Office Equipment	5 Years
Furniture and Fixtures	Shorter of lease period or estimated useful life
Computer Hardware	3 Years

Right of use Assets are depreciated on a straight-line basis over the Shorter of the lease term and useful life of the underlying asset.

Intangible Assets and their useful lives are as under:

Asset	Estimated Useful Life
Computer Software	3 years

The method of amortisation and useful life is reviewed at the end of each accounting year and the amortisation period is revised to reflect the changed pattern, if any.

1.28 Impairment of Non-Financial Assets

The Group assesses at each balance sheet date where there is any indication that a non-financial asset may be impaired due to events or changes in circumstances. If any such indicators exists, the Group estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash generating units' (CGU) fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value, less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculations on detailed budgets and forecast calculations,

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

1.29 Borrowing Costs

Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs, if any, are charged to the Statement of Profit and Loss in the period in which they incurred.

1.30 Statement of Cash Flows

The Statement of Cash Flows is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Group are segregated.

1.31 Employee Benefits

1.31.1 Short-term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expenses) and are measured at the amounts expected to be paid when the liabilities are settled. The Group also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

1.31.2 Defined Contribution Plans

Provident Fund: The Group makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute.

1.31.3 Defined Benefits Plans (Gratuity Obligation)

The obligation in respect of defined benefits plans, which covers Gratuity, is provided for on the basis of an actuarial valuation at the end of each financial year.

In respect of Gratuity being post-retirement benefits, remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, (if applicable) and the return on plan assets (excluding net interest) are reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is not reclassified to the Statement of Profit and Loss.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restricting costs. The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:
 - Service costs (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
 - Net interest expenses or income.

The Group presents the above two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The present value of the defined benefit plans' liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds. The retirement benefit obligations recognised in the Balance Sheet represent the actual deficit or surplus in the Group's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

1.31.4 Share Based Payments

a. Equity Settled Options:

The Group has constituted an Employee Stock Option Plan. The plan provides for grant of options to employees of the Group in a specific category to acquire equity shares of the Group that vest in a graded manner on meeting specified conditions and that are to be exercised within a specified period.

The above share awards are treated as an equity settled share based payment transaction. The fair value of options granted under the scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined with reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to be based on service conditions. It recognizes the impact of revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to equity.

b. Cash Settled Options:

The fair value of the amount payable to employees is recognized as employee benefit expenses with a corresponding increase in liabilities. The liability is remeasured at each reporting period up to and including the settlement date, with changes in fair value recognized in employee benefits expenses.

1.30 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements.

Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialized. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.31 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

1.32 Operating Leases

The Group has entered into commercial property leases for its offices. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term and the applicable discount rate. The Group has lease contracts which include extension and termination options, and this requires exercise of judgement by the Group in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

1.33 Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value, less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices, less incremental costs for disposing of the asset. The value-in-use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets' performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.34 Fair value of Investment Property/ Assets held for Sale

As per the Ind AS, the Group is required to disclose the fair value of the investment property and measure the assets identified to be held for sale at lower of carrying value and fair value less cost to sales whichever is lower. Accordingly, the Group has conducted valuation to assess the fair values of investment property as at March 31, 2024 and for asset held for sale as at March 31, 2025. The investment property/ Asset held for sale was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property.

1.35 Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions, including disclosures thereof.

1.36 Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.37 Contingent Liabilities and Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

2. Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.10	0.01
Stamps on hand	15.01	8.45
Balance with banks in current accounts	1,255.66	1,352.68
Less: Allowance for impairment loss*	0.00	-
	1,255.66	1,352.68
in deposit accounts with original maturity within three months	-	1,351.03
Total	1,270.77	2,712.17

*March 31, 2025: ₹ 2,104.00 (March 31, 2024: Nil)

3. Bank balances other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balance with bank in deposit accounts having original maturity exceeding three months	5,697.18	6,876.32
Less: Allowance for impairment loss	(0.89)	-
	5,696.29	6,876.32
Balances in earmarked accounts		
Investor Education and Awareness on behalf of Bandhan Mutual Fund	-	23.37
Unpaid dividend	0.01	-
Other bank balances	6.55	3.28
Total	5,702.85	6,902.97

4. Derivative financial instruments

	As at March 31, 2025	As at March 31, 2024
At fair value through profit or loss		
Derivative financial assets		
Forward rate agreements	15.47	-
Total	15.47	-

Refer note 55 for further details.

5. Trade receivables - unsecured (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Considered good	545.02	331.91
Receivables which have significant increase in credit risk	0.57	-
Less: Allowance for impairment loss	(0.35)	-
Receivables which have significant increase in credit risk (net of impairment allowance)	0.22	-
Total (net)	545.24	331.91

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**Ageing of trade receivables as at March 31, 2025**

(₹ in million)

	Not due	Unbilled	Outstanding for following periods from the due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	189.13	52.88	302.65	0.36	-	-	-	545.02
Undisputed, having significant increase in credit risk	-	-	0.01	0.41	0.10	0.05	-	0.57
Disputed, considered good	-	-	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-	-	-
Subtotal	189.13	52.88	302.66	0.77	0.10	0.05	-	545.59
Less: Allowance for impairment loss								(0.35)
Total trade receivables (net)	189.13	52.88	302.66	0.77	0.10	0.05	-	545.24

Ageing of trade receivables as at March 31, 2024

(₹ in million)

	Not due	Unbilled	Outstanding for following periods from the due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	-	-	331.91	-	-	-	-	331.91
Undisputed, having significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed, considered good	-	-	-	-	-	-	-	-
Disputed, considered doubtful	-	-	-	-	-	-	-	-
Subtotal	-	-	331.91	-	-	-	-	331.91
Less: Allowance for impairment loss								-
Total trade receivables (net)	-	-	331.91	-	-	-	-	331.91

6. Loans (at amortised cost)

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Loans		
Loans against policies	36.60	30.34
Term loans	533.09	493.61
Loan repayable on demand	15.42	-
Total Gross (A)	585.11	523.95
Less: Allowance for impairment loss	-	-
Total (Net) (A)	585.11	523.95
Secured by tangible assets	36.60	30.34
Unsecured	548.51	493.61
Total Gross (B)	585.11	523.95
Less: Allowance for impairment loss	-	-
Total (Net) (B)	585.11	523.95
Loans in India		
Public sector	-	-
Others	585.11	523.95
Loans outside India	-	-
Total Gross (C)	585.11	523.95
Less: Allowance for impairment loss	-	-
Total (Net) (C)	585.11	523.95

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Loans repayable on demand

Type of borrower	Amount of loan or advance in the nature of loan outstanding (₹ in million)		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Inter-corporate deposit	15.42	-	2.64%	-

7(a) Investments- policyholders'

	As at March 31, 2025	(₹ in million) As at March 31, 2024
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	663.00	1,321.43
B. Carried at fair value through other comprehensive income		
Quoted		
Investments in government or trust securities	19,925.69	17,578.36
Investments in debentures	14,323.30	12,147.34
Unquoted		
Investments - others	-	623.87
C. Carried at fair value through profit or loss		
Quoted		
Investments in equity instruments	1,714.44	1,391.04
Total	36,626.43	33,062.04
Investments in India	36,626.43	33,062.04
Investments outside India	-	-
	36,626.43	33,062.04

7(b) Investments- shareholders'

	As at March 31, 2025	(₹ in million) As at March 31, 2024
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	256.44	713.81
B. Carried at fair value through other comprehensive income		
Quoted		
Investments in government or trust securities	347.05	100.11
Investments in debentures	1,010.66	80.35
C. Carried at fair value through profit or loss		
Unquoted		
Investments - others	66.00	-
Total	1,680.15	894.27
Investments in India	1,680.15	894.27
Investments outside India	-	-
	1,680.15	894.27

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

7(c) Other investments

(₹ in million)

	At amortised cost	At fair value			Total
		Through other comprehensive income	Through profit or loss	Subtotal	
As at March 31, 2025					
In India					
Mutual funds	-	-	5,341.52	5,341.52	5,341.52
Government securities	1,007.22	-	-	-	1,007.22
Equity instruments	-	0.50	478.65	479.15	479.15
Alternate investment funds	-	-	151.08	151.08	151.08
Total- Gross	1,007.22	0.50	5,971.25	5,971.75	6,978.97
Outside India	-	-	-	-	-
Less: Allowance for impairment loss	-	-	-	-	-
Total-net	1,007.22	0.50	5,971.25	5,971.75	6,978.97
Quoted	1,007.22	-	555.13	555.13	1,562.35
Unquoted	-	0.50	5,416.12	5,416.62	5,416.62

(₹ in million)

	At amortised cost	At fair value			Total
		Through other comprehensive income	Through profit or loss	Subtotal	
As at March 31, 2024					
In India					
Mutual funds	-	-	5,280.01	5,280.01	5,280.01
Government securities	1,007.05	-	-	-	1,007.05
Equity instruments	-	0.50	612.82	613.32	613.32
Alternate investment funds	-	-	140.42	140.42	140.42
Investment in debt instrument (measured at amortised cost)					-
Total-Gross	1,007.05	0.50	6,033.25	6,033.75	7,040.80
Outside India	-	-	-	-	-
Less: Allowance for impairment loss	-	-	-	-	-
Total-net	1,007.05	0.50	6,033.25	6,033.75	7,040.80
Quoted	1,007.05	-	512.83	512.83	1,519.88
Unquoted	-	0.50	5,520.42	5,520.92	5,520.92

8. Assets held to cover linked liabilities

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	351.35	181.82
	351.35	181.82
B. Carried at fair value through profit or loss		
Quoted		
Investments in equity instruments	7,052.05	7,961.89
Investments in mutual funds	490.28	480.26
Investments in government or trust securities	937.29	965.96
Investments in debentures	533.23	620.07
	9,012.85	10,028.18
Total	9,364.20	10,210.00
Investments in India	9,364.20	10,210.00
Investments outside India	-	-
	9,364.20	10,210.00

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

9. Other financial assets

	As at March 31, 2025	As at March 31, 2024
(₹ in million)		
Unsecured, considered good (unless otherwise stated)		
Income accrued on investments	890.79	724.61
Due from reinsurers	255.00	152.21
Unclaimed amount of policyholders	122.08	137.42
Reinsurance assets	3,009.83	2,855.53
Margin money receivable	20.42	-
Security deposits (net of impairment ₹ 8.17 million (PY: ₹ 7.68 million))	65.92	44.63
Dividend declared but not received	0.41	0.69
Other deposits	41.87	35.32
Other receivables*	238.52	19.10
Total	4,644.84	3,969.51

*includes receivable arising from unsettled trades as at the year end amounting to ₹ 225.83 million (PY: ₹ 2.73 million)

10(a). Current tax assets (net)

	As at March 31, 2025	As at March 31, 2024
(₹ in million)		
Advance tax (net of provision for tax)	279.24	292.67
Total	279.24	292.67

10(b). Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
(₹ in million)		
Provision for income tax (net of advance tax)	221.55	306.86
Total	221.55	306.86

11(a). Deferred tax assets

	As at March 31, 2025	As at March 31, 2024
(₹ in million)		
Components of deferred tax assets		
Property, plant and equipment and other intangible assets	3.06	-
Right-of-use assets and lease liabilities	0.68	-
Post employment benefits	23.41	-
	27.15	-
Components of deferred tax liabilities		
Fair valuation of investments	1.02	-
	1.02	-
Deferred tax assets (net)	26.13	-

11(b). Deferred tax liabilities

	As at March 31, 2025	As at March 31, 2024
(₹ in million)		
Components of deferred tax liabilities		
Fair valuation of investments	134.99	142.21
Carrying value of investment in associate	15,104.57	13,545.38
	15,239.56	13,687.59
Components of deferred tax assets		
Property, plant and equipment and other intangible assets	23.31	22.86
Right-of-use assets and lease liabilities	17.52	17.01
Post employment benefits	3.24	1.53
Impairment on financial instruments	2.28	1.93
Fair valuation of security deposits	4.85	4.38
Unabsorbed short-term capital loss	-	1.14
	51.20	48.85
Deferred tax liabilities (net)	15,188.36	13,638.74

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

11(c). Movement in Deferred tax liabilities and assets (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/ assets:

(₹ in million)

	As at beginning of April 1, 2023	Charged/ credited to profit or loss	Charged/ credited to other comprehensive income	As at March 31, 2024	Business combination	Charged/ credited to profit or loss	Charged/ credited to other comprehensive income	Charged/ credited to equity	As at March 31, 2025
Deferred tax liabilities:									
Fair valuation of investments	33.64	108.57	-	142.21	-	(6.20)	-	-	136.01
Carrying value of investment in associate	11,946.86	1,530.69	67.83	13,545.38	-	1,515.85	(11.21)	54.55	15,104.57
Total (A)	11,980.50	1,639.26	67.83	13,687.59	-	1,509.65	(11.21)	54.55	15,240.58
Deferred tax assets:									
Post employment benefits	0.66	0.79	0.08	1.53	9.17	14.87	1.08	-	26.65
Property, plant and equipment and other intangible assets	22.17	0.69	-	22.86	0.53	2.98	-	-	26.37
Right-of-use assets and lease liabilities	14.57	2.44	-	17.01	-	1.19	-	-	18.20
Impairment on financial instruments	1.56	0.37	-	1.93	0.46	(0.11)	-	-	2.28
Fair valuation of security deposits	3.86	0.52	-	4.38	-	0.47	-	-	4.85
Unabsorbed short-term capital loss	6.04	(4.90)	-	1.14	-	(1.14)	-	-	-
Total (B)	48.86	(0.09)	0.08	48.85	10.16	18.26	1.08	-	78.35
Deferred tax liabilities (net) (A-B)	11,931.64	1,639.35	67.75	13,638.74	(10.16)	1,491.39	(12.29)	54.55	15,162.23

11(d). Unrecognised deferred tax assets

The deferred tax assets have not been recognised in respect of the carried forward losses of subsidiary- Bandhan Life Insurance Limited, because it is not probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Tax losses carried forward

	Year ended March 31, 2025		Year ended March 31, 2024	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss				
AY 2024-25	1,434.06	AY 2032-33	1,434.06	AY 2032-33
AY 2025-26*	2,800.01	AY 2033-34	-	-

* The amount of business loss represent the amount computed per computation and not statutory returns.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

12. Investment property

	As at March 31, 2025	(₹ in million) As at March 31, 2024
Gross carrying amount		
Opening gross carrying amount	38.17	38.17
Additions	-	-
Closing gross carrying amount	38.17	38.17
Accumulated depreciation		
Opening accumulated depreciation	10.86	9.79
Depreciation charge	0.36	1.07
Closing accumulated depreciation	11.22	10.86
Carrying amount	26.95	27.31
Less: Investment property classified as held for sale	(26.95)	-
Net carrying amount	-	27.31

The fair value of investment property as at March 31, 2024 was ₹ 67.13 million, on the basis of valuation carried out by an registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The property is a commercial unit situated in Tripura, India, and its fair value was derived using the market approach method without any significant adjustments being made observable data. Accordingly, fair value estimates for investment property is classified as Level 3.

