Bandhan Financial Services Limited

Bandhan Group

Annual **Report**

2025-2026

FROM ACCESS

Corporate Information…

Board of Directors

Mr. Chandra Shekhar Ghosh
Chairman & Whole time 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

Mr. Bhargeshwar Banerji
Independent Director (w.e.f 28.04.2026)

Mr. Joe Theo Pretto
Independent Director (w.e.f 28.04.2026)

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

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Chairman Speech

Dear Shareholders,

When I started Bandhan in 2001, I had one conviction and very little else. Poverty is not a character flaw. It is the absence of opportunity. And the most immediate opportunity denied to a poor woman in rural Bengal was not a school or a hospital — it was a fair loan. Without that, nothing else could begin.

So we began there. A register in one hand, a belief in the other: that if you went to people instead of waiting for them to come to you, something extraordinary would happen. It did. Twenty-five years later standing today, Bandhan is a bank, a life insurance company, an asset management business, and a technology platform — with Bandhan Financial Services Ltd. (BFSL) governing and growing each of them. We have come a long distance.

But I want to be honest with you: we are not done. We are, in fact, just beginning.

Behind every macro headline is a geography where India's growth story has not yet arrived. The family still borrowing from a moneylender at 36% interest. The woman in Tripura who has repaid six loans with perfect discipline but has never been offered a savings product. The small trader who is graduating from microfinance but has no credit history that a traditional lender would recognise.

These are not marginal cases. There are tens of millions of them. They are India's next hundred million families — rising, striving, deserving. And they are Bandhan's reason for existing.

Our task now is harder than what came before. It is not enough to give someone their first loan. We must serve the same person across their entire financial life. The borrower is also a future saver. The saver is also a future insured. The insured is a future investor. And the investor, over time, becomes a wealth-builder — someone whose children inherit assets, not just debt.

Bandhan Group

Chairman Speech

This is the arc we are building: not Bandhan the lender, but Bandhan the financial home.

To get there, some things must happen.

Our geographic ambition must match our mission. The financial exclusion we addressed in Bengal in 2001 exists today in the various smaller towns. We will go there — not by parachuting in with a standardised product, but by doing what we always did: walking in, listening first, building trust before building a book.

The Bandhan Group must function as one. Each entity was built to serve one point in a customer's financial journey. What we must now build — with BFSL at the centre — is the connective tissue that makes the journey seamless.

One customer. Many lives. One relationship.

I had visited our centres. I had set with the women who showed up every week with their payments and their dignity intact. And every time I was reminded: financial services, at their best, are not a business. They are a promise made and kept. A bet placed on a human being the rest of the world has underestimated.

That is who Bandhan is. That is who we must remain — even as we grow.

Scale is not our enemy. Forgetting why we scaled — that would be our enemy.

I carry into this next chapter the same conviction I carried into that first village in Bagnan in 2001: that ordinary people, given extraordinary access, do extraordinary things.

Our job is to open the door. India's aspiring families will do the rest.

Yours sincerely,

Chandra Shekhar Ghosh
Chairman & Whole Time Director
Bandhan Financial Services Ltd.

Board's Report

TO THE MEMBERS,

Your Directors have pleasure in presenting the thirty-first Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended March 31, 2026.

FINANCIAL RESULTS

(₹ In Million except EPS)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations	1,181.61	1,215.19	18,545.87	14,664.97
Other Income	18.16	213.20	74.69	225.09
Total Income	1,199.77	1,428.39	18,620.56	14,890.06
Profit / (Loss) before share of profit of associate & exceptional item	990.05	1,250.36	(1,542.53)	(634.38)
Share of profit of associate	-	-	3,188.52	9,964.58
Profit before exceptional item	990.05	1,250.36	1,645.99	9,330.20
Profit / (Loss) before Tax	990.05	1,250.36	1,645.99	(12,633.04)
Tax Expenses	128.03	152.42	1,105.15	2,109.59
Profit / (Loss) for the year	862.02	1,097.94	540.84	(14,742.63)
Profit / (Loss) After Tax Attributable to				
a) Owner of the parent	862.02	1,097.94	103.55	(15,077.36)
b) Non-Controlling interest	-	-	437.29	334.73
EPS (Basic)	6.74	8.59	0.81	(117.96)
EPS (Diluted)	6.74	8.59	0.81	(117.96)

PERFORMANCE OF THE COMPANY

Your Company is registered with the RBI as an NBFC-CIC-ND-SI with effect from September 21, 2017, vide registration number B-05.05841. The main business of the Company is investment, and the Company has two subsidiaries, namely, Bandhan Financial Holdings Limited (hereinafter referred to as 'BFHL') and Bandhan Technologies Private Limited [formerly Genisys Information Systems (India) Private Limited] (hereinafter referred to as 'BTPL'). BFHL is the holding company of Bandhan AMC Limited, Bandhan Mutual Fund Trustee Limited, Bandhan Investment Managers (Mauritius) Limited, and Bandhan Life Insurance Limited, and holds an investment in Bandhan Bank Limited, its associate. BTPL is the holding company of Bandhan Technologies Inc., USA (formerly Genisys Software Limited, USA) and Bandhan Technologies Ltd., UK (formerly Genisys Software Limited, UK) and Bandhan Technologies LLC, UAE.