(i) Amount recognised in profit or loss for investment property

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Rental income	2.26	1.56
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment property before depreciation	2.26	1.56
Depreciation	(0.36)	(1.07)
Profit from investment property	1.90	0.49

13(a). Property, plant and equipment

	Leasehold improvements	Furniture & fixture	Vehicles	Office equipments	Computer hardware	Total
Gross carrying amount						
As at the beginning of April 1, 2023	89.12	19.02	29.25	36.81	151.82	326.02
Additions on business combination	4.42	1.06	-	6.29	23.73	35.50
Additions	45.39	6.66	18.98	7.17	28.32	106.52
Disposals/adjustments	(0.57)	(1.58)	(10.57)	(1.16)	(6.52)	(20.40)
As at March 31, 2024	138.36	25.16	37.66	49.11	197.35	447.64
Additions on business combination	4.89	9.66	-	24.49	-	39.04
Additions	63.25	6.18	33.88	24.18	63.03	190.52
Disposals/adjustments	(4.89)	6.71	(3.83)	(18.15)	15.32	(4.84)
As at March 31, 2025	201.61	47.71	67.71	79.63	275.70	672.36

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**13(a). Property, plant and equipment**

(₹ in million)

	Leasehold improvements	Furniture & fixture	Vehicles	Office equipments	Computer hardware	Total
Accumulated depreciation						
As at the beginning of April 1, 2023	57.33	8.36	17.53	24.77	108.00	215.99
Additions on business combination	2.34	0.86	-	5.84	21.62	30.66
Depreciation	16.40	2.78	5.97	5.36	20.71	51.22
Disposals/adjustments	(0.57)	(1.56)	(6.60)	(1.16)	(6.47)	(16.36)
As at March 31, 2024	75.50	10.44	16.90	34.81	143.86	281.51
Additions on business combination	1.93	3.22	-	12.31	-	17.46
Depreciation	26.02	6.53	10.44	1.73	38.16	82.88
Disposals/adjustments	(1.36)	1.23	(3.83)	(2.19)	1.72	(4.43)
As at March 31, 2025	102.09	21.42	23.51	46.66	183.74	377.42
Net carrying amount						
As at March 31, 2025	99.52	26.29	44.20	32.97	91.96	294.94
As at March 31, 2024	62.86	14.72	20.76	14.30	53.49	166.13

Note 1: The parent company has changed the method of depreciation in the current year to straight line method from erstwhile written down value method. This is accounted for as change in accounting estimate as per Ind AS 8. As a result of this change, there is a net decrease in the amount of depreciation of ₹ 2.27 million for the current year.

Note 2: Refer note 59 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

13(b). Capital work-in-progress (CWIP)

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Additions	29.28	-
Disposals/ adjustments	-	-
Capitalised and included under property, plant and equipment	-	-
Closing balance	29.28	-

Ageing of capital work in progress as at March 31, 2025

(₹ in million)

	Amount outstanding in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	29.28	-	-	-	29.28
Projects temporarily suspended	-	-	-	-	-
Total	29.28	-	-	-	29.28

Ageing of capital work in progress as at March 31, 2024

(₹ in million)

	Amount outstanding in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

14. Right-of-use assets

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	384.95	320.06
Additions	389.87	156.31
Disposals/ adjustments	-	-
Depreciation	144.84	91.42
Balance at the end of the year	629.98	384.95

Refer note 23(i) for further details on right-of-use assets.

15. Goodwill

a. Gross carrying amount

	As at March 31, 2025	As at March 31, 2024
Opening balance	25,762.32	25,762.32
Additions on business combination (Refer note 54)	582.55	-
Disposals	-	-
Closing balance	26,344.87	25,762.32

b. Accumulated impairment

	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Impairment during the year	-	-
Other adjustments	-	-
Closing balance	-	-
Net carrying amount (a-b)	26,344.87	25,762.32

The Group has employed a firm of valuers for conducting the impairment testing of the goodwill carried in the balance sheet. Based on the report, no impairment is envisaged for the year ended March 31, 2025 and March 31, 2024.

16. Other intangible assets

	As at March 31, 2025	As at March 31, 2024
Computer Software (acquired)		
Gross carrying amount		
At the beginning of the year	2,520.61	150.87
Additions on business combination	11.58	2,363.52
Additions	59.41	6.22
Disposals/adjustments	0.99	-
At the end of the year	2,592.59	2,520.61
Accumulated amortisation		
At the beginning of the year	2,290.67	138.14
Additions on business combination	3.92	2,124.25
Amortisation	180.65	28.28
Disposals/adjustments	0.83	-
At the end of the year	2,476.07	2,290.67
Net carrying amount	116.52	229.94

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**17. Investment accounted using equity method**

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Name of the associate: Bandhan Bank Limited		
Principal activity of the associate	Banking and related services	Banking and related services
Principal place of business	West Bengal	West Bengal
Percentage of ownership interest	39.98%	39.98%
Proportionate voting rights*	26.00%	26.00%
i) Movement in the carrying amount of investment in associate		
Restated opening balance (Refer note 63)	1,37,489.00	1,23,515.88
Share of profit for the year	9,964.58	7,734.59
Share of other comprehensive income for the year	(193.91)	592.77
Other adjustments (Refer note 17.1)	381.44	-
Dividend	(966.17)	(966.17)
Closing balance	1,46,674.94	1,30,877.07
(Impairment charge)/ reversal of impairment charge (Refer note 63)	(21,963.24)	6,611.93
Restated closing balance (after impairment/reversal of impairment) (Refer note 63)	1,24,711.70	1,37,489.00
ii) Summarised financial information of the associate		
Financial assets	18,65,022.00	17,26,244.00
Non-financial assets	42,949.00	48,913.00
Financial liabilities	16,57,664.00	15,39,203.00
Non-financial liabilities	12,138.00	21,322.00
Net assets	2,38,169.00	2,14,632.00
Fair value of investment in associate*	94,221.27	1,15,940.85
* Fair value has been derived basis the quoted market price as at the balance sheet date.		
Dividend received from associate	966.17	966.17
iii) Summarised financial performance of the associate		
Revenue from operations	2,40,343.00	2,04,605.00
Profit for the year	24,922.00	19,345.00
Other comprehensive income for the year	(485.00)	1,483.00
Total comprehensive income for the year	24,437.00	20,828.00
iv) Reconciliation of net assets of associate to the carrying amount of investment		
Group's share	95,227.28	85,816.47
Fair value and other adjustments**	29,484.42	51,672.53
Carrying amount of investment in associate	1,24,711.70	1,37,489.00

** The other adjustments mainly comprise of dilution of interest in associate on account of employee stock options.

* Pursuant to section 12(2) of Banking Regulation Act, 1949, the aggregate voting right is restricted at 26.00%

Note 17.1: The Reserve Bank of India vide its Master Direction dated September 12, 2023 issued revised norms for the classification, valuation and operation of investment portfolio of banks, which became applicable from April 1, 2024. On transition to the framework on April 1, 2024, certain investments of the associate were reclassified among the various categories (HTM, AFS or FVTPL- HFT or non HFT).

Accordingly, the associate has recognised transitional impact (net of deferred tax) amounting to ₹ 631.00 million and ₹ 323.00 million to retained earnings and FVOCI reserve respectively in its financial statements for the year ended March 31, 2025.

Accordingly, the Group has recognised the corresponding impact of its share in above (net of taxes) amounting to ₹ 216.21 million and ₹ 110.68 million in retained earnings and FVOCI reserve respectively.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

18. Other non-financial assets

	As at March 31, 2025	As at March 31, 2024
Capital advances	11.61	15.79
Advances to suppliers	51.60	29.04
Balances with government authorities	306.69	157.01
Prepaid expenses	338.70	324.87
Net defined benefit assets (Refer note 56)	0.03	0.46
Others	1.10	12.33
Total	709.73	539.50

19. Assets held for sale

Carrying amount of asset classified as held for sale as at March 31, 2025

	As at March 31, 2025	As at March 31, 2024
Investment property	26.95	-

In February 2025, the Board of Directors of the Parent Company resolved to sell the investment property at Tripura comprising of building and proportionate share of land appurtenant thereto. Considering the criteria specified under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", the said investment property has been classified as non-current assets held for sale.

The aforesaid assets have been measured at carrying amount, i.e., at the lower of carrying amount and fair value less costs to sell, and accordingly, no impairment loss has been recognised in the consolidated financial statements in this respect.

20. Trade payables (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSE)	27.62	24.44
Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	674.70	544.38
Total	702.32	568.82

Ageing of trade payables as at March 31, 2025

	Not due	Unbilled	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSE	12.22	-	15.40	-	-	-	27.62
Undisputed dues- Others	35.77	325.14	161.67	145.70	-	6.42	674.70
Disputed dues- MSE	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total	47.99	325.14	177.07	145.70	-	6.42	702.32

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Ageing of trade payables as at March 31, 2024

(₹ in million)

	Not due	Unbilled	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSE	-	-	24.44	-	-	-	24.44
Undisputed dues- Others	-	348.54	162.87	7.16	19.30	6.51	544.38
Disputed dues- MSE	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total	-	348.54	187.31	7.16	19.30	6.51	568.82

21. Other payables (at amortised cost)

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	1.48	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable for donation	49.72	16.00
Payable for others	0.96	6.85
Total	52.16	22.85

22. Policyholders' liabilities

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Insurance contract liabilities	48,740.45	45,757.53
Investment contract liabilities	429.68	447.38
Total	49,170.13	46,204.91

Refer note 50 for further details.

23. Other financial liabilities (at amortised cost)

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer Note (i) below)	703.97	457.60
Employee benefits payable	688.41	420.47
Payable to exchange/clearing houses (net)	176.61	511.42
Claims outstanding	129.05	260.68
Reinsurance payable	200.71	201.01
Premium/proposal deposits to be refunded	25.66	1.17
Unclaimed amount of policyholders	122.08	137.42
Margin money payable	11.48	-
Unpaid dividend*	0.01	-
Insurance claim payable	13.24	13.24
Others**	0.07	17.41
Total	2,071.29	2,020.42

*There are no amounts due and outstanding to be transferred to Investor Education and Awareness Fund on behalf of Bandhan Mutual Fund as at the balance sheet date.

** Others include ₹ 0.03 million (PY: Nil) towards unspent amount in respect of corporate social responsibility.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Note (i) Lease liabilities

a) Nature of leasing activities

The Group leases various offices. Rental contracts are typically made for a period of 11 months to 9 years, but may have extension options as described in (d) below.

b) Movement of lease liabilities

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	457.60	375.23
Additions on business combination	-	27.18
Additions	378.22	128.98
Disposals/adjustments	-	-
Interest expense	45.69	33.82
Payment of lease liabilities	(177.54)	(107.61)
Balance at the end of the year	703.97	457.60

(₹ in million)

c) Future cash outflow

The following table sets forth, for the periods indicated, the details of undiscounted liability for premises taken on lease:

	As at March 31, 2025	As at March 31, 2024
Future lease rentals payable		
Not later than one year	212.45	145.50
Later than one year but not later than five years	520.22	428.22
Later than five years	127.21	10.28
	859.88	584.00

(₹ in million)

d) Extension and termination options

Extension and termination options are included in leases of the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

24. Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (Refer note 56)	103.98	41.98
Bonus	48.08	4.39
Compensated absences	78.40	30.50
Total	230.46	76.87

(₹ in million)

25. Other non-financial liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory dues	287.48	191.69
Proposal deposit from insurance business	18.12	37.50
Premium received in advance	12.33	13.45
Rent received in advance	-	0.65
Advance from customers	0.60	-
Total	318.53	243.29

(₹ in million)

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**26 Equity share capital**

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Authorised equity share capital		
15,00,00,000 (PY: 15,00,00,000) Equity Shares of ₹ 10 each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, subscribed and fully paid-up equity shares		
12,78,21,101 (PY: 12,78,21,101) Equity Shares of ₹ 10 each fully paid up	1,278.21	1,278.21
	1,278.21	1,278.21

(i) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year (₹ in million)

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of year	12,78,21,101	1,278.21	12,78,21,101	1,278.21
Add: Issued during the year	-	-	-	-
Equity shares at the end of year	12,78,21,101	1,278.21	12,78,21,101	1,278.21

(ii) Rights, preferences and restrictions attached to shares

The parent company has only one class of equity shares having a face value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholders holding more than 5% shares in the parent company

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of Shares	% of holding
Financial Inclusion Trust	4,20,61,424	32.91%	4,20,61,424	32.91%
North East Financial Inclusion Trust	1,00,00,000	7.82%	1,00,00,000	7.82%
Caladium Investment Pte. Ltd.	2,13,50,912	16.70%	2,13,50,912	16.70%
Bandhan Employee's Welfare Trust	1,86,80,922	14.61%	1,86,80,922	14.61%
International Finance Corporation	1,73,68,339	13.59%	1,73,68,339	13.59%
Small Industries Development Bank of India	1,03,93,489	8.13%	1,03,93,489	8.13%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- (iv)** The Parent Company has not reserved any shares for issue under options and contracts nor there are any commitments for the sale of shares or disinvestment.
- (v)** For the period of five years immediately preceding the date at which the Balance Sheet is prepared, the parent has a) not allotted any shares other than for cash, b) not allotted any shares by way of bonus, c) not bought back any shares.
- (vi)** The Parent Company has neither issued nor there are any outstanding securities convertible into equity/preference shares during the year.
- (vii)** There are no calls unpaid by directors and officers of the Parent Company.
- (viii)** Refer note 60 for capital management disclosures.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

(ix) Details of shareholding of promoters

Promoter name	As at March 31, 2025			As at March 31, 2024		
	No. of shares	% of holding	% change during the year	No. of shares	% of holding	% change during the year
Financial Inclusion Trust	4,20,61,424	32.91%	-	4,20,61,424	32.91%	-
North East Financial Inclusion Trust	1,00,00,000	7.82%	-	1,00,00,000	7.82%	-

27 Other equity

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Capital reserve	364.80	364.80
Securities premium	11,971.05	11,971.05
Employee stock options outstanding account	169.03	61.52
Statutory reserve	39,675.70	39,195.15
General reserve	2,653.20	2,651.42
Retained earnings	93,612.58	1,09,838.42
Debt instruments through OCI	563.20	(113.49)
Equity instruments through OCI	368.64	747.79
Cash flow hedge reserve	31.27	-
Foreign currency translation reserve	3.35	0.98
Total	1,49,412.82	1,64,717.64

Refer Statement of changes in equity for movement in the balances of the reserves.

Nature and purpose of reserves

Capital reserve represents difference between the value of net assets acquired by the Group in the course of business combination and the consideration paid for such combinations.

Securities premium represents the amount of premium on issue of shares. The reserve shall be utilised in accordance with the provisions of Companies Act 2013.

Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees by the step down subsidiary company under Employee Stock Option Scheme (ESOS) over the vesting period (refer note 58). This reserve shall be transferred to securities premium or general reserve on exercise or lapse of vested options respectively.

Statutory reserve

Parent Company

Statutory reserve of is created in accordance with section 45-IC of the Reserve Bank of India Act, 1934 , wherein every NBFC is required to create a Reserve Fund amounting to a sum of not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of dividends, if any. Appropriation from this reserve fund is permitted only for the purpose specified by RBI.

Wholly-owned subsidiary

As per guidelines for licensing of new banks in the private sector dated February 22, 2013 issued by the Reserve Bank of India, every NOFHC shall create a reserve fund and transfer therein a sum not less than 25% of its net profits every year as disclosed in the statement of profit and loss and before declaration of dividends, if any.

General reserve has been created for the purpose of meeting contingencies and unforeseen events. It is created voluntarily and each year, the Group may transfer funds to it on a voluntary basis depending on the availability of sufficient distributable profits. This reserve includes amounts transferred from Employee Stock Options Outstanding Account on lapse of vested options.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Retained earnings represents accumulated profits earned by the group and remaining undistributed as on date. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013 and rules and regulations notified by the Reserve Bank of India. It also includes accumulated amount on account of remeasurement of defined benefit plan determined based on changes in actuarial assumptions.

Debt instruments through OCI represents the accumulated gains (net of losses) arising on revaluation of Debt Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss upon disposal of those instruments.

Equity instruments through OCI represents the accumulated gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings upon disposal of such underlying instruments.

Cash flow hedge reserve represents the accumulated effective portion of the changes in the fair value gain/(loss) of hedging instruments designated as cash flow hedges. It shall be reclassified to profit or loss in accordance with the group's accounting policy.

Foreign currency translation reserve represents exchange difference arising on translation of foreign operations, recognised in other comprehensive income, as described in the accounting policy, and are accumulated within equity. The accumulated amount is reclassified to profit or loss upon disposal of the net investment in foreign operations.

28. Interest income

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Interest income on investments		
On financial assets measured at fair value through OCI	2,270.77	225.06
On financial assets measured at fair value through profit or loss	214.49	-
On financial assets measured at amortised cost	336.15	9.59
Interest on deposit with banks	579.57	801.37
Interest on government securities	71.97	18.43
Interest on unwinding of financial instruments measured at amortised cost	48.42	5.44
Total	3,521.37	1,059.89

29. Dividend income

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Financial instruments measured at fair value through profit or loss		
Dividend income	24.99	4.64
Total	24.99	4.64

30. Fees and commission income

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Management fees	4,922.94	3,832.55
Portfolio management fees	7.78	13.10
Advisory fees	2.41	-
Trusteeship fees	12.76	10.20
Total	4,945.89	3,855.85

31. Premium income from insurance business

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Premium from insurance business (net of GST)	5,122.84	750.04
Reinsurance ceded	(788.22)	(65.42)
Total	4,334.62	684.62

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

32. Net gain on fair value changes

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
On financial instruments at fair value through profit or loss		
Investments	1,003.70	1,040.26
Derivatives	(16.91)	-
Reclassification of fair value of debt instruments on derecognition from other comprehensive income	33.20	45.56
Total	1,019.99	1,085.82
Realised	2,180.88	709.67
Unrealised	(1,160.89)	376.16
Total	1,019.99	1,085.83

33. Gain on de-recognition of financial instrument

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Financial instruments at amortised cost	-	0.83
Total	-	0.83

34. Sale of services

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Software services	508.12	-
Business process outsourcing	309.99	-
Total	818.11	-

35. Other income

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Interest on income tax refund	220.07	9.30
Rental income	2.47	1.56
Profit on sale of property, plant and equipment (net)	0.37	1.93
Provisions/liabilities no longer required written back	0.61	-
Miscellaneous income	1.57	1.37
Total	225.09	14.16

36. Finance costs

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Interest on lease liability	45.69	33.82
Interest on income tax	0.85	-
Total	46.54	33.82

37. Fees and commission expense

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Fees and commission expense pertaining to life insurance business	795.87	41.16
Total	795.87	41.16

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**38. Impairment of financial instruments**

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
On financial instruments measured at amortised cost:		
Trade receivables	(0.87)	-
Security deposit	0.49	1.49
Bank balances	0.89	-
Total	0.51	1.49

39. Cost of services rendered

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Computer rental and hire charges	11.98	-
Data communication expenses	1.60	-
Consultancy charges	361.30	-
Total	374.88	-

40. Employee benefits expense

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	3,441.96	1,344.19
Contribution to provident and other funds (Refer note 56)	208.30	84.03
Share based payments (Refer note 58)	109.29	69.36
Staff welfare expense	137.55	55.21
Total	3,897.10	1,552.79

41. Depreciation and amortisation expense

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on investment property	0.36	1.07
Depreciation of property, plant and equipment	82.88	51.22
Depreciation on right-of-use assets	144.84	91.42
Amortisation of intangible assets	180.65	28.28
Total	408.73	171.99

42. Net change in insurance/investment contract liabilities

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Changes in valuation of liabilities in respect of life insurance policies	2,822.00	976.19
Total	2,822.00	976.19

43. Claims incurred pertaining to insurance business

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Claims by death	692.08	66.67
Claims by maturity	692.28	102.71
Annuities/pension payments	0.28	0.03
Surrender and withdrawals	2,300.44	419.86
Other benefits	513.45	145.11
Total	4,198.53	734.38

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

44. Other expenses

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Rent, rates and energy costs*	114.16	66.73
Repairs and maintenance	104.58	87.75
Communication costs	57.71	32.37
Printing and stationery	15.21	13.53
Advertisement and publicity	675.04	500.13
Director's fees, allowances and expenses	22.72	15.50
Auditors' fees and expenses	19.80	8.30
Legal and professional charges	346.27	184.51
Insurance	10.23	4.94
Membership and subscription	119.44	93.72
Scheme issue expenses**	55.20	47.78
Donation expenses	49.70	16.00
Corporate social responsibility expenses	61.77	66.12
Information technology expenses	663.11	192.19
Travelling and conveyance	179.64	42.94
Loss on translation of foreign currency transactions	8.39	-
Miscellaneous expense	477.31	95.41
Total	2,980.28	1,467.92

* Includes expense relating to short-term leases and leases of low value assets amounting to ₹ 18.56 million (PY ₹ 17.07 million) and the cash outflow pertaining to this is ₹ 18.36 million (PY ₹ 16.42 million).

** Scheme issue expenses are the expenses incurred by the group towards launching of schemes and plans of Bandhan Mutual Fund during the year.

45. Tax expense

The components of income tax expense recognised in profit or loss

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Current tax		
For the current year	697.87	800.79
For earlier years	(79.67)	(24.86)
	618.20	775.93
Deferred tax	1,491.39	1,639.35
Total tax expense recognised in profit or loss	2,109.59	2,415.28

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

	Year ended March 31, 2025	Year ended March 31, 2024
(₹ in million)		
Accounting profit/(loss) before tax as per statement of profit and loss	(12,633.04)	16,072.60
Tax thereon at statutory Income Tax rate	(3,179.48)	4,045.15
Adjustments		
Effect of incomes which are taxed at different rates	385.65	103.13
Effect of non-deductible expenses	2,415.48	(883.40)
Effect of favourable deductions	(376.08)	(28.24)
Employee stock options	27.51	17.46
Change in tax rate upon consolidation of associate	(1,082.95)	(1,061.80)
Effect of change in tax rate during the year*	3,369.82	-
Deferred tax not created on loss making subsidiaries	354.00	115.08
Tax for earlier years	(79.67)	(24.86)
Effect of eliminations	281.28	132.75
Others	(5.97)	0.01
Total tax expense recognised in profit or loss	2,109.59	2,415.28

* Due to increase in long term capital gain tax from 10.00% to 12.50% as per the Finance Act, 2024, the deferred tax liability created for the earlier periods has been reviewed and the differential amount thereon has been recognised during the year.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**46. Other comprehensive income**

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Items that will not be reclassified to profit or loss		
i) Remeasurement gain/(loss) on defined benefit plan	(24.34)	(3.63)
Tax impact	7.10	1.00
	(17.24)	(2.63)
ii) Share of other comprehensive income of associate	(461.40)	533.10
Tax impact on above	44.64	(61.00)
	(416.76)	472.10
Subtotal (a)	(434.00)	469.47
(b) Items that will be reclassified to profit or loss		
i) Foreign currency translation	2.46	0.02
Tax impact on above	-	-
	2.46	0.02
ii) Debt instruments through other comprehensive income	343.89	37.35
Tax impact on above	-	-
	343.89	37.35
iii) Effective portion of cash flow hedge	32.39	-
Tax impact on above	-	-
	32.39	-
iv) Share of other comprehensive income of associate	267.49	59.67
Tax impact on above	(33.43)	(6.83)
	234.06	52.84
Subtotal (b)	612.80	90.21
Total other comprehensive income (a+b)	178.80	559.68

47. Earnings per share

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Profit for the year attributable to equity shareholders	(15,077.36)	13,127.98
Weighted average number of equity shares (*)	12,78,21,101	12,78,21,101
Face value of equity shares (in ₹)	10	10
Basic and diluted earnings per share (In ₹)	(117.96)	102.71

* There are no dilutive potential equity shares issued by the Parent Company.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

48 Fair value measurement

48.a Category wise classification of financial assets and liabilities as at March 31, 2025

(₹ in million)

	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
Cash and cash equivalents	1,270.77	-	-	1,270.77
Bank balances other than cash and cash equivalents	5,702.85	-	-	5,702.85
Derivative financial instruments	-	-	15.47	15.47
Trade receivables	545.24	-	-	545.24
Loans	585.11	-	-	585.11
Investments of life insurance business	919.44	35,606.70	1,780.44	38,306.58
Other investments	1,007.22	0.50	5,971.25	6,978.97
Assets held to cover linked liabilities	351.35	-	9,012.85	9,364.20
Other financial assets	4,644.84	-	-	4,644.84
	15,026.82	35,607.20	16,780.01	67,414.03
Financial liabilities				
Trade payables	702.32	-	-	702.32
Other payables	52.16	-	-	52.16
Policyholders' liabilities	49,170.13	-	-	49,170.13
Other financial liabilities	2,071.29	-	-	2,071.29
	51,995.90	-	-	51,995.90

48.b Category wise classification of financial assets and liabilities as at March 31, 2024

(₹ in million)

	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
Cash and cash equivalents	2,712.17	-	-	2,712.17
Bank balances other than cash and cash equivalents	6,902.97	-	-	6,902.97
Derivative financial instruments	-	-	-	-
Trade receivables	331.91	-	-	331.91
Loans	523.95	-	-	523.95
Investments of life insurance business	2,035.24	30,530.03	1,391.04	33,956.31
Other investments	1,007.05	0.50	6,033.25	7,040.80
Assets held to cover linked liabilities	181.82	-	10,028.18	10,210.00
Other financial assets	3,969.51	-	-	3,969.51
	17,664.62	30,530.53	17,452.47	65,647.62
Financial liabilities				
Trade payables	568.82	-	-	568.82
Other payables	22.85	-	-	22.85
Policyholders' liabilities	46,204.91	-	-	46,204.91
Other financial liabilities	2,020.42	-	-	2,020.42
	48,817.00	-	-	48,817.00

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

48.c Financial instruments by fair value hierarchy

The fair value hierarchy is based on inputs to valuation technique that are used to measure fair value that are observable and unobservable and consists of following three levels:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Inputs not based on observable market data (unobservable inputs). Fair value in this level is determined wholly or in part, using valuation model based on assumptions which are neither supported by observable prices nor based on available market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy :

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
A) At Fair value through profit or loss				
Equity instruments	374.88	-	103.77	478.65
Alternate investment funds	-	151.08	-	151.08
Mutual funds	5,341.52	-	-	5,341.52
Financial assets related to life insurance business				
Policyholders	1,714.44	-	-	1,714.44
Shareholders	-	-	66.00	66.00
Assets held to cover linked liabilities	7,542.33	1,470.52	-	9,012.85
Derivative assets	-	15.47	-	15.47
B) At Fair value through other comprehensive income				
Equity instruments	-	0.50	-	0.50
Financial assets related to life insurance business				
Policyholders	-	34,248.99	-	34,248.99
Shareholders	-	1,357.71	-	1,357.71
C) At Amortised cost				
Government securities	1,007.22	-	-	1,007.22
Financial assets related to life insurance business				
Policyholders	-	663.00	-	663.00
Shareholders	-	256.44	-	256.44
Assets held to cover linked liabilities	-	351.35	-	351.35
	15,980.39	38,515.06	169.77	54,665.22

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
A) At Fair value through profit or loss				
Equity instruments	507.00	-	105.82	612.82
Alternate investment funds	-	140.42	-	140.42
Mutual funds	5,280.01	-	-	5,280.01
Financial assets related to life insurance business				
Policyholders	1,391.04	-	-	1,391.04
Shareholders	-	-	-	-
Assets held to cover linked liabilities	8,442.15	1,586.03	-	10,028.18
B) At Fair value through other comprehensive income				
Equity instruments	-	0.50	-	0.50
Financial assets related to life insurance business				
Policyholders	-	30,349.57	-	30,349.57
Shareholders	-	180.46	-	180.46
C) At Amortised cost				
Government securities	1,007.05	-	-	1,007.05
Financial assets related to life insurance business				
Policyholders	-	1,321.43	-	1,321.43
Shareholders	-	713.81	-	713.81
Assets held to cover linked liabilities	-	181.82	-	181.82
	16,627.25	34,474.04	105.82	51,207.11

Note: There is no movement between Level 1 and Level 2 fair values during the current year or previous year.

48.d Fair value measurements using significant unobservable inputs (level 3)

(₹ in million)

	Unlisted equity securities
As at the beginning of April 1, 2023	102.64
Acquisitions	-
Gains/(losses) recognised in consolidated statement of profit and loss	3.18
As at March 31, 2024	105.82
Acquisitions	66.00
Gains/(losses) recognised in consolidated statement of profit and loss	(2.05)
As at March 31, 2025	169.77

48.e Valuation technique

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets and other financial liabilities:

The management assessed that the fair value for these financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of other financial assets and other financial liabilities, which are non-current in nature, is estimated using discounted cash flow techniques, applying the rates that are offered for instruments of similar maturities and terms.

Investments:

The fair value of alternate investment fund units is determined using observable NAV representing repurchase price issued by the alternate investment funds. However, the group may perform an adjustment (e.g. liquidity valuation adjustment in case of thinly traded investment) to the NAV if they consider the same as significant in order to derive the fair value of the Level 2 classified investments.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The fair value of the investments in mutual fund units is based on the Net Assets Value (NAV) as stated in the published statements as at the balance sheet date by the issuer of these units. NAV represents the price at which the issuer will issue further such units and the price at which the issuer will redeem such units from the investors.

The fair value of ETFs is determined using the quoted market prices available on the stock exchanges (e.g., NSE/BSE) as at the reporting date. ETF are classified as Level 1.

The investment in Mutual Fund utility (MFU) participation shares (classified under FVOCI) entitles access to MFU a transaction aggregating portal that enables free access to investors for NAV and other scheme related content across mutual funds. The Association of Mutual Funds in India mandates this investment for all the asset management companies in proportion of their assets under management (AUM) to access MFU. These units do not carry any participation in the net assets of MFU and will be redeemed at their face value when the AMC exits the platform. Accordingly the face value of the units is considered as a reasonable approximation of its fair value being the actual amount recoverable on exit from the platform.

The investment in AMC Repo Clearing Limited (ARCL) is valued at a cost approach. The cost approach values the underlying assets of the business to determine the business value. In the case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets Less Liabilities) of the relevant subsidiary. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. This valuation method carries more weight considering the fact that the relevant subsidiary is not carrying on any material commercial business operations and in the absence of any projected financial statements providing true reflection of the potential of future business operations over the sufficient time period with reasonable certainty.

The fair value of financial instruments being listed equity securities traded in active markets is based on quoted market prices at the end of the reporting period. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date using Net Assets Value method at instrument level. Fair value of unlisted equity securities are classified at Level 3.

The Fair Values of investments made by the insurance business in Government Securities are based on valuation report from CRISIL as at the reporting period and are classified as Level 2.

Fair value of the debt securities invested by the insurance business is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Wherever debt securities are traded actively, Company has used price quoted at Stock Exchanges; in other cases CRISIL Corporate Bond Valuation model for measuring fair value i.e., fair value has been computed using the Fixed Income Money Market and Derivatives Association of India ("FIMMDA") data on corporate bond spreads, and such instruments are classified as Level 2.

48.f The following table summarises the quantitative information about the significant unobservable input used in level 3 fair value measurements.