During the financial year under review, the standalone revenue was ₹ 1,181.61 million as compared to ₹ 1,215.19 million for the previous financial year. The profit after tax was ₹ 862.02 million as compared to ₹ 1,097.94 million for the previous financial year.

The consolidated revenue for FY 2025-26 includes revenue of ₹ 5,816.57 million (PY: ₹ 5,090.12 million) from Bandhan AMC Limited, ₹ 10,751.29 million (PY: ₹ 7,936.85 million) from Bandhan Life Insurance Limited, and ₹ 1,406.59 million (PY: ₹ 827.61 million) from Bandhan Technologies Private Limited (formerly Genisys Information Systems (India) Private Limited). The consolidated profit after tax increased to a profit of ₹ 540.84 million from a loss of ₹ 14,742.63 million in the previous year, mainly on account of an exceptional loss amounting to ₹ 21,963.24 million recognised during the previous year.

Bandhan Group

Board's Report

DIVIDEND

On February 27, 2026, the Board of Directors of the Company declared an interim dividend of 3.80% (₹ 3.80) per share on 12,78,21,101 equity shares of the Company, aggregating to ₹ 485.72 million, from the profits of the Company.

TRANSFER TO RESERVES

Pursuant to the provision of Section 45-IC of the Reserve Bank of India Act, 1934, your Company has transferred ₹ 172.40 million to the statutory reserve during the financial year ended March 31, 2026.

CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio (Adjusted Net Worth as a % of Risk Weighted Assets) stood at 121.27%, well above the regulatory minimum requirement of 30%.

ISSUANCE AND TRANSFER OF EQUITY SHARES

During the financial year under review, your Company did not issue any shares, and the paid-up equity share capital of the Company remains at ₹ 1,278.21 million, divided into 12,78,21,101 equity shares of face value ₹ 10/- each.

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

STOCK SPLIT

During the year under review, the Board of Directors, at its meeting held on December 2, 2025, approved the sub-division (split) of the existing equity shares of the Company, subject to the approval of the members at the ensuing Annual General Meeting. Pursuant to such approval, one (1) equity share having a face value of ₹10/- (Rupees Ten only) each, fully paid-up, is proposed to be sub-divided into five (5) equity shares having a face value of ₹2/- (Rupees Two only) each, fully paid-up.

Consequent to the proposed sub-division, the authorised share capital of the Company would stand at ₹150,00,00,000 (Rupees One Hundred Fifty Crore only), divided into 75,00,00,000 equity shares of ₹2/- each. The issued, subscribed, and paid-up share capital of the Company would stand at ₹127,82,11,010 (Rupees One Hundred Twenty-Seven Crore Eighty-Two Lakh Eleven Thousand Ten only), divided into 63,91,05,505 equity shares of ₹2/- each, fully paid-up.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

DEPOSITS

Being a Non-Banking Financial Company, the disclosures required as per Rule 8(5)(v) and (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 to which the financial statements relate and the date of this report.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of the business of the Company during the financial year ended March 31, 2026.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY

Bandhan Financial Holdings Limited ('BFHL'/'NOFHC') is the wholly owned subsidiary of the Company as on March 31, 2026. In terms of the Licensing Guidelines for Private Sector Banks 2013, BFHL is registered with RBI as a Non-Operative Financial Holding Company vide Certificate of Registration No. N-05.07018, dated 4th June, 2015.

As on March 31, 2026, BFHL holds:

(a) 38.86% shares in Bandhan Bank Limited

(b) 59.98% stake in Bandhan AMC Limited

(c) 97.16% stake in Bandhan Life Insurance Company Limited

During the Financial Year 2025–26, the name of Genisys Information Systems India Private Limited was changed to Bandhan Technologies Private Limited. Consequently, the names of its foreign subsidiaries were also changed. As on March 31, 2026, the Company has three wholly owned foreign subsidiaries, namely Bandhan Technologies Inc., USA; Bandhan Technologies Ltd., UK; and Bandhan Technologies L.L.C., UAE.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statements of the Company and its subsidiary/associate. Further, a statement containing the salient features of the financial statements of the subsidiary and associate, in the prescribed format, 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 open for inspection by the shareholders at the registered office of the Company.