(₹ in million)

	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2025	March 31, 2024		
Unquoted equity shares	103.77	105.82	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 1.04 million (PY ₹ 1.06 million). Decrease in net asset value by 1% would decrease value by ₹ 1.04 million (PY ₹ 1.06 million).
Unquoted equity shares	66.00	-	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 0.66 million (PY Nil). Decrease in net asset value by 1% would decrease value by ₹ 0.66 million (PY Nil).

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

49A Risk Management Framework of the Group other than Asset Management and Life Insurance business.

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Group's risk management is the responsibility of the Risk Management Committee and the Board of Directors, which approves risk policies and the delegation matrix. The Board is supported by the Risk Management committees and the Audit Committee as part of the Risk Governance framework. The Group operates within overall limits set by the Board and Committees to whom powers are delegated by the Board.

The Audit Committee of the Board assists the Board in carrying out its oversight responsibilities as they relate to the Group's financial and other reporting practices, internal control, and compliance with laws, regulations, and ethics. From risk management perspective, Risk Management committees and Audit Committee reviews the adequacy of Group's risk management policies, processes and report the matter to the Board of Directors.

The financial instruments held by the Group expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

i. Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from its investment transactions.

The Group is exposed to credit risk, primarily from deposits with banks, trade receivables, investments in mutual funds and government securities. Group's deployment in fixed deposits are primarily with highly rated banks and financial institutions and mutual fund schemes of leading fund houses. With respect to the Group's investing activities, mutual fund schemes and counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are having investment grade/ sovereign credit ratings and taking into account the experience of the Group over time, the credit risk attached to such assets is considered to be insignificant.

Trade receivables and other receivables have been considered to have a low credit risk as they meet the following criteria:

- they have a low risk of default,
- the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
- the Group expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

Reconciliation of impairment allowance

Impairment allowance measured as per general approach	(₹ in million)
Impairment allowance as at beginning of April 1, 2023	-
Add/(less): changes during the year	-
Impairment allowance as at March 31, 2024	-
Additions on business combination	1.81
Add/(less): changes during the year	0.04
Impairment allowance as at March 31, 2025*	1.85

* On security deposits, fixed deposits, trade receivables and cash and cash equivalents.

The Group's exposure to credit risk is limited to the carrying amount of the following assets recognised at the reporting date, as summarised below:

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	113.27	1,359.40
Bank balances other than cash and cash equivalents above	5,687.63	6,876.32
Trade receivables	295.40	-
Loans	15.42	-
Investments	1,940.45	3,281.12
Other financial assets	12.35	0.44

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Group believes that cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Group has no external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed cash flows as at the balance sheet date:

(₹ in million)

As at March 31, 2025	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	87.97	-	-	87.97
Other payables	52.16	-	-	52.16
Other Financial Liabilities	95.07	177.57	111.32	383.96
Total	235.20	177.57	111.32	524.09

(₹ in million)

As at March 31, 2024	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	3.85	-	-	3.85
Other payables	18.06	-	-	18.06
Other Financial Liabilities	25.79	55.18	2.06	83.03
Total	47.70	55.18	2.06	104.94

The group believes that its working capital is sufficient to meet the financial liabilities within the above maturity periods.

iii. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes. Market risk is attributable to all market risk sensitive financial instruments.

The Group always regard that managing the risks that affect its business as a fundamental activity, as they influence performance, reputation and future success. Effective risk management involves taking an integrated and balanced approach to risk and reward, and assists in achieving objectives of mitigating potential loss or damage and optimizing financial growth opportunities. Risk Management framework of the group is aimed at aligning capital to investment strategy, to protect group's financial strength, reputation and to ensure support to various investment activities while enhancing shareholder value.

a. Interest rate risk:

Interest rate risk is where the Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. The Group does not have any variable rate borrowings.

The Group is exposed to risk of changes in market interest rates primarily relating to the investment in fixed deposits. However, as the fixed rate investments comprising deposits with Banks are carried at amortised cost, they are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest.

There are investments in fixed rate debt securities measured at fair value through profit or loss. Such investments are susceptible to market price risk that arise mainly from changes in interest rates which may impact the return and value of such investments. However, given their relatively short tenure of the underlying portfolio of debt mutual fund schemes in which the Group has invested, such price risk is not significant.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's foreign currency transactions are in USD, CAD and GBP for sale of services/purchase of services.

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	(₹ equivalent in million)		
	USD	CAD*	GBP
Financial assets			
Trade receivables	0.83	-	0.01
	(-)	(-)	(-)
Financial liabilities			
Trade payables**	1.03	-	-
	(-)	(-)	(-)
Unhedged foreign currency exposure (net)	(0.20)	-	0.01
	(-)	(-)	(-)

* The amount is below the rounding off norms.

** Sitting fees and due diligence fees.

Previous year figures are disclosed in parenthesis.

Sensitivity analysis of the above exposure, considering the materiality aspect, has not been disclosed.

c. Price risk

Price risk is the risk that the financial assets at fair value may fluctuate as a result of changes in market prices. The Group is not exposed to price risk as it does not have any investment in equity oriented securities.

49B Financial risk management for Asset management business

49B.1 Introduction

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial instruments held by the Group expose it to a variety of financial risks: market risk, credit risk and liquidity risk. In addition, the Group is indirectly exposed to market risk through management fee income which is determined by the assets under management of the schemes of Bandhan Mutual Fund. The Group uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

49B.2 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from its investment transactions.

Credit risk is monitored on an ongoing basis by the Group in accordance with its policies and procedures. The Group is exposed to credit risk from investments held in units of the funds it manages. These investments are measured at fair value through profit or loss. The Group has no significant concentration of credit risk.

The Group's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, deposits with banks, security deposits, trade receivables and other receivables.

Trade receivables and other receivables have been considered to have a low credit risk as they meet the following criteria:

- they have a low risk of default,
- the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
- the Group expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfill its obligations.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The Group has placed security deposit with lessors for premises leased by the Group aggregating to ₹ 61.72 million as at March 31, 2025 (previous year ₹ 51.87 million). Where the Group perceives any significant decline in credit risk of the lessors and the amount of security deposit is material the Group has provided for expected credit losses on such security deposits.

The exposure to security deposit is considered in stage 1 and accordingly impairment loss is charged considering 12 months expected credit loss model. The ECL computation is done based on the formula Exposure at default (EAD)*Probability of default (PD)*Loss given default (LGD) where:

- Exposure at default (EAD) is based on the amount that the Group expects to be owed at the time of default, over the next 12 months (12M EAD).

- The Probability of default (PD) represents the likelihood of a counterparty defaulting on its financial obligation over the next 12 months (12M PD).

- Loss given default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty.

The following table contains an analysis of the credit risk exposure of security deposits for which an ECL allowance is recognised. The gross carrying amount of security deposit below also represents the Group's maximum exposure to credit risk on these assets.

As at March 31, 2025

	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	32.01	24.20%	45.00%	3.48
		Others	29.71	24.20%	65.00%	4.67
	Total		61.72			8.15

As at March 31, 2024

	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	25.83	26.92%	45.00%	3.13
		Others	26.04	26.92%	65.00%	4.55
	Total		51.87			7.68

Reconciliation of impairment allowance on security deposit

Impairment allowance measured as per general approach	(₹ in million)
Impairment allowance as at the beginning of April 1, 2023	6.19
Add/(less): changes during the year	1.49
Impairment allowance as at March 31, 2024	7.68
Add/(less): changes during the year	0.47
Impairment allowance as at March 31, 2025	8.15

Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions, credit risk on them is, therefore, insignificant.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The Group's exposure to credit risk is limited to the carrying amount of the following assets recognised at the reporting date, as summarised below:

	As at March 31, 2025	As at March 31, 2024
Investments	5,038.52	3,759.68
Trade receivables	180.32	255.05
Cash and cash equivalents	43.98	20.88
Bank balances other than cash and cash equivalents above	15.22	26.65
Other financial assets	54.89	44.36

(₹ in million)

49B.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Group believes that current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Group has no external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the balance sheet date:

As at March 31, 2025	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	176.20	-	-	176.20
Other payables	-	-	-	-
Other financial liabilities	801.36	327.26	15.89	1,144.51
Total	977.56	327.26	15.89	1,320.71

(₹ in million)

As at March 31, 2024	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	250.03	-	-	250.03
Other payables	4.79	-	-	4.79
Other financial liabilities	537.67	359.80	8.22	905.69
Total	792.49	359.80	8.22	1,160.51

(₹ in million)

49B.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes. Market risk is attributable to all market risk sensitive financial instruments.

i) Interest rate risk:

Interest rate risk is where the Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

The Group does not have any variable rate borrowings. There are some investments in fixed rate debt securities measured at fair value through profit or loss.

The Group is exposed to interest rate risk from investments held in debt oriented units of the schemes of the mutual fund it manages. The exposure of debt oriented fund units to interest rate risk is measured using the sensitivity analysis as follows:

Exposure

	As at March 31, 2025	As at March 31, 2024
Investment in mutual fund units (debt)	3,325.80	2,155.48

(₹ in million)

	Impact on profit after tax and equity	
	March 31, 2025	March 31, 2024
Increase 100 basis points (bps) (previous year 100 bps)*	24.45	18.15
Decrease 100 basis points (bps) (previous year 100 bps)*	(24.45)	(18.15)

(₹ in million)

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

*Group has investment in various debt oriented mutual funds which are tracked to different benchmarks. The sensitivity analysis for these investments is performed with reference to respective benchmarks. The analysis is based on the assumption of keeping all other variables constant.

There is no change in the method and assumptions used for computing the above sensitivity as compared to the previous year.

ii) Foreign currency risk:

The Group does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the statement of profit and loss due to change in foreign currency exchange rates.

iii) Price risk:

Price risk is the risk that the financial assets at fair value may fluctuate as a result of changes in market prices.

The Group is mainly exposed to price risk due to its investment in equity oriented mutual fund units, alternate investment fund units and equity instruments classified as fair value through profit and loss / fair value through other comprehensive income. Price risk arises due to uncertainties in the prices of the underlying securities in the schemes of the mutual fund which the Group manages, the alternate investment funds and venture capital funds. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification is done in accordance with the limits set by the risk management policies of the Group.

Exposure

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Investment in mutual fund units (equity-oriented)	1,082.49	850.46
Investment in alternate investment fund units	151.08	140.42
Investment in equity instruments	478.65	612.82
Total	1,712.22	1,603.70

Sensitivity***Investment in mutual fund units and alternate investment fund units***

The table summarises the impact of the increase/decrease in NAV of mutual fund units and alternate investment fund units on the Group's equity and profit for the year.

(₹ in million)

	Impact on profit after tax*	
	Year ended March 31, 2025	Year ended March 31, 2024
Investment in mutual fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	7.62	5.85
- Decrease 100 basis points (bps) (previous year 100 bps)	(7.62)	(5.85)
Investment in alternate investment fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	1.55	1.09
- Decrease 100 basis points (bps) (previous year 100 bps)	(1.55)	(1.09)

*Group has investment in various equity oriented mutual funds and alternate investment funds which are tracked to different benchmarks. The sensitivity analysis for these investments is performed with reference to respective benchmarks.

The analysis is based on the assumption keeping all other variables constant. There is no change in the method and assumptions used for computing the above sensitivity as compared to the previous year.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Investment in equity instruments

The majority of the Group's investments in equity instruments is in Gandhar Oil Refinery (India) Ltd (GORL) and through Bandhan NEO Equity Portfolio which are publicly traded and are included in the BSE 200 Index. The table below summarises the impact of increase/decrease of the benchmark index on the Group's equity and profit for the year. The analysis is based on the assumption that the equity index had increased by 15% (previous year 15%) or decreased by 15% (previous year 15%) with all other variables held constant, and that all the Group's equity instruments moved in line with the benchmark index BSE 200.

(₹ in million)

	Impact on profit after tax and equity*	
	Year ended March 31, 2025	Year ended March 31, 2024
BSE 200		
- Increase by 15% (previous year 15%)	6.62	10.52
- Decrease by 15% (previous year 15%)	(6.62)	(10.52)

*The sensitivity analysis represents movement as at the March 31, 2025 and March 31, 2024 and does not represent movement during the year.

There is no change in the method and assumptions used for computing the above sensitivity as compared to the previous year.

49C Risk management for Life Insurance Business

49C.1 Governance Framework

The primary objective of Group's risk and financial management framework is to protect Group's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The Group has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

The Group has a risk balancing approach and follows the process of risk evaluation, monitoring and control. The Group has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors of the Group have an overall responsibility for the establishment and oversight of Group's risk management framework. This is supplemented with the clear organisational structure and documented delegated authorities and responsibilities from the board of directors of the Group to various executive management committees.

Capital management objectives, policies and approach

The primary source of capital used by the Group is Equity. Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board of the Group.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of Group, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of Group are subject to regulatory requirement within the jurisdiction it operates.

Insurance risk

Group's main lines of business are Participating Life (Individual), Non-Participating Life (Individual and Group) and Unit Linked Life (Individual and Group). Group has presence in Non-Participating Health (Individual), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, Group underwrites risks and provides financial protection. In doing so, Group is exposed to various risks.

The principal risk Group faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of Group is to ensure that sufficient reserves are available to cover these liabilities.

Group has developed a risk strategy to manage the risks appropriately. Group's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. Group mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features (DPF):

Group is required to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where Group has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, Group classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

The main Insurance Risks that Group is exposed to are as follows:

- (i) Persistency risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.
- (ii) Mortality risk - Risk of loss arising due to policyholder mortality experience being different than expected.
- (iii) Investment risk - Risk of loss arising from actual returns being different than expected.
- (iv) Expense risk - Risk of loss arising from expense experience being different than expected.
- (v) Reinsurance risk - Group enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
- (vi) Concentration risk - Group faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control measures:

Group has set up Risk Management framework to continuously monitor Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim pay-outs.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process. Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of Group.

Operational risks within Group are categorized into 6 (six) types namely:

- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

Risk control and mitigation plan forms important part of the risk management processes within Group. Group ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. Operational risk impact within Group is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization.

The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

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49C.2 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, the Group has bucketed both expected asset and liability cash flows into maturity buckets, and adopted a policy of investing assets with timing of liability cash flow requirements in mind and monitoring future liquidity position on a continuous basis. The Group actively monitors and controls the rating and maturity profile of its investments to avoid re-investment/asset liquidation/concentration risk.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption in cash flow. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and the Group specifically.

Solvency ratios

One of the measure by the Group to manage the liquidity risk and funding management is to monitor solvency ratio. The Group has a robust system to monitor the Solvency Ratios periodically. For further details refer note 60 on Capital Management.

Solvency ratio (As per Indian GAAP)	₹ in million	
	As at March 31, 2025	As at March 31, 2024
Available solvency margin (ASM)	5,132.50	4,249.70
Required solvency margin (RSM)	1,906.41	1,712.78
Solvency ratio (ASM/RSM)	2.69	2.48

Analysis of financial liabilities, by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the the financial liabilities pertaining to Life Insurance Business, as at March 31, 2025 and March 31, 2024.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date.

₹ in million				
As at March 31, 2025	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	438.15	-	-	438.15
Policyholders' liabilities*	7,258.86	8,642.83	33,268.44	49,170.13
Other financial liabilities	683.34	15.39	-	698.73
Total	8,380.35	8,658.22	33,268.44	50,307.01

₹ in million				
As at March 31, 2024	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	314.94	-	-	314.94
Policyholders' liabilities*	6,685.29	7,978.89	31,540.73	46,204.91
Other financial liabilities	1,144.32	13.24	-	1,157.56
Total	8,144.55	7,992.13	31,540.73	47,677.41

*The policyholders' liabilities has been taken based on the valuation done by the actuarial valuers and disclosed by the concerned subsidiary in their financial statements.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**49C.3 Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Group's market risk policy sets out the assessment and determination of what constitutes market risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.