INTERNAL CONTROLS, AUDIT AND COMPLIANCE

Your Company has in place independent Internal Audit and Compliance functions responsible for evaluating the adequacy of internal controls and for ensuring that operating and business units adhere to internal processes and procedures, as well as to applicable regulatory and legal requirements. The Internal Audit function also proactively recommends improvements in operational processes and service quality.

Your Company has consistently adhered to the highest

Board's Report

standards of compliance and corporate governance, and has established appropriate controls and organisational structures to ensure adherence to such standards. The Audit Committee of the Board periodically reviews the performance of the Internal Audit and Compliance functions, and evaluates the adequacy and effectiveness of internal controls and compliance with applicable regulatory guidelines and statutory requirements.

Pursuant to Section 134(5)(e) of the Companies Act, 2013, the Board of Directors hereby confirms that the Company has laid down internal financial controls with reference to the Financial Statements, and that such internal financial controls are adequate and were operating effectively during the financial year under review.

BOARD OF DIRECTORS

As on March 31, 2026, the Board comprised nine Directors, of which two were Independent Directors; five were Non-Executive Non-Independent Directors, including three were Nominee Directors from Caladium Investment Pte. Limited (Caladium), Small Industrial Development Bank of India (SIDBI), and International Finance Corporation (IFC); and two were Executive Directors. The details thereof are as under:-

S. No.	Name of Directors	Category
1	Mr. Chandra Shekhar Ghosh (DIN- 00342477)	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:-

On the recommendation of the Nomination and Remuneration Committee of the Board at its meeting held on 28th April, 2026, the Board of Directors, at its meeting held on 28th April, 2026, appointed Mr. Bhargeshwar Banerji (DIN: 11111406) and Mr. Joe Theo Pretto (DIN: 11680291) as Additional Directors (Non-Executive and Independent) of the Company, with effect from 28th April, 2026, in terms of Section 161(1) of the Companies Act, 2013. They shall hold office up to the date of the ensuing Annual General Meeting and are proposed to be appointed as Independent Directors for a term of 3 (three) consecutive years, not liable to retire by rotation, subject to the approval of the members by way of an ordinay resolution at the forthcoming Annual General Meeting of the Company.

Re-appointment: -

Mr. Pankaj Sood (DIN: 05185378) and Ms. Hulya Kefeli (DIN- 08836080)

In terms of the provisions of Section 152(6) of the Companies Act, 2013, read with the Articles of Association of the Company, Mr. Pankaj Sood (DIN: 05185378) and Ms. Hulya Kefeli (DIN: 08836080), out of the five Non-Executive Non-Independent Directors liable to retire by rotation, being the longest in office, shall retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The resolution(s) in respect of the re-appointment(s) of the aforesaid Directors have been included in the Notice convening the 31st Annual General Meeting of the Company. Brief profiles of these Directors, together with the other requisite disclosures/ details as required under Secretarial Standard-2 (SS-2), have been annexed to the said Notice. None of the Directors proposed for re-appointment shall 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) and Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as laid down thereunder. The Board of Directors has reviewed the said declarations and disclosures submitted by the Independent Directors and, based on such review, is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Rules made thereunder, and are independent of the management.

In terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the data bank maintained by the Indian Institute of Corporate Affairs ('IICA'), as prescribed by the Ministry of Corporate Affairs, and have complied with the requirements thereunder, including the online proficiency self-assessment test, wherever applicable.

Board's Report

KEY MANAGERIAL PERSONNEL

As on 31.3.2026, Mr. Chandra Shekhar Ghosh (DIN - 00342477), Mr. Arvind Agrawal (DIN-02268683), Mr. Roshan Agarwal, 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.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The performance evaluation of the Board, its Committees, and individual Directors is conducted in terms of the Performance Evaluation Policy of the Company, and is based on parameters including their participation, contribution, and guidance offered to, and understanding of, the relevant areas of the Company's business.

During the year under review, in terms of Schedule IV of the Companies Act, 2013, one meeting of the Independent Directors of the Company was held, without the attendance of Non-Independent Directors and members of the Management. At the said meeting, the Independent Directors, inter alia, reviewed

(a) the performance of Non-Independent Directors and the Board as a whole;
(b) the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors; and
(c) the quality, quantity, and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

MEETINGS OF THE BOARD AND THE COMMITTEES

During FY 2025-26, the Board met 5 times i.e. June 26, 2025, July 22, 2025, August 21, 2025, December 2, 2025, and February 27, 2026. The details of the meeting and the attendance of Directors are given in table hereunder.

Name of Directors	No of Meetings held during the year	Number of Meetings entitled to attend	Number of Meetings attended	Attendance at AGM on 25-09-2025
Mr. Chandra Shekhar Ghosh (DIN - 00342477)	5	5	5	Y
Mr. Arvind Agrawal (DIN- 02268683)	5	5	5	Y
Mr. Arun Shrivastava (DIN- 06640892)	5	5	5	N
Dr. Arindam Banik (DIN -09037345)	5	5	5	N
Mr. Pankaj Sood (DIN- 05185378)	5	5	4	N
Ms. Hulya Kefeli (DIN- 08836080)	5	5	5	N
Mr. Subrata Mandal (DIN- 09196193)	5	5	5	Y
Prof. Amit Kumar Hazra (DIN: 09196376)	5	5	4	N
Mr. Saripalli Sri Radha Ramana (DIN- 07165124)	5	5	4	N

CORPORATE GOVERNANCE REPORT

A separate section on the Corporate Governance Report is annexed as **Annexure-2**. This report contains details of the various Committees, their composition, terms of reference, and meetings held during the Financial Year 2025–26.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee ('NRC') recommends the appointment of Directors to the Board, in terms of Section 178 of the Companies Act, 2013. The NRC has formulated the criteria for appointment of Directors, Key Managerial Personnel, and Senior Management, as required under Section 178(2) and (3). The NRC identifies persons who are qualified to become Directors on the Board, and evaluates such criteria as academic qualifications, previous experience, track record, and integrity of the persons identified, before recommending their appointment to the Board.

Before recommending any appointment, the NRC considers the candidate's qualifications, experience, fit and proper status, positive attributes as per the suitability of the role, independent status (where applicable), and compliance with the applicable regulatory/statutory requirements, including those prescribed under the Reserve Bank of India ('RBI') guidelines, as may be required for such appointment.

Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and its Committees, the amount of which is determined by the Board within the limits prescribed under Section 197(5) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable RBI guidelines. Non-Executive Directors are also reimbursed, at actuals, the expenses incurred by them for attending meetings of the Board and its Committees.

During the year under review, on the recommendation of the Nomination and Remuneration Committee, the Board approved the payment of commission to each of the Independent Directors, not exceeding ₹ 12,00,000 (Rupees Twelve Lakh only) per

Board's Report

annum per Independent Director, in addition to sitting fees for attending meetings of the Board and Committee thereof within the overall limits prescribed under Section 197 read with Section 198 of the Companies Act, 2013, and subject to the approval of the members of the Company.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby confirm 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) the Directors 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, 2026, and of the profit or loss of the Company for the year ended on that date;

(iii) the Directors 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) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down internal financial controls to be followed by the Company, and that such internal financial controls are adequate and were operating effectively; and

(vi) the Directors 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 AND AUDITORS' REPORT

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 the recommendation of the Audit Committee of the Board, appointed M/s. Lodha & Co. LLP, Chartered Accountants (Firm Registration No. 301051E/E300284), as the Statutory Auditors of the Company from the conclusion of the 29th Annual General Meeting (AGM), to hold office till the conclusion of the 32nd AGM of the Company.

The Independent Auditor's Report, given by the Statutory Auditors on the financial statements of the Company for the financial year ended March 31, 2026, 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 the Company under Section 143(12) of the Companies Act, 2013, read with Rule 13(3) of the Companies (Audit and Auditors) Rules, 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 has re-appointed M/s. M Shahnawaz & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for FY 2025-26. There has been no qualification, reservation, or adverse remark given by the Secretarial Auditors in their Report. The Board noted that the Company had filed e-Form AOC-4 for the FY 2024-25, within the due date prescribed under the Companies Act, 2013. Subsequently, it was noticed that the date of the Annual General Meeting (AGM) had been inadvertently entered incorrectly under Point No. 5(b) of the form. Upon identifying the error, the Company voluntarily approached the Registrar of Companies (ROC) and filed an application seeking correction of the said clerical mistake. The ROC permitted the Company to file a revised form for rectification of the error. Also, no offence of fraud was reported by the Secretarial 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.

INTERNAL AUDITOR

In terms of the provisions of Section 138 of the Companies Act, 2013, and the Companies (Accounts) Rules, 2014, the Board of Directors, at its meeting held on 26th June, 2025, on the recommendation of the Audit Committee of the Board, re-appointed M/s. Maheshwari & Associates, Chartered Accountant (Firm Registration No. 311008E) as the Internal Auditor of the Company for the Financial Year 2025-26.