The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund.

The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

49C.3a Interest rate risk

Interest rate risk is a key investment risk as it has an impact on the present value of cash flows of assets and liabilities, and therefore, ultimately affects profitability.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group does not have any variable rate borrowings. There are some investments in fixed rate debt securities which are measured at fair value through OCI, accordingly sensitivity analysis with respect to profit after tax has not been disclosed.

Refer Note 55 for the details on hedging done by the group against the interest rate risk.

49C.3b Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. There are no foreign currency exposure as on March 31, 2025 and March 31, 2024.

49C.3c Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business. The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector and market.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

49C.3d Credit risk

Credit risk is the risk that one party of the financial instrument will cause a financial loss to another party by failing to discharge an obligation. Group is subject to credit risk in connection with issuers of securities held in the investment portfolio and reinsurers. Losses may occur when a counterparty fails to make timely payments, pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realised or unrealised losses and increase the provisions for asset default, adversely impacting earnings. Governance structure, in the form of Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal Norms are built in the Investment system, which monitors the investment limits and exposure norms on real-time basis. The policyholders' funds are invested in accordance with regulatory norms, investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment. Majority of the investments are made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating.

Credit exposure by credit rating as at March 31, 2025

(₹ in million)

	UNR	Sovereign	AAA	AA+	Others	Total
Financial assets at FVTOCI						
Policyholders:						
Debt	-	-	13,214.36	1,108.94	-	14,323.30
Government securities	-	19,925.69	-	-	-	19,925.69
Shareholders:						
Debt	-	-	1,010.66	-	-	1,010.66
Government securities	-	347.05	-	-	-	347.05
	-	20,272.74	14,225.02	1,108.94	-	35,606.70
Financial assets at FVTPL						
Policyholders:						
Equity	9,256.77	-	-	-	-	9,256.77
Debt	-	-	485.61	47.62	-	533.23
Government securities	-	937.29	-	-	-	937.29
Shareholders:						
Equity	-	-	-	-	66.00	66.00
	9,256.77	937.29	485.61	47.62	66.00	10,793.29
Financial assets at amortised cost						
Policyholders:						
Government securities	-	1,014.35	-	-	-	1,014.35
Shareholders:						
Government securities	-	256.44	-	-	-	256.44
	-	1,270.79	-	-	-	1,270.79
Total credit risk exposure	9,256.77	22,480.82	14,710.63	1,156.56	66.00	47,670.78

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Credit exposure by credit rating as at March 31, 2024

(₹ in million)

	UNR	Sovereign	AAA	AA+	Others	Total
Financial assets at FVTOCI						
Policyholders:						
Debt	-	-	11,214.54	932.80	-	12,147.34
Government securities	-	18,202.23	-	-	-	18,202.23
Shareholders:						
Debt	-	-	80.35	-	-	80.35
Government securities	-	100.11	-	-	-	100.11
	-	18,302.34	11,294.89	932.80	-	30,530.03

Financial assets at FVTPL

Policyholders:						
Equity	9,833.19	-	-	-	-	9,833.19
Debt	-	-	520.39	99.68	-	620.07
Government securities	-	965.96	-	-	-	965.96
Shareholders:						
Equity	-	-	-	-	-	-
	9,833.19	965.96	520.39	99.68	-	11,419.22

Financial assets at amortised cost

Policyholders:						
Government securities	-	1,503.25	-	-	-	1,503.25
Shareholders:						
Government securities	-	713.81	-	-	-	713.81
	-	2,217.06	-	-	-	2,217.06
Total credit risk exposure	9,833.19	21,485.36	11,815.28	1,032.48	-	44,166.31

50 Key disclosures related to life insurance business

a. Life insurance and investment contract liability

(₹ in million)

As at March 31, 2025				
	With DPF	Linked business	Others	Total
Insurance contract liability				
Life	15,260.04	9,654.78	23,770.67	48,685.49
Health	-	-	-	-
Annuity	-	-	-	-
Pension	54.96	-	-	54.96
Total	15,315.00	9,654.78	23,770.67	48,740.45
Investment contract liability				
Life	-	99.49	-	99.49
Health	-	-	-	-
Annuity	-	-	-	-
Pension	-	330.19	-	330.19
Total	-	429.68	-	429.68
Grand total	15,315.00	10,084.46	23,770.67	49,170.13

As at March 31, 2024				
	With DPF	Linked business	Others	Total
Insurance contract liability				
Life	14,345.80	10,261.29	21,099.45	45,706.54
Health	-	-	-	-
Annuity	-	-	-	-
Pension	50.99	-	-	50.99
Total	14,396.79	10,261.29	21,099.45	45,757.53
Investment contract liability				
Life	-	80.84	-	80.84
Health	-	-	-	-
Annuity	-	-	-	-
Pension	-	366.54	-	366.54
Total	-	447.38	-	447.38
Grand total	14,396.79	10,708.67	21,099.45	46,204.91

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

b. Movement of life insurance contract liabilities

(₹ in million)

For the year ended March 31, 2025				
	With DPF	Linked business	Others	Total
Gross liability as at March 31, 2024	14,396.79	10,261.29	21,099.45	45,757.53
Add/(Less):				
Premium	810.10	998.42	3,250.97	5,059.49
Unwinding of the discount / Interest credited	903.14	674.60	1,408.95	2,986.69
Changes in valuation for expected future benefits	(877.56)	(2,114.05)	(1,768.89)	(4,760.50)
Insurance liabilities released	120.95	(13.50)	(266.52)	(159.07)
Undistributed Participating Policyholders surplus (UPPS)	53.95	0.08	-	54.03
Others	(92.37)	(152.06)	46.71	(197.72)
Change in other liabilities	-	-	-	-
Gross liability as at March 31, 2025	15,315.00	9,654.78	23,770.67	48,740.45

For the period ended March 31, 2024				
	With DPF	Linked business	Others	Total
Gross liability as at February 23, 2024	14,300.21	10,605.04	19,609.51	44,514.76
Add/(Less):				-
Premium	124.72	102.15	509.43	736.30
Unwinding of the discount/ interest credited	4.24	(25.74)	15.69	(5.81)
Changes in valuation for expected future benefits	(89.60)	(398.45)	(133.59)	(621.64)
Insurance liabilities released	(30.97)	(1.36)	(100.84)	(133.17)
Undistributed Participating Policyholders surplus (UPPS)	(120.92)	-	-	(120.92)
Others	209.11	(20.35)	1,199.25	1,388.01
Change in other liabilities	-	-	-	-
Gross liability as at March 31, 2024	14,396.79	10,261.29	21,099.45	45,757.53

c. Investment contract liabilities without DPF are stated at fair value

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The subsidiary company takes credit risk into account in assessing the fair value of the liabilities.

(₹ in million)

For the year ended March 31, 2025			
	Linked business	Others	Total
As at March 31, 2024	447.38	-	447.38
Additions	-	-	-
Premium	30.51	-	30.51
Interest and bonus credited to policyholders	8.81	-	8.81
Others	24.82	-	24.82
Deductions	-	-	-
Withdrawals/ claims	(79.51)	-	(79.51)
Fee income and other expenses	(2.33)	-	(2.33)
As at March 31, 2025	429.68	-	429.68

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

For the period ended March 31, 2024			
	Linked business	Others	Total
As at February 23, 2024	474.11	-	474.11
Additions			
Premium	1.62	-	1.62
Interest and bonus credited to policyholders	0.45	-	0.45
Others	0.74	-	0.74
Deductions			
Withdrawals/ claims	(28.87)	-	(28.87)
Fee income and other expenses	(0.67)	-	(0.67)
As at March 31, 2024	447.38	-	447.38

Change in reinsurance assets

(₹ in million)

For the year ended March 31, 2025				
	With DPF	Linked business	Others	Total
As at March 31, 2024	19.78	2.71	2,833.04	2,855.53
Premium	8.88	2.64	776.71	788.23
Unwinding of the discount/ interest credited	1.49	0.25	199.73	201.47
Change in valuation for expected future benefits	(21.01)	(5.79)	(659.48)	(686.28)
Insurance liabilities released	3.47	2.76	(155.35)	(149.12)
As at March 31, 2025	12.61	2.57	2,994.65	3,009.83

(₹ in million)

For the period ended March 31, 2024				
	With DPF	Linked business	Others	Total
As at February 23, 2024	25.44	2.06	2,567.22	2,594.72
Premium	0.74	0.98	63.67	65.39
Unwinding of the discount/ interest credited	0.02	0.01	2.00	2.03
Change in valuation for expected future benefits	3.19	(0.34)	22.09	24.94
Insurance liabilities released	(9.61)	-	178.06	168.45
As at March 31, 2024	19.78	2.71	2,833.04	2,855.53

d. Key assumptions

Actuarial liabilities on policies in force and policies in respect of which premium has been discontinued but a liability exists are determined by the appointed actuary using generally accepted actuarial practice in accordance with the standards and guidance notes issued by the Institute of Actuaries of India, the requirement of the Insurance Act, 1938, the regulations and the relevant circulars issued by the IRDAI.

The liabilities are calculated in a manner that together with estimated future premium income and investment income, the Group can meet estimated future claims and expenses related to maintenance of policies and settlement of claims.

The liabilities under unit linked policies comprise of unit reserve and non-unit reserve, the latter being estimated using discounted cash flow method. Liabilities under non linked policies including health product are estimated using gross premium valuation method. For the short term/ long term group protection insurance business, the liability is based on the Unearned Premium Method/ Gross Premium Valuation Method.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The non-unit actuarial liabilities for individual life, pensions, annuity, health and group credit life businesses have been estimated using Gross Premium Valuation method for non-linked business, Unearned premium reserves for Group Term business and discounted cashflow method for linked business, using assumptions for investment return, mortality, morbidity, expenses, inflation and lapses.

These assumptions are based on best estimates with appropriate margins for adverse deviations. Provisions have also been made, inter alia, for 'incurred but not reported' (IBNR) claims, lapse revival reserve, Paid-up reinstatement reserve, premium deficiency for group term policies (where required), Investment guarantee reserve (if applicable), free look policy cancellations and other provisions.

For most of the eligible policies, reserves held for free-look option given to policyholders are calculated using a free look cancellation rate of 3.60% or 6.0% as applicable as at March 31, 2025 (2.40% or 6.00% as applicable as at March 31, 2024). Mortality rates used are based on the published Indian Assured Lives (IALM) (2012-14) Ultimate mortality table for assurance adjusted to reflect expected experience whilst morbidity rates used are based on Critical Illness British Table 93 and other relevant tables, also adjusted for expected experience.

The expected investment returns on assets backing the policy liabilities (excluding reserves in respect of unit linked liabilities) have been assumed to be 5.60% (> 5 years) depending on nature of liabilities, term of liabilities and assets backing the group of liabilities. For Participating business, it is 5.50% (> 5 years).

Policy maintenance expenses have been assumed based on the long term expected renewal expense levels and appropriately updated with the regulations issued by IRDAI, as applicable from time to time. Per policy renewal expenses have been assumed to inflate at a rate of 5.50% per annum.

The unit liabilities have been estimated as the value of the units standing to the credit of policyholders, using the published unit price prevailing at the valuation date. This methodology is as per the guidance provided by the IRDAI.

Portfolio assumptions impacting net liabilities	Range	Year ended March 31, 2025	Period ended March 31, 2024
Mortality rates (as a % of Indian Assured Lives Mortality (12-14))**	Max	Par: 90.75% Non Par: 159.5%	Par: 99% Non Par: 159.5%
	Min	Par: 74.25% Non Par: 33%	Par: 77% Non Par: 33%
Discount/ interest rates***	Max	Par: 6.60% Non Par: 6.45%	Par: 6.60% Non Par: 6.45%
	Min	Par: 5.40% Non Par: 5.60%	Par: 5.40% Non Par: 5.60%
Expense****	Max	Par: INR 1034 p.a Non Par: INR 1034 p.a	Par: INR 980 p.a Non Par: INR 980 p.a
	Min	Par: INR 400 p.a Non Par: INR 213 p.a	Par: INR 379 p.a Non Par: INR 201 p.a
Withdrawal rates	Max	Par: 16% Non Par: 40%	Par: 16% Non Par: 40%
	Min	Par: 0.8% Non Par: 0.8%	Par: 0.8% Non Par: 0.8%

The above assumptions are inclusive of Margin for Adverse Deviation (MAD)

** Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIA 12-15 – Indian Individual Annuity Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum has been assumed from the current rates.

*** Under Unit linked, for unit growth rate (i.e. Investment return) and FMC rate weighted average rate of various unit funds within each product is used.

**** The value of future expenses has been derived to allow for expected future maintenance expenses as applicable namely fixed per policy, renewal premium (1.1%-1.38%), fund (0.17%-0.22%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

e. Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

For the year ended March 31, 2025

(₹ in million)

Sensitivity parameters	Insurance with DPF	Insurance without DPF	Investment with DPF	Investments without DPF
Lapses increased by 10%	15,195.92	29,387.61	-	429.42
Lapses decreased by 10%	15,195.92	31,580.85	-	429.59
Mortality increased by 10%	15,195.92	31,214.76	-	429.70
Mortality decreased by 10%	15,195.92	29,696.75	-	429.25
Expenses increased by 10%	15,195.92	30,576.42	-	429.51
Expenses decreased by 10%	15,195.92	30,281.02	-	429.49
Interest rate increased by 100 bps	15,195.92	30,359.18	-	426.90
Interest rate decreased by 100 bps	15,195.92	30,509.58	-	432.62
Inflation rate increased by 100 bps	15,195.92	30,633.54	-	429.50
Inflation rate decreased by 100 bps	15,195.92	30,261.76	-	429.50

For the period ended March 31, 2024

(₹ in million)

Sensitivity Parameters	Insurance with DPF	Insurance without DPF	Investment with DPF	Investments without DPF
Lapses increased by 10%	14,259.60	27,557.60	-	447.10
Lapses decreased by 10%	14,259.60	29,597.60	-	447.20
Mortality increased by 10%	14,259.60	29,257.10	-	447.20
Mortality decreased by 10%	14,259.60	27,842.40	-	447.00
Expenses increased by 10%	14,259.60	28,663.40	-	447.10
Expenses decreased by 10%	14,259.60	28,388.60	-	447.10
Interest rate increased by 100 bps	14,259.60	28,451.90	-	444.40
Interest rate decreased by 100 bps	14,259.60	28,612.30	-	450.40
Inflation rate increased by 100 bps	14,259.60	28,716.50	-	447.10
Inflation rate decreased by 100 bps	14,259.60	28,370.70	-	447.10

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

51. Non-controlling interest (NCI)

The following table summarises the information relating to the group's subsidiaries that has material non-controlling interest (NCI) before intra-group eliminations.

I. Summarised balance sheet

(₹ in million)

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Ownership interest held by non-controlling interest	40.02%	40.02%	3.17%	3.94%
Financial assets	5,355.38	4,134.83	54,084.24	50,065.84
Non-financial assets	1,084.89	965.95	526.52	560.82
Financial liabilities	1,256.67	1,091.04	50,305.05	48,377.41
Non-financial liabilities	505.48	506.10	236.47	208.11
	4,678.12	3,503.64	4,069.24	2,041.14
NCI's share of net assets	1,872.27	1,402.22	141.33	80.32
Consolidation adjustments*	(68.36)	(24.62)	(12.29)	-
NCI's share of net assets (adjusted)	1,803.91	1,377.60	129.04	80.32

* On account of employee stock options and impact of decrease in proportionate stake of NCI.