The Audit Committee, in consultation with the Internal Auditor, formulates the scope, functioning, periodicity, and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Reports submitted by the Internal Auditor

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.

Board's Report

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3), read with Section 134(3)(a), of the Companies Act, 2013, a copy of the Annual Return of the Company, in Form No. MGT-7, as on March 31, 2026, is available on the Company's website at https://bandhangroup.com/investors-relation/results-and-reports/annual-reports/index.html The final Annual Return of the Company, as on March 31, 2026, will be made available on the 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, 2013.

RELATED PARTY TRANSACTIONS

Pursuant to the proviso to 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 business of the Company. The details of transactions entered into with related parties, in the prescribed Form No. AOC-2, are 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 Investor Education and Protection Fund Authority (Accounting, Audit, Transfer 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 Investor Education and Protection Fund ('IEPF'), established by the Government of India. Further, in accordance with the IEPF Rules, shares on which dividends have not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. As on March 31, 2026, the unpaid dividend amount is Nil.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The CSR initiatives of the Company are conducted through Bandhan Konnagar and Manovikas Kendra Rehabilitation and Research Institute for the Handicapped, both societies registered under the West Bengal Societies Registration Act, 1961, acting as Implementing Agencies. Through these initiatives, the Company seeks to enhance value creation and the inclusion of hard-core poor people in the mainstream of society and the community in which it operates, through its services, conduct, and initiatives, so as to promote the sustained growth of society and the community, in fulfilment of its role as a socially responsible corporate.

In terms of Section 135(5) of the Companies Act, 2013, the CSR liability of the Company for the year is ₹ 9.70 million. The details of CSR activities/projects undertaken during the year are given in **Annexure-5** and form part of the Board's Report.

As per the CSR Policy approved by the CSR Committee and the Board, the Company's CSR focus areas include healthcare, education, livelihood development, food security, and physical living conditions. New areas may 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 FUTURE

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. **Technology Absorption**: Nil

c. **Foreign Exchange earnings and outgo**:
   Foreign Exchange Earning: NIL

   Foreign Exchange Outgo**:** 1.35 million

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis Report is enclosed as **Annexure - 6** forms part of this report.

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, 2026 the status of complaint are as below:

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 sincere appreciation and gratitude to the Reserve Bank of India, and other government and regulatory authorities, for their continued support, cooperation, and guidance extended to the Company.

Board's Report

The Board also wishes to place on record its deep appreciation for the trust and confidence reposed by the shareholders, and acknowledges with gratitude the support and cooperation extended by all other stakeholders, including customers, bankers, business associates, and vendors of the Company. The Board further places on record its sincere appreciation for the dedication, commitment, and hard work displayed by the employees at all levels, which has been instrumental in the Company's growth and continued success.

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

Place: Mumbai
Date: August 20, 2026

Chandra Shekhar Ghosh
Chairman & Whole Time Director
(DIN: 00342477)

Annexure to the Board's Report

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 Life Insurance Ltd	Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	Bandhan Technologies Inc. USA (Formerly Genisys Software Limited, USA)	Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK)	Bandhan Technologies L.L.C
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 ,23 2024	September 04, 2024	October 23, 2024	October 23, 2024	October 27, 2025
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	Not applicable as the subsidiary is a domestic company	Not applicable as the subsidiary is a domestic company	INR* Exchange Rate: \$1=₹ 94.6543	INR* Exchange Rate: £1=₹ 125.6347	NIL
4	Share Capital (₹)	25,936.04	331.76	0.50	25,497.30	8.94	8.22	5.09	NIL
5	Reserves & Surplus	28,945.50	5,123.38	16.37	(23,764.40)	696.10	55.04	30.29	NIL
6	Total Assets	54,935.08	7,335.71	18.95	56,455.98	991.86	151.63	169.18	NIL
7	Total Liabilities	53.55	1,880.57	2.08	54,723.08	286.14	88.36	133.80	NIL
8	Investments	52,917.29	5,675.48	0	48,341.88	408.13	0	0	NIL
9	Turnover	3,949.20	5,849.78	16.14	10,762.85	1231.26	637.35	26.67	NIL
10	Profit / Loss Before Taxation	3,880.41	1,822.55	7.26	(2,988.71)	17.03	(25.33)	(20.98)	NIL
11	Provision for Taxation	577.56	508.84	1.85	0	9.75	0.75	(0.21)	NIL
12	Profit After Taxation	3,302.86	1,313.71	5.41	(2,988.71)	7.27	(26.08)	(20.77)	NIL
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NIL
14	% of shareholding	100%	59.98%	60%	97.16%	%100	%100	%100	NIL