II. Summarised statement of profit and loss and other comprehensive income

(₹ in million)

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the period ended March 31, 2024
Revenue	5,101.56	4,653.19	7,936.85	1,004.78
Profit/(loss) for the year	1,082.96	1,417.40	(2,800.01)	(920.63)
Other comprehensive income	(17.99)	(2.79)	380.11	37.68
Total comprehensive income	1,064.97	1,414.61	(2,419.90)	(882.95)
Profit/(loss) attributable to NCI	433.42	567.27	(97.25)	(36.23)
Other comprehensive income attributable to NCI	(7.20)	(1.12)	13.20	1.48

III. Summarised cash flows

(₹ in million)

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the period ended March 31, 2024
Cash flow from operating activities	1,488.09	998.26	(3,790.26)	460.43
Cash flow from investing activities	(1,326.58)	(899.76)	(163.00)	(1,265.90)
Cash flow from financing activities	(135.88)	(105.47)	3,728.42	1,248.74
Net increase/(decrease) in cash and cash equivalents	25.63	(6.97)	(224.84)	443.27

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

52 Related party transactions
A) Names of related parties and nature of relationship

Entities	Nature of relationship
Financial Inclusion Trust	Promoter entity
North East Financial Inclusion Trust	Promoter entity
Bandhan Bank Limited	Associate of wholly-owned subsidiary
Bandhan Konnagar	Promoter group entity
Bandhan AMC Limited Employees Group Gratuity Scheme	Post employment benefits plan
Bandhan Life Insurance Employees Gratuity Trust	Post employment benefits plan
The Clearing Corporation of India Limited	Entity in which the Director of step-down subsidiary is interested
Key management personnel	
Mr. Chandra Shekhar Ghosh	Director (with effect from July, 10, 2024) and Executive Director (with effect from September 5, 2024) (designated Executive Chairman by the Board)
Mr. Arvind Agrawal	Managing Director
Mr. Amrit Daga	Chief Financial Officer
Mr. Biplob Kumar Mani	Company Secretary
Mr. Karni Singh Arha	Managing Director, Bandhan Financial Holdings Limited
Mr. Debasish Mukhopadhyay	Chief Financial Officer, Bandhan Financial Holdings Limited
Mr. Abhinay Shaw	Company Secretary, Bandhan Financial Holdings Limited
Mr. Vishal Kapoor	Chief Executive Officer, Bandhan AMC Limited
Mr. Satishwar Balakrishnan	Managing Director & Chief Executive Officer, Bandhan Life Insurance Limited
Mr. Satish Subramaniam	Director (with effect from September 6, 2024), Chief Executive Officer (with effect from September 9 2024), Genisys Information Systems (I) Private Limited
Non-executive/Independent directors	
Mr. Arun Shrivastava	Independent Director
Mr. Subrata Mandal	Independent Director
Mr. Arup Kumar	Nominee Director of Small Industries Development Bank of India (upto December 4, 2024)
Mr. Sriradha Raman Saripali	Nominee Director of Small Industries Development Bank of India (with effect from December 4, 2024)
Mr. Pankaj Sood	Nominee Director of Caladium Investment Pte. Ltd.
Ms. Hulya Kefeli	Nominee Director of International Finance Corporation
Mr. Arindam Banik	Non Executive Director
Mr. Amit Kumar Hazra	Non Executive Director

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

B) Transactions and balances

i) Transactions during the year ended March 31, 2025 and March 31, 2024

(₹ in million)

	Associate	Promoter and Entity forming part of Promoter Group	Post employment benefits plan	Key Management Personnel	Non-executive/ Independent directors	Others	Total
Dividend income	966.17	-	-	-	-	-	966.17
	(966.17)	(-)	(-)	(-)	(-)	(-)	(966.17)
Dividend paid	-	285.30	-	-	-	-	285.30
	(-)	(41.13)	(-)	(-)	(-)	(-)	(41.13)
Interest income	516.32	-	-	-	-	-	516.32
	(562.08)	(-)	(-)	(-)	(-)	(-)	(562.08)
Office rent	-	0.28	-	-	-	-	0.28
	(-)	(0.26)	(-)	(-)	(-)	(-)	(0.26)
Bank charges	0.03	-	-	-	-	-	0.03
	(0.01)	(-)	(-)	(-)	(-)	(-)	(0.01)
Rental income	-	2.47	-	-	-	-	2.47
	(-)	(1.56)	(-)	(-)	(-)	(-)	(1.56)
Donations	-	49.72	-	-	-	-	49.72
	(-)	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Contribution towards CSR expenses	-	27.49	-	-	-	-	27.49
	(-)	(29.80)	(-)	(-)	(-)	(-)	(29.80)
Commission	438.65	-	-	-	-	-	438.65
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration	-	-	-	186.16	-	-	186.16
	(-)	(-)	(-)	(188.72)	(-)	(-)	(188.72)
Sitting fees*	-	-	-	-	3.21	-	3.21
	(-)	(-)	(-)	(-)	(1.63)	(-)	(1.63)
Investment transaction charges	-	-	-	-	-	0.33	0.33
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Contribution to defined benefit plan	-	-	51.07	-	-	-	51.07
	(-)	(-)	(9.58)	(-)	(-)	(-)	(9.58)

*Sitting fees have been paid to respective nominee companies of the directors.

Previous year figures are shown in parenthesis.

ii) Outstanding as at March 31, 2025 and March 31, 2024

(₹ in million)

	Associate	Promoter and Entity forming part of Promoter Group	Post employment benefits plan	Key Management Personnel	Non-executive/ Independent directors	Others	Total
Deposits	5,141.04	-	-	-	-	-	5,141.04
	(6,368.47)	(-)	(-)	(-)	(-)	(-)	(6,368.47)
Current account	91.69	-	-	-	-	-	91.69
	(7.60)	(-)	(-)	(-)	(-)	(-)	(7.60)
Rent received in advance	-	-	-	-	-	-	-
	(-)	(0.65)	(-)	(-)	(-)	(-)	(0.65)
Investment in associate accounted using equity method	1,24,711.70	-	-	-	-	-	1,24,711.70
	(1,37,489.00)	(-)	(-)	(-)	(-)	(-)	(1,37,489.00)
Donation and CSR payable	-	49.72	-	-	-	-	49.72
	(-)	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Commission payable	115.60	-	-	-	-	-	115.60
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sitting Fees payable	-	-	-	-	0.13	-	0.13
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Other receivables	-	-	1.31	-	-	-	1.31
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

C) Compensation of key management personnel

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	178.93	182.68
Post-employment benefits	7.23	6.04

In respect of the Parent Company, the amounts paid to the key management personnel includes bonus for the previous year being disbursed along with salary for the current year. Performance linked bonus is disclosed above once the same is finalized by the recommendation of the Nomination and Remuneration Committee of the Parent Company.

Expenses towards gratuity and leave encashment are determined actuarially on an overall basis at the end of the year and accordingly have not been considered above, further in respect of Parent Company, non-accumulated leave encashment balances are included above.

D) Bandhan AMC Limited is the step-down subsidiary of the Parent Company and acts as a fund manager of Bandhan Mutual Fund. The Parent Company along with its subsidiary and a step-down subsidiary invests in the schemes of Bandhan Mutual Fund in the normal course of business. The transactions and outstanding balances with Bandhan Mutual Fund are as follows:

(₹ in million)

	Year ended March 31, 2025	Year ended March 31, 2024
Net investments made during the year	826.52	852.69
Balance as at the end of reporting period	4,661.95	3,524.61

53. Maturity pattern of items of assets and liabilities

(₹ in million)

	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,270.77	-	1,270.77	2,712.17	-	2,712.17
Bank balances other than cash and cash equivalents	5,694.18	8.67	5,702.85	6,902.97	-	6,902.97
Derivative financial instruments	3.40	12.07	15.47	-	-	-
Trade receivables	545.24	-	545.24	331.91	-	331.91
Loans	15.42	569.69	585.11	39.49	484.46	523.95
Investments of life insurance business						
Policyholders	3,392.99	33,233.44	36,626.43	3,199.46	29,862.58	33,062.04
Shareholders	1,526.77	153.38	1,680.15	743.77	150.50	894.27
Other investments	4,130.60	2,848.37	6,978.97	4,368.03	2,672.77	7,040.80
Assets held to cover linked liabilities	8,024.44	1,339.76	9,364.20	9,286.97	923.03	10,210.00
Other financial assets	2,420.32	2,224.52	4,644.84	3,964.72	4.79	3,969.51
	27,024.13	40,389.90	67,414.03	31,549.49	34,098.13	65,647.62
Non-financial assets						
Current tax assets (net)	46.98	232.26	279.24	4.09	288.58	292.67
Deferred tax assets (net)	-	26.13	26.13	-	-	-
Investment property	-	-	-	-	27.31	27.31
Property, plant and equipment	-	294.94	294.94	-	166.13	166.13
Right-of-use assets	-	629.98	629.98	11.36	373.59	384.95
Capital work-in-progress	-	29.28	29.28	-	-	-
Goodwill	-	26,344.87	26,344.87	-	25,762.32	25,762.32
Other intangible assets	-	116.52	116.52	-	229.94	229.94
Investment accounted using equity method	-	1,24,711.70	1,24,711.70	-	1,37,489.00	1,37,489.00
Other non-financial assets	353.02	356.71	709.73	293.84	245.66	539.50
	400.00	1,52,742.39	1,53,142.39	309.29	1,64,582.53	1,64,891.82
Assets held for sale	26.95	-	26.95	-	-	-
Total assets	27,451.08	1,93,132.29	2,20,583.37	31,858.78	1,98,680.66	2,30,539.44

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

(₹ in million)

	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	702.32	-	702.32	568.82	-	568.82
Other payables	52.16	-	52.16	22.85	-	22.85
Policyholders' liabilities	7,258.86	41,911.27	49,170.13	6,685.29	39,519.62	46,204.91
Other financial liabilities	1,208.25	863.04	2,071.29	1,674.63	345.79	2,020.42
	9,221.59	42,774.31	51,995.90	8,951.59	39,865.41	48,817.00
Non-financial liabilities						
Current tax liabilities (net)	221.55	-	221.55	306.86	-	306.86
Provisions	131.02	99.44	230.46	44.37	32.50	76.87
Deferred tax liabilities (net)	-	15,188.36	15,188.36	37.62	13,601.12	13,638.74
Other non-financial liabilities	318.53	-	318.53	243.29	-	243.29
	671.10	15,287.80	15,958.90	632.14	13,633.62	14,265.76
Total liabilities	9,892.69	58,062.11	67,954.80	9,583.73	53,499.03	63,082.76

54. Business combination

In September 2024, the parent company acquired 100.00% equity stake and voting interest in Genisys Information Systems (I) Private Limited on September 4, 2024 from its promoters.

Further, Genisys Information Systems (I) Private Limited made acquisitions of Genisys Software Limited (USA) and Genisys Software Limited (UK) wherein it acquired 100.00% equity stake and voting interests in these companies on October 23, 2024 from its promoters.

The Genisys group companies, as above, is engaged in the business of software and BPO services. The acquisition envisages to support the group in its IT applications and environment.

A. Consideration transferred

(₹ in million)

	Genisys India	Genisys USA	Genisys UK
Cash consideration	797.40	131.92	90.45

B. Identifiable assets acquired and liabilities assumed

(₹ in million)

	Genisys India	Genisys USA	Genisys UK
Property, plant and equipment	21.58	-	-
Financial assets	351.45	189.19	72.87
Other assets	125.28	-	0.59
Total assets	498.31	189.19	73.46
Financial liabilities	84.48	91.77	13.71
Provisions	75.44	-	-
Other liabilities	46.91	9.68	1.75
Total liabilities	206.83	101.45	15.46
Net identifiable assets acquired	291.48	87.74	58.00

C. Goodwill

Goodwill of ₹ 582.55 million was recognised on acquisition primarily attributable to the stronghold of the acquiree in the software sale and BPO business.

Goodwill recognised is not deductible for tax purposes.

D. Impact of acquisition on the operating results

From the date of acquisition, the acquiree has contributed ₹ 822.24 million in revenue and ₹ 13.59 million to profit before tax.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

55. Derivative Financial Instruments

The group has during the period, as part of its hedging strategy, entered into Forward Rate Agreements (FRA) transactions to hedge the interest rate sensitivity for highly probable forecasted transactions as permitted by the IRDAI Investment Master Circular. The FRA derivative contracts are over-the-counter (OTC) transactions, agreeing to buy notional value of a debt security at a specified future date, at a price determined at the time of the contract with an objective to lock in the price of an interest bearing security at a future date.

A. The table below shows the fair value of the derivative assets and liabilities together with the notional amount (₹ in million)

As at March 31, 2025					
	Notional amount assets	Notional amount liabilities	Net notional amount	Fair value asset	Fair value liabilities
Part I					
i) Interest rate derivative	-	-	-	-	-
-Forward rate agreement	3,671.80	-	3,671.80	15.47	-
Total derivative financial instruments	3,671.80	-	3,671.80	15.47	-
Part II					
i) Derivative designated as hedges					
Interest rate risk					
-Forward rate agreement	3,671.80	-	-	15.47	-
Total derivative financial instruments (I)+(II)	3,671.80	-	-	15.47	-

Previous year comparative have not been shown separately as there were no derivative financial instruments in the previous year.

B. Notional principal and mark-to-market value of interest rate derivative outstanding and not 'highly effective' (₹ in million)

	Counterparty	As at March 31, 2025	As at March 31, 2024
7.34% GS 2064 (22/04/2064)	IDFC First Bank	3,671.80	-

C. Total notional exposure of Interest Rate Derivatives (Forward rate agreements (FRA)) outstanding as at the end of reporting period (instrument-wise) (₹ in million)

	Counterparty	As at March 31, 2025	As at March 31, 2024
7.34% GS 2064 (22/04/2064)	IDFC First Bank	3,671.80	-

D. The fair value mark to market (MTM) gains/(losses) in respect of Interest Rate Derivatives (FRA) outstanding as at the end of reporting period (instrument-wise) (₹ in million)

Hedging Instrument	As at March 31, 2025	As at March 31, 2024
7.34% GS 2064 (22/04/2064)	15.47	-

E. Loss which would be incurred if counter parties failed to fulfil their obligation under the outstanding Interest Rate Derivative contracts (₹ in million)

	As at March 31, 2025	As at March 31, 2024
Loss which would be incurred if counter parties failed to fulfil their obligation under the outstanding Interest Rate Derivative contracts (FRA)	21.00	-

Positive / Favourable MTM position of FRA counterparties has been disclosed on gross basis. Margin money is collected from counterparties as agreed in Credit Support Annex (CSA) to reduce above counterparty credit risk.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025**F. Movement in cash flow hedge reserve**

(₹ in million)

Hedge reserve account	As at March 31, 2025		
	Realized	Unrealized	Total
Balance at the beginning of the year	-	-	-
Changes in fair value during the year	-	32.39	32.39
Amount reclassified to revenue account	-	-	-
Balance at the year end	-	32.39	32.39

(₹ in million)

Hedge reserve account	As at March 31, 2024		
	Realized	Unrealized	Total
Balance at the beginning of the year	-	-	-
Changes in fair value during the year	-	-	-
Amount reclassified to revenue account	-	-	-
Balance at the year end	-	-	-

G. Interest Rate Derivative - Counterparty exposure

(₹ in million)

	As at March 31, 2025	As at March 31, 2024
Name of the counterparty	IDFC First Bank	-
Hedge designation	Cash flow hedge	-
Derivative contract	Forward Rate Agreement	-
Credit exposure	146.73	-
Likely impact of 1 bps increase in interest rate	-	-
-Derivative	(3.84)	-
-Underlying being hedged	3.85	-

56 Employee benefit obligations**a) Defined Contribution Plan**

The Group has recognised the following amounts in the consolidated statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	Year ended March 31, 2025	Year ended March 31, 2024
Provident fund	135.22	42.06
Superannuation fund	9.60	6.89
Labour welfare fund	0.02	0.01
Total	144.84	48.96

b) Defined benefit plans

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, an employee who has completed five years of continuous service is entitled to the gratuity. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits depend on the member's length of service and salary at the time of cessation of the employment contract with the respective company.