The following information shall be furnished: -

1. Names of subsidiaries which are yet to commence operations – Bandhan Technologies L.L.C
2. Names of subsidiaries which have been liquidated or sold during the year- Bandhan Investment Managers (Mauritius) Limited

Annexure to the Board's Report

Part "B": Associates and Joint Ventures

(₹ In million)

Name of Associates/Joint Ventures	Bandhan Bank Limited
1. Latest audited Balance Sheet Date	31st March, 2026
2. Shares of Associate/Joint Ventures held by the company on the year end	
- No. of Shares	62,59,78,369
- Amount of Investment in Associates/Joint Venture	₹1,23,171.41 Million (Investment by wholly owned subsidiary Bandhan Financial Holdings Limited)
Extend of Holding %	38.86%
3. Description of how there is significant influence	The wholly owned Subsidiary Company- Bandhan Financial Holdings Limited, holds 38.86% 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	₹ 94,951.79 million
6. Profit / Loss for the year	
i. Considered in Consolidation	₹ 3,034.67 million
ii. Not Considered in Consolidation	₹ 4,638.33 million

The following information shall be furnished: -

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

Place: Mumbai
Date: August 20, 2026

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

Chandra Shekhar Ghosh
Chairman and Whole time Director
(DIN: 00342477)

Annexure to the Board's Report

Report on Corporate Governance

In terms of Para 16 of the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, every non-listed NBFC shall make the below disclosure under the corporate governance section of the Annual Report..

(i) Composition of the Board (As on 31.03.2026) (Amount in ₹)

Sl No	Name of Director	Director since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation (₹)	Sitting Fee	Commission	
1	Mr. Chandra Shekhar Ghosh	10/7/2024	Whole time Director- Chairman	00342477	5	5	3	3,89,08,805	-	-	15,59,978 Equity Shares
2	Mr. Arvind Agrawal	08/04/2022	Managing Director	02268683	5	5	2	2,10,14,236	-	-	-
3	Mr. Arun Shrivastava	21/06/2021	Independent Director	06640892	5	5	1	-	5,80,000	-	-
4	Dr. Arindam Banik	03/02/2021	Non-Executive, Non-Independent	09037345	5	5	-	-	3,10,000	-	-
5	Mr. Pankaj Sood	08/05/2015	Non-Executive Non-Independent – Nominee Director of Caladium Investment Pte. Ltd	05185378	5	4	7	-	3,20,000	-	-
6	Ms. Hulya Kefeli	26/11/2020	Non-Executive Non-Independent –Nominee Director of IFC	08836080	5	5	1	-	3,10,000	-	-
7	Mr. Subrata Mandal	21/06/2021	Independent Director	09196193	5	5	0	-	6,10,000	-	-
8	Prof. Amit Kumar Hazra	21/06/2021	Non-Executive Non-Independent	09196376	5	4	0	-	2,60,000	-	-
9	Mr. Saripalli Sri Radha Ramana	04/12/2024	Non-Executive Non-Independent –Nominee Director of SIDBI	07165124	5	4	1	-	2,00,000	-	-

(ii) Details of change in composition of the Board during the current and previous financial year.

Sl. no.	Name of Director	Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (resignation, appointment)	Effective Sate
Financial Year 2024-25				
1	Mr. Arup Kumar (DIN- 07682113)	Non-Executive (Nominee of SIDBI)	Resignation (due to Change of Nomination)	December 4, 2024
2	Mr. Saripalli Sri Radha Raman (DIN- 07165124)	Non-Executive (Nominee of SIDBI)	Appointment (due to change of Nomination)	December 4, 2024
Financial Year 2025-26				
		NIL		

Annexure to the Board's Report

(iii) Committees of the Board and their composition

The Company has the following Committees of the Board: -

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility 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 31,2026, the Audit Committee comprised of three (3) 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 five (5) times on June 26, 2025, July 22, 2025, August 21, 2025, December 02, 2025, and February 27, 2026.

The details of the composition of the Committee and attendance at its Meetings during the FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Subrata Mandal (DIN- 09196193)	June 28, 2021	Chairman (Independent)	5	5	NIL
2	Mr. Arun Shrivastava (DIN- 06640892)	June 28, 2021	Member (Independent)	5	5	NIL
3	Mr. Pankaj Sood (DIN- 05185378)	June 28, 2021	Member (Non-Executive)	5	4	NIL

NOMINATION & REMUNERATION COMMITTEE

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

(a) 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;

(b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and decide their 'fit & proper' status;

(c) 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.

Annexure to the Board's Report

(d) 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.

(e) 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, 2026, 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 three (3) times on April 30, 2025, June 23, 2025, and February 26, 2026.

The details of the composition of the Committee and attendance at its Meetings during the FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Dr. Arindam Banik (DIN -09037345)	June 28, 2021	Chairman (non-executive)	3	3	NIL
2	Mr. Subrata Mandal (DIN- 09196193)	June 28, 2021	Member (Independent)	3	3	NIL
3	Mr. Arun Shrivastava (DIN- 06640892)	June 28, 2021	Member (Independent)	3	3	NIL

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: -

a) 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;

b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

c) To monitor the CSR policy of the Company from time to time;

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, 2026, 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 August 21, 2025, and February 26, 2026.

The details of the composition of the Committee and attendance at its meetings during FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Prof. Amit Kumar Hazra (DIN -09196376)	June 28, 2021	Chairman (non-executive)	2	2	NIL
2	Ms. Hulya Kefeli (DIN- 08836080)	June 28, 2021	Member (non-executive)	2	2	NIL
3	Mr. Subrata Mandal (DIN- 09196193)	June 28, 2021	Member (Independent)	2	2	NIL

Annexure to the Board's Report

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on June 23, 2025, 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.

OTHER COMMITTEES OF THE COMPANY:

IT STRATEGY COMMITTEE

In terms of Master Direction 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, 2026, the IT Strategy Committee comprised of three members including one independent and was chaired by Mr. Subrata Mandal (DIN: 09196193), Independent Director. During the year under review, the IT Strategy Committee met two times on August 29, 2025, and February 26, 2026.

The details of the composition of the Committee and attendance at its meetings during FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Subrata Mandal (DIN- 09196193)	June 28, 2021	Chairman (Independent)	2	2	NIL
2	Mr. Arvind Agrawal (DIN- 02268683)	August 30, 2022	Member (non-executive)	2	2	NIL
3	Mr. Roshan Agarwal*	August 21, 2025	Member (CFO)	2	2	NIL

* Mr. Roshan Agarwal was appointed in place of Mr. Amrit Daga w.e.f. August 21, 2025

RISK MANAGEMENT COMMITTEE:

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

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 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.

As on March 31, 2026, the Risk Management Committee comprised of three members. During the year under review, the Risk Management Committee met three times on June 23, 2025, November 28, 2025, and February 26, 2026.

Consolidated Financial | Standalone Financial | Statutory Reports

Annexure to the Board's Report

The details of the composition of the Committee and attendance at its meetings during FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Arun Shrivastava (DIN- 06640892)	December 07, 2023	Chairman (Independent)	3	3	NIL
2	Mr. Arvind Agrawal (DIN- 02268683)	August 30, 2022	Member (Executive Director)	3	3	NIL
3	Mr. Amrit Daga	August 30, 2022	Member (CFO)	3	1	NIL
4	Mr. Roshan Agarwal *	August 21, 2025	Member (CFO)	3	2	NIL

* Mr. Roshan Agarwal was appointed in place of Mr. Amrit Daga w.e.f. August 21, 2025

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, 2026, the Asset Liability Committee comprised of three members. During the year under review, the Asset Liability Committee met twelve (12) times on April 11, 2025, May 14, 2025, June 13, 2025, July 14, 2025, August 14, 2025, September 12 2025, October 14, 2025, November 10, 2025, December 12, 2025, January 14, 2026, February 13, 2026 and March 12, 2026.

The details of the composition of the Committee and attendance at its meetings during FY 2025-26 are set out in the table below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Arvind Agrawal (DIN- 02268683)	August 30, 2022	Chairman (Executive Director)	12	12	NIL
2	Mr. Amrit Daga	August 30, 2022	Member (CFO)	12	4	NIL
3	Mr. Roshan Agarwal *	August 21, 2025	Member (CFO)	12	7	NIL
4	Mr. Biplab Kumar Mani	August 30, 2022	Member (Company Secretary)	12	12	NIL

* Mr. Roshan Agarwal was appointed in place of Mr. Amrit Daga w.e.f. August 21, 2025

(iv) General body meetings

Sl No	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	25/09/2025 Kolkata	NIL

v. Details of non-compliance with requirements of Companies Act, 2013

The company has complied with all applicable provisions of the Companies Act, 2013. No instances of non-compliance were observed during the reporting period

vi. Details of penalties and strictures: The Company filed e-Form AOC-4 for the FY 2024-25, within the due date prescribed under the Companies Act, 2013. Subsequently, it was noticed that the date of the Annual General Meeting (AGM) had been inadvertently entered incorrectly under Point No. 5(b) of the form. Upon identifying the error, the Company voluntarily approached the Registrar of Companies (ROC) and filed an application seeking correction of the said clerical mistake. The ROC permitted the Company to file a revised form for rectification of the error. Pursuant thereto, the Registrar levied a penalty of ₹10,000 on the Company and ₹10,000 on the Company Secretary, which have since been duly paid by the respective parties.