The Parent Company and its subsidiary companies, Bandhan Financial Holdings Limited and Genisys Information Systems (India) Private Limited have an unfunded defined benefit gratuity plan, necessary disclosures as per Ind AS 19. The step-down subsidiary companies viz, Bandhan Life Insurance Limited, Bandhan AMC Limited and Bandhan Mutual Fund Trustee Limited have a funded defined benefit gratuity plan, necessary disclosures as per Ind AS 19 are provided below.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance sheet (all amounts in ₹ million)	Unfunded			Funded			
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Impact of Asset ceiling	Net amount
As at the beginning of April 1, 2023	1.24	-	1.24	191.39	182.28	0.14	9.25
On business combination	-	-	-	54.94	52.62	-	2.32
Current service cost	0.64	-	0.64	33.40	-	-	33.40
Interest expense/(income)	0.09	-	0.09	14.09	14.00	0.01	0.10
Return on plan assets	-	-	-	-	(1.58)	-	1.58
Actuarial loss / (gain) arising from change in financial assumptions	0.04	-	0.04	11.52	-	-	11.52
Actuarial loss / (gain) arising from change in demographic assumptions	0.13	-	0.13	(0.15)	-	-	(0.15)
Actuarial loss / (gain) arising on account of experience changes	0.12	-	0.12	(8.89)	-	-	(8.89)
Liabilities assumed/settled	-	-	-	-	-	-	-
Tax adjustments	(0.12)	-	(0.12)	-	-	-	-
Changes in surplus/deficit	-	-	-	-	-	(0.07)	(0.07)
Employer contributions	-	-	-	-	9.58	-	(9.58)
Benefit payments	-	-	-	(39.48)	(39.48)	-	-
Past service cost	-	-	-	-	-	-	-
As at March 31, 2024	2.14	-	2.14	256.82	217.42	0.08	39.48
On business combination	24.15	-	24.15	-	-	-	-
Current service cost	4.69	-	4.69	61.07	-	-	61.07
Interest expense/(income)	1.11	-	1.11	17.85	15.46	-	2.39
Return on plan assets	-	-	-	-	(0.89)	-	0.89
Actuarial loss / (gain) arising from change in financial assumptions	3.53	-	3.53	12.54	-	-	12.54
Actuarial loss / (gain) arising from change in demographic assumptions	4.99	-	4.99	(5.05)	-	-	(5.05)
Actuarial loss / (gain) arising on account of experience changes	(4.27)	-	(4.27)	11.79	-	-	11.79
Liabilities assumed/settled	-	-	-	-	0.10	-	(0.10)
Tax adjustments	0.11	-	0.11	-	-	-	-
Changes in surplus/deficit	-	-	-	-	-	(0.08)	(0.08)
Employer contributions	-	-	-	-	51.07	-	(51.07)
Benefit payments	(4.36)	-	(4.36)	(31.43)	(31.43)	-	-
Past service cost	-	-	-	-	-	-	-
As at March 31, 2025	32.09	-	32.09	323.59	251.73	0.00	71.86

(₹ in million)

	Unfunded		Funded	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Present value of plan liabilities	32.09	2.14	323.59	256.82
Fair value of plan assets	-	-	251.73	217.34
Plan liability (net of plan assets)	32.09	2.14	71.86	39.48

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

ii) Costs recognised in profit or loss (all amounts in ₹ million)	Unfunded		Funded	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Employee benefit expense				
Current service costs	4.69	0.64	61.07	33.40
Total	4.69	0.64	61.07	33.40
Finance costs	1.11	0.09	2.39	0.10
Past service costs	-	-	-	-
(Gains)/losses on settlement	-	-	-	-
Net impact on the profit before tax	5.79	0.73	63.46	33.50

iii) Costs recognised in other comprehensive income (all amounts in ₹ million)	Unfunded		Funded	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Remeasurements of the net defined benefit liability:				
Return on plan assets excluding amounts included in interest expense/income	-	-	(0.89)	(1.58)
Actuarial gains/(losses) arising from changes in demographic assumptions	(4.99)	(0.13)	5.05	0.15
Actuarial gains/(losses) arising from changes in financial assumptions	(3.53)	(0.04)	(12.54)	(11.52)
Actuarial gains/(losses) arising from changes in experience	4.27	(0.12)	(11.79)	8.89
Adjustment to recognize the effect of asset ceiling	-	-	0.08	0.07
Net impact on the other comprehensive income before tax	(4.25)	(0.29)	(20.09)	(3.99)

iv) Defined benefit plan assets Category of assets (% allocation)	Unfunded		Funded	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Insurer managed funds				
- Investment funds with insurance companies	-	-	27.58%	24.54%
- Government securities	-	-	12.56%	26.53%
- Deposit and money market securities	-	-	4.40%	5.84%
- Debentures / bonds	-	-	55.46%	43.09%

v) Major actuarial assumptions

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.40% to 6.80%	7.00% to 7.20%
Salary escalation rate*	7.00% to 12.00%	7.80% to 12.00%
Withdrawal/attrition rate	0% to 50%	0% to 22%

* takes into account inflation, seniority, promotions and other relevant factors.

Future mortality assumptions are based on the statistics published by the insurance regulatory and development authority of India.

vi) Maturity

The defined benefit obligations shall mature after the year end as follows:

	As at March 31, 2025	As at March 31, 2024
Within the next 12 months	965.73	63.65
Between 2 and 5 years	670.39	414.85
Beyond 6 years	1,910.94	1,417.15
Total expected payments	3,547.06	1,895.65

(₹ in million)

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

vii) Sensitivity (all amounts in ₹ million)

As at March 31, 2025	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	100 bps	(3.60)	3.88
Salary escalation rate	100 bps	97.57	(96.08)

As at March 31, 2025	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50 bps	(12.13)	13.03
Salary escalation rate	50 bps	12.54	(11.80)

As at March 31, 2024	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	100 bps	(0.43)	0.49
Salary escalation rate	100 bps	0.46	(0.42)

As at March 31, 2024	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50 bps	(9.49)	10.18
Salary escalation rate	50 bps	9.84	(9.26)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

viii) Weighted Average Duration of Defined Benefit Obligation

The weighted average duration of the Defined Benefit Obligation is 4 years-10 years (March 31, 2024: 5 years-10.63 years).

57 Additional regulatory information required by Schedule III to the Companies Act, 2013

i) Details of Benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Group does not have any borrowings from banks and financial institutions on the basis of security of current assets.

iii) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) Relationship with struck off companies

The Group has not entered into any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v) Restrictions on number of layers

The Parent Company is a systemically important non-deposit taking Non Banking Financial Company as defined in clause (f) of Section 45I of the Reserve Bank of India Act, 1934. Accordingly Companies (Restriction on Number of Layers) Rules, 2017 is not applicable to the Parent company.

vi) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

In respect of the associate, Bandhan Bank Limited:

As part of the normal banking business, the Bank grants loans and advances to its borrowers with permission to lend/ invest or provide guarantee/security in other entities identified by such borrowers or on the basis of security/guarantee provided by the co-borrower. Similarly, the Bank may accept funds from its customers, who may instruct the Bank to lend/invest/provide guarantee or security or the like against such deposit in other entities identified by such customers. These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know your customer" guidelines.

Other than the nature of transactions described above:

a) No funds have been advanced or loaned or invested by the Bank to or in any person(s) or entity (ies) ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries);

b) The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account.

viii) Revaluation of PPE, Intangible Asset and Investment Property

The Group has not revalued its property, plant and equipment, right-of-use assets, investment property or intangible assets during the current or the previous year.

ix) The Parent Company had a term loan of Rs. 250 millions with Union Bank of India (erstwhile Corporation Bank) which was fully repaid during the financial Year 2016-17. Due to a technical glitch, it could not file the relevant documents with the Registrar of Companies, Kolkata, for registration of satisfaction of charges for the repayment of the said loan. The ultimate holding company has since filed the required documents awaiting approval from the concerned authorities.

x) The Group has not granted any loans and advances to directors, promoters, KMP and related parties severally or jointly with any other person during the current or previous year.

58 Employee share based payments

a) Employee stock option scheme (equity settled)

i) The step down subsidiary of the company, Bandhan AMC Limited, has constituted the Bandhan AMC Limited Employee Stock Option Scheme, 2023 ("BAMC ESOS 2023") which grant options to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOS – 2023 was formulated by NRC at its meeting held on July 27, 2023 and the same was approved by the Board of Directors on July 27, 2023 and subsequently by the Shareholders of the Company vide special resolution at their extra-ordinary general meeting held on August 1, 2023.

The options granted under BAMC ESOS - 2023 would vest essentially on passage of time in the following manner. The vesting of options would be a function of continued employment with the Company (vesting condition) and on achievement of performance criteria (performance condition) as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting.

Date of vesting	Vesting options
1st Anniversary from the grant date	34% of the options granted
2nd Anniversary from the grant date	33% of the options granted
3rd Anniversary from the grant date	33% of the options granted

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Summary of options granted under the plan:

	Year ended March 31, 2025		Year ended March 31, 2024	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	135.39	61,02,365	-	-
Granted during the year	135.39	33,99,481	135.39	62,21,102
Exercised during the year	-	-	-	-
Forfeited during the year	135.39	(3,66,164)	135.39	(1,18,737)
Lapsed/expired during the year	-	-	-	-
Closing balance	135.39	91,35,682	135.39	61,02,365
Vested and exercisable	135.39	9,50,702	-	-

There were no options that were exercised during the year ended March 31, 2025 or the previous year.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date			Exercise price (₹)	Outstanding as at March 31, 2025	Outstanding as at March 31, 2024
	Vest 1	Vest 2	Vest 3			
August 1, 2023	August 1, 2029	August 1, 2030	August 1, 2031	135.39	56,74,911	59,06,448
August 25, 2023	August 25, 2029	August 25, 2030	August 25, 2031	135.39	17,811	41,558
March 1, 2024	March 1, 2030	March 1, 2031	March 1, 2032	135.39	1,06,864	1,54,359
August 1, 2024	August 1, 2030	August 1, 2031	August 1, 2032	135.39	33,36,096	-
Total					91,35,682	61,02,365
Weighted average remaining contractual life of options outstanding at end of the period.					6.69	7.83

i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model/Monte Carlo Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition and performance condition as specified in the scheme in a graded manner. Vested options are exercisable for a period of five years after vesting.

The model inputs for options granted during the year ended March 31, 2025 included:

Assumptions	Year ended March 31, 2025	Year ended March 31, 2024
	Weighted average	Weighted average
Expected volatility	32.51%	34.14%
Expected dividends	2.50%	2.50%
Expected term (In years)	3.83	4.66
Risk free rate	6.75%	7.02%
Exercise price (₹)	135.39	135.39
Market price (₹)	130.60	135.27
Fair value of the option at grant date (₹)	35.43	35.54

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

II) Cash settled share based payment

In the event of change of control of the Company during the previous year, the options granted were fully vested subject to the minimum time for vesting prescribed under the SEBI Regulations. For the outstanding options under the ESOS - 2020 scheme, the Company has, after applying the guidance under Ind AS 102, classified them as "Cash settled share based payments" in the financial statements. The fair value of the amount payable to employees is recognised as employee benefit expenses' with a corresponding increase in liabilities.

There are no share options outstanding as at the end of the year ended March 31, 2025 and March 31, 2024 that are required to be cash settled.

During the previous year, NRC at its meeting held on July 27, 2023 approved the closure of Employee Stock Option Scheme - 2020 ("ESOS 2020") and the same was approved by the Board of Directors on the same day.

b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the statement of profit and loss as part of employee benefit expense were as follows:

	Year ended March 31, 2025	(₹ in million) Year ended March 31, 2024
Employee stock option scheme (equity settled)	109.29	61.52
Employee stock option scheme (cash settled)	-	7.84
Total	109.29	69.36

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

59 Commitments, contingent liabilities and contingent assets

i) Commitments

	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	57.30	94.27
Uncalled liability on shares and other investments (partly-paid)	199.96	-

ii) Contingent liabilities

	As at March 31, 2025	As at March 31, 2024
Claims not acknowledged as debt by the group		
Claims, other than policies	67.74	-
In relation to claims against policies*	232.34	206.89
Statutory demand/ liabilities in dispute, to the extent not provided for		
Income tax matters	0.75	951.82
VAT, excise and service tax matters	95.48	97.07
Provident fund	28.62	-

* In respect of litigations, the management assessment of financial outflow is probable, the group has made a provision of ₹219 million.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for provisions wherever required and disclosed the contingent liabilities wherever applicable, in its consolidated financial statements. The Group has been advised by the experts that the grounds of appeal are well supported in law and therefore does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

The Group has a process of assessing all long-term contracts for material foreseeable losses. Adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts, if any has been made in the books of account. For insurance contracts reliance has been placed on the appointed actuary for actuarial valuation of liabilities for the policies in force.

iii) Contingent assets

There are no contingent assets required to be disclosed in the financial statement during the year ended March 31, 2025 or the previous year.

60 Capital management

The capital structure of the Group is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Management considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a stable and adequate capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and continue as a going concern entity.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years.

The management monitors the return on capital as well as the level of dividend to shareholders. The group's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future period.

Life Insurance Business

The group's policy is to always have a strong capital base with an objective to augment new business growth, seizing opportunities and also to meet the requirements of the policyholders, regulators, and rest of the stakeholders too. Group periodically assesses both the short term and long term capital requirements on basis of the operational plan and long term strategic plan keeping a focus towards generating expected rate of return. Insurance business has met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. Group's Capital Management Policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

The solvency ratio has been summarized in the below table:

(₹ in million)

Solvency ratio (As per IGAAP)*	As at March 31, 2025	As at March 31, 2024
Available solvency margin (ASM)	5,132.50	4,249.70
Required solvency margin (RSM)	1,906.41	1,712.78
Solvency ratio (ASM/RSM)	2.69	2.48

* As per Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016

61 Segment information

Operating segments are defined as components of an enterprises for which discrete financial information is available, and evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance.

The Group has considered below operating segments as reportable segments for disclosure. The services included in each of the reported operating segments are as follows:

- Asset Management : Providing asset management services to Bandhan Mutual Fund
- Life Insurance : Providing life insurance services
- Investment : Engaged in non-banking financial activities
- Information technology : Providing software sales and BPO services

61.1 Segment information for the year ended March 31, 2025

(₹ in million)

	Asset Management	Life Insurance	Investment	Information Technology	Total
Segment revenues	5,103.07	7,936.85	797.44	827.61	14,664.97
Less: Inter-segment revenue	-	-	-	-	-
Total revenue from operations	5,103.07	7,936.85	797.44	827.61	14,664.97
Segment results before share of profit of associate, exceptional item and tax	1,405.95	(2,800.01)	747.61	12.07	(634.38)
Share of profit of associate accounted using equity method					9,964.58
Exceptional item					(21,963.24)
Profit before tax					(12,633.04)
Current tax					618.20
Deferred tax					1,491.39
Profit after tax					(14,742.63)
Segment assets	6,405.22	54,610.76	7,509.43	1,001.39	69,526.80
Goodwill	25,762.32	-	-	582.55	26,344.87
Investment accounted using equity method					1,24,711.70
Total assets					2,20,583.37
Segment liabilities	1,715.66	50,539.52	189.94	405.11	52,850.23
Deferred tax liability on carrying value of investment in associate					15,104.57
Total liabilities					67,954.80
Capital expenditure	201.50	48.49	27.25	1.97	279.21
Depreciation and amortisation	192.93	182.72	14.93	18.15	408.73
Interest income	3.94	2,865.65	646.34	5.44	3,521.37
Finance costs	31.85	3.32	6.63	4.74	46.54

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

Geographical information as at, and for the year ended March 31, 2025

(₹ in million)

	India	Outside India	Total
Revenues from operations	14,422.25	242.72	14,664.97
Non-current assets* (refer note 53)	1,52,707.31	8.92	1,52,716.23

* Does not include financial instruments, deferred tax assets (net) and post employment benefit plan asset.

61.2 Segment wise information for the year ended 31 March 2024

(₹ in million)

	Asset Management	Life Insurance	Investment	Information Technology	Total
Segment revenues	4,650.81	1,004.78	1,036.07	-	6,691.66
Less: Inter-segment revenue	-	-	-	-	-
Total Revenue from operations	4,650.81	1,004.78	1,036.07	-	6,691.66
Segment results before share of profit of associate, exceptional item and tax	1,788.28	(920.62)	858.42	-	1,726.08
Share of profit of associate accounted using equity method					7,734.59
Exceptional item					6,611.93
Profit before tax					16,072.60
Current tax					775.93
Deferred tax					1,639.35
Profit after tax					13,657.32
Segment assets	5,062.80	50,626.66	11,598.66	-	67,288.12
Goodwill	25,762.32	-	-	-	25,762.32
Investment accounted using equity method					1,37,489.00
Total Assets					2,30,539.44
Segment liabilities	1,551.88	47,885.52	99.98	-	49,537.38
Deferred tax liability on carrying value of investment in associate					13,545.38
Total liabilities					63,082.76
Capital expenditure	104.91	8.32	1.26	-	114.49
Depreciation and amortisation	142.99	22.52	6.48	-	171.99
Interest income	2.93	237.16	819.80	-	1,059.89
Finance costs	30.72	2.57	0.53	-	33.82

Geographical information as at, and for the year ended March 31, 2024

(₹ in million)

	India	Outside India	Total
Revenues from operations	6,691.66	-	6,691.66
Non-current assets* (refer note 53)	1,64,582.07	-	1,64,582.07

* Does not include financial instruments, deferred tax assets (net) and post employment benefit plan asset.

61.3 Information about major customers

Revenue contributed by a single customer in any of the segments does not exceed 10% of the group's total revenue for the current and previous year.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

62. Statement of net assets, profit and loss, other comprehensive income and total comprehensive income.

As at and for the year ended March 31, 2025

(₹ in million)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated net Profit	Amount	As % of other comprehensive income	Amount	As % of consolidated net assets	Amount
Parent company								
Bandhan Financial Services Limited	22.00%	33,144.90	(7.45%)	1,097.94	(0.06%)	(0.11)	(7.54%)	1,097.83
Indian subsidiary								
Bandhan Financial Holdings Limited	34.69%	52,279.27	(7.08%)	1,043.83	(0.06%)	(0.10)	(7.17%)	1,043.73
Bandhan AMC Limited	3.10%	4,677.99	(7.35%)	1,083.17	(9.94%)	(17.77)	(7.32%)	1,065.40
Bandhan Life Insurance Limited	2.70%	4,074.32	18.99%	(2,800.02)	212.59%	380.11	16.62%	(2,419.91)
Genisys Information Systems (India) Private Limited	0.36%	540.16	(0.17%)	24.36	(1.66%)	(2.96)	(0.15%)	21.40
Bandhan Mutual Fund Trustee Limited	0.01%	11.46	(0.03%)	4.09	0.05%	0.09	(0.03%)	4.18
Foreign subsidiaries								
Genisys Software Limited (US)	0.05%	82.30	0.05%	(6.79)	0.76%	1.36	0.04%	(5.43)
Genisys Software Limited (UK)	0.03%	50.45	0.05%	(8.04)	0.49%	0.88	0.05%	(7.16)
Bandhan Investment Managers (Mauritius) Limited	0.00%	7.30	0.04%	(6.03)	-	-	0.04%	(6.03)
Associate								
Bandhan Bank Limited	82.76%	1,24,711.70	91.67%	(13,514.51)	(102.17%)	(182.70)	94.05%	(13,697.21)
Less: Consolidation adjustments	(45.70%)	(68,888.82)	11.28%	(1,660.63)	-	-	12.40%	(1,660.63)
Total	100.00%	1,50,691.03	100.00%	(14,742.63)	100.00%	178.80	100.00%	(14,563.83)

As at and for the year ended March 31, 2024

(₹ in million)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net Profit	Amount	As % of Other Comprehensive Income	Amount	As % of consolidated net assets	Amount
Parent company								
Bandhan Financial Services Limited	19.73%	32,747.52	2.24%	305.56	(0.02%)	(0.11)	2.15%	305.45
Subsidiary								
Bandhan Financial Holdings Limited	31.29%	51,935.81	7.34%	1,002.97	(0.02%)	(0.10)	7.05%	1,002.87
Bandhan AMC Limited	2.11%	3,503.52	10.38%	1,417.49	(0.49%)	(2.77)	9.95%	1,414.72
Bandhan Life Insurance Limited	1.23%	2,041.14	(6.74%)	(920.63)	6.73%	37.68	(6.21%)	(882.95)
Bandhan Mutual Fund Trustee Limited	0.00%	7.28	0.02%	2.34	0.01%	0.04	0.02%	2.38
Foreign subsidiary								
Bandhan Investment Managers (Mauritius) Limited	0.00%	3.88	(0.06%)	(8.31)	-	-	(0.06%)	(8.31)
Associate								
Bandhan Bank Limited	82.83%	1,37,489.00	93.84%	12,815.83	93.79%	524.94	93.84%	13,340.77
Less: Consolidation adjustments	(37.19%)	(61,732.30)	(7.02%)	(957.93)	-	-	(6.74%)	(957.93)
Total	100.00%	1,65,995.85	100.00%	13,657.32	100.00%	559.68	100.00%	14,217.00

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

63. Disclosure as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS 1 "Presentation of Financial Statements"

63.1 The Group has accounted for its investment in Associate as per the equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". During the year, the impairment assessment with respect to these investments in the underlying equity shares have been undertaken and based on the valuation report from an independent registered valuer obtained in this respect, adjustment for resultant impairment, including those pertaining to the previous periods, have been given effect to in these consolidated financial statements. Further, the deferred tax on the differential between the carrying amount of investment as per books and its corresponding tax base has also been recognised with retrospective effect in this year. Impact in this respect is as follows:

a) ₹90,918.65 million, being the amount of impairment pertaining to the period upto and as on March 31, 2023, has been recognised at the beginning of the preceding year i.e., April 1, 2023, and correspondingly, the Retained earnings have been adjusted as on that date. ₹11,946.86 million, being the amount of deferred tax as on March 31, 2023, has been recognised as on April 1, 2023, and corresponding impact thereof amounting to ₹11,939.42 million and ₹7.44 million has been adjusted against Retained earnings and Other comprehensive income respectively, forming part of the other equity of the Group as on that date.

b) ₹6,611.93 million, being the reversal of the impairment pertaining to the year ended March 31, 2024, has been recognised under "Exceptional item" for the year ended on that date. Deferred tax for the year ended March 31, 2024 amounting to ₹1,530.69 million and ₹67.83 million has been adjusted in the statement of profit and loss and other comprehensive income respectively for the year then ended.

c) Impairment of ₹21,963.24 million pertaining to the current year has been recognised and included under "Exceptional item" in the statement of profit and loss for the year ended March 31, 2025. Deferred tax for the current year amounting to ₹1,515.85 million, (₹11.21) million and ₹54.55 million, has been adjusted in the statement of profit and loss, other comprehensive income and directly in reserves respectively for the year then ended.

63.2 During the previous year, the Group has reclassified its share of Other comprehensive income in its Associate from Retained earnings to Other comprehensive income for the financial years 2020-21 to 2022-23. Accordingly, ₹64.95 million has been reclassified from Retained earnings to Other comprehensive income as at April 1, 2023.

63.3 Impact with respect to the above, as required under Ind AS 8, are summarised as follows:

a) (i) Reconciliation of other equity as at March 31, 2024 and April 1, 2023

	As at March 31, 2025	(₹ in million) As at March 31, 2024
Other equity attributable to owners of parent (previously reported)	2,62,545.12	2,53,617.57
Adjustments for:		
Impairment in carrying amount of investment in associate	(84,306.72)	(90,918.65)
Deferred tax liabilities on carrying amount of investment in associate	(13,545.38)	(11,946.86)
Reclassification of Share-based payment expense from NCI	24.62	-
Other equity attributable to owners of parent (restated)	1,64,717.64	1,50,752.06

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

a) (ii) Consolidated Statement of Changes in Equity (extract)

	FS Note reference	As at March 31, 2024 (previously reported)	Restatement/ reclassification	As at March 31, 2024 (restated)	As at April 1, 2023 (previously reported)	Restatement/ reclassification	As at April 1, 2023 (restated)
Employee stock options outstanding account	27	36.90	24.62	61.52	-	-	-
Retained earnings		2,07,614.13	(97,775.71)	1,09,838.42	2,00,111.78	(1,02,923.96)	97,187.82
Other comprehensive income (OCI)							
Foreign currency translation reserve	27	0.04	0.94	0.98	0.03	0.94	0.97
Equity instruments through OCI		844.42	(96.63)	747.79	-	259.61	259.61
Debt instruments through OCI		(132.79)	19.30	(113.49)	-	(202.10)	(202.10)
Other equity attributable to owners of parent		2,62,545.12	(97,827.48)	1,64,717.64	2,53,617.57	(1,02,865.51)	1,50,752.06
Non-controlling interest	51	1,485.45	(24.62)	1,460.83	813.40	-	813.40

b) Reconciliation of balances in Consolidated Balance Sheet as at March 31, 2024 and April 1, 2023

(₹ in million)

	FS Note reference	As at March 31, 2024 (previously reported)	Restatement/ reclassification	As at March 31, 2024 (restated)	As at April 1, 2023 (previously reported)	Restatement/ reclassification	As at April 1, 2023 (restated)
Investment in associate accounted using equity method	17	2,21,795.72	(84,306.72)	1,37,489.00	2,14,434.53	(90,918.65)	1,23,515.88
Deferred tax assets	11(a)	46.81	(46.81)	-	27.03	-	27.03
Deferred tax liabilities	11(b)	140.17	13,498.57	13,638.74	11.81	11,946.86	11,958.67
Other equity attributable to owners of parent company	27	2,62,545.12	(97,827.48)	1,64,717.64	2,53,617.57	(1,02,865.51)	1,50,752.06
Non-controlling interest	51	1,485.45	(24.62)	1,460.83	813.40	-	813.40

c) Reconciliation of items of income and expense and EPS in the consolidated statement of profit and loss for the year ended March 31, 2024

(₹ in million)

	FS Note reference	For the year ended March 31, 2024 (previously reported)	Restatement/ reclassification	For the year ended March 31, 2024 (restated)
Profit before share of profit of associate, exceptional item and tax		1,726.02	0.06	1,726.08
Share of profit of associate		7,734.59	-	7,734.59
Profit before exceptional item and tax		9,460.61	0.06	9,460.67
Exceptional item		-	6,611.93	6,611.93
Profit before tax		9,460.61	6,611.99	16,072.60
Tax expense				
Deferred tax	45	108.60	1,530.75	1,639.35
Profit for the year*		8,576.08	5,081.24	13,657.32
Other comprehensive income	46			
(a) Items that will not be reclassified to profit or loss				
Tax impact		-	(61.00)	(61.00)
(b) Items that will be reclassified to profit or loss				
Foreign currency translation (FCTR)		-	0.02	0.02
Tax impact		-	(6.83)	(6.83)
Other comprehensive income for the year*		627.49	(67.81)	559.68
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)*		9,203.57	5,013.43	14,217.00
Earnings per share (Face value of ₹10 each)	47			
Basic and Diluted (in ₹)		62.95	39.76	102.71

* The impact of restatement, except for ₹0.01 million pertaining to NCI for FCTR, is attributable to the owners of the parent.

d) There is no impact on the consolidated statement of cash flows for the year ended March 31, 2024 as a result of above.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2025

64 During the year ended March 31, 2024, the wholly owned subsidiary of the parent, Bandhan Financial Holdings Limited (BFHL) has acquired 1,64,52,17,454 (95.78%) equity shares in Bandhan Life Insurance Limited on February 23, 2024, by paying a purchase consideration of ₹ 1,238.61 million. As a result, Bandhan Life Insurance Limited has become a subsidiary of the BFHL with effect from February 23, 2024, post business hours.

On August 2, 2024, on September 3, 2024 and on February 4, 2025, BFHL applied for a right issue of 175 million, 70 million and 200 million equity shares, respectively, of ₹ 10 each, fully paid up of its subsidiary, Bandhan Life Insurance Limited by paying ₹ 1,750.00 million, ₹ 700.00 million and ₹ 2,000.00 million respectively. The allotment was made on August 6, 2024, September 17, 2024 and February 25, 2025 respectively, at the end of business hours.

As a result, equity holding of the BFHL in its subsidiary Bandhan Life Insurance Limited has increased to 96.83% with effect from February 25, 2025, post business hours.

65 a) Previous year's figures are not comparable with those of the current year's figures due to the following:

- i) Acquisition of Genisys Information Systems (India) Private Limited with effect from September 4, 2024.
- ii) Acquisition of Genisys Software Limited (US) and Genisys Software Limited (UK) with effect from October 23, 2024.
- iii) Acquisition of Bandhan Life Insurance Limited with effect from February 23, 2024.

b) Previous year's figures have been regrouped/reclassified, where necessary, to conform to current year's classification.

66 Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on July 22, 2025.

67 There has been no significant events after the reporting date and before the approval of the consolidated financial statements that require adjustment or disclosure in these consolidated financial statements.

For **Lodha & Co LLP**
Chartered Accountants

(ICAI Firm Registration Number : 301051E/ E300284)

Indranil Chaudhuri
Partner
(Membership Number : 058940)

Place : Kolkata
Date : July 22, 2025

For and on behalf of the Board of Directors of
Bandhan Financial Services Limited

Chandra Shekhar Ghosh
Executive Chairman
DIN:00342477
Kolkata

Amrit Daga
Chief Financial Officer
Kolkata

Arvind Agrawal
Managing Director
DIN:02268683
Kolkata

Biplab Kumar Mani
Company Secretary
(Membership Number: A19883)
Kolkata



Registered Office- DN-32, Sector-V, Salt Lake, Kolkata -700091

Corporate Office – Adventz Infinity@5, Block-BN, Unit 507,
5th Floor, Sector-V, Salt Lake, Kolkata – 700 091

Phone : +91 33 40683134

Email : info@bandhangroup.com

Website : www.bandhangroup.com

CIN : U70101WB1995PLC073339