Place: Mumbai
Date: August 20, 2026

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

Chandra Shekhar Ghosh
Chairman and Whole time Director
(DIN: 00342477)

Annexure to the Board's Report

Form No. MR-3

Annexure – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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 2026 ('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 2026, 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.
- Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda

Annexure to the Board's Report

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 Annual General Meeting held on September 25, 2025 have approved the following:
    - Interim Dividend of Re. 4.05 per Equity Share of ₹ 10/- each fully paid-up, for the Financial Year ended 31st March 2025
    - Revision of remuneration of Mr. Arvind Agrawal (DIN- 02268683), Managing Director
    - Revision of Remuneration of Mr. Chandra Shekhar Ghosh (DIN- 00342477), Whole Time Director
2. The Company had filed e-Form AOC-4 for the FY 2024-25, within the due date prescribed under the Companies Act, 2013. Subsequently, it was noticed that the date of the Annual General Meeting (AGM) had been inadvertently entered incorrectly under Point No. 5(b) of the form. Upon identifying the error, the Company voluntarily approached the Registrar of Companies (ROC) and filed an application seeking correction of the said clerical mistake. The ROC permitted the Company to file a revised form for rectification of the error. Pursuant thereto, the Registrar levied a penalty of ₹10,000 on the Company and ₹10,000 on the Company Secretary, which have since been duly paid by the respective parties.

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: A021427H001161203

Place: Kolkata
Date: August 20, 2026

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 Board's Report

'ANNEXURE A'

Chandra Shekhar Ghosh
Chairman and Whole time Director
(DIN: 00342477)

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: A021427H001161203
Place: Kolkata
Date: 20.08.2026

Bandhan Group

Annexure to the Board's 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 / arrange ments / transactions (b)	Duration of contracts / arrange ments / transactions (c)	Salient features of contracts / arrange ments / transactions, including value, if any (d)	Justification for entering into such into such contracts / arrange ments / 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 / arrange ments / 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.	4.58	N.A.	N.A.	N.A.	N.A.
2	Bandhan Bank Limited (Associate Company)	Fixed Deposit	N.A.	4,687.60	N.A.	N.A.	N.A.	N.A.
3	Bandhan Bank Limited (Associate Company)	Interest on Fixed Deposit	N.A.	389.62	NA	NA	NA	NA
4	Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A	159.83	NA	NA	NA	NA
5	North East Financial Inclusion Trust (Promoter Entity)	Dividend Paid	N.A	38.00	NA	NA	NA	NA
6	North East Financial Inclusion Trust (Promoter Entity)	Advance received for sale of property	N.A	2.90	NA	NA	NA	NA

Annexure to the Board's 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)
7	Remuneration of Key Managerial Personnel - Chandra Shekhar Ghosh - Arvind Agrawal - Roshan Agarwal - Amrit Daga - Biplab Kr. Mani	Remuneration	N.A	38.91 21.01 6.54 5.18 4.47	NA	NA	NA	NA
8	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Paid	N.A	0.14	NA	NA	NA	NA
9	Bandhan Konnagar (Not for Profit Society and Entity forming part of Promoter group)	Rent Income	N.A	1.30	NA	NA	NA	NA
10	Bandhan Financial Holdings Limited (Subsidiary Company)	Dividend Income	N.A	700.27	NA	NA	NA	NA

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

Place: Mumbai
Date: August 20, 2026

Chandra Shekhar Ghosh
Chairman and Whole time Director
(DIN: 00342477)

Annexure to the Board's Report

Annexure – 5

Annual Report on CSR Activities for the Period April 01, 2025, to March 31, 2026

1. **A BRIEF OUTLINE ON CSR POLICY**

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

2. **COMPOSITION OF CSR COMMITTEE AS ON 31.03.2026:**

Name of Members	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
Ms. Hulya Kefeli (DIN-08836080)	Member	2	2	2
Mr. Subrata Mandal (DIN-09196193)	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://www.bandhangroup.com/investors-relation/corporate-social-responsibility/index.html
2	CSR Policy	https://www.bandhangroup.com/investors-relation/corporate-social-responsibility/index.html
3	CSR Projects	https://www.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	2022-23	0	0
2	2023-24	0	0
3	2024-25	0	0
	Total	**0**	**0**

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

SN	Financial Year	Net Profit Before Tax u/s 198 (₹ In million)
1	2022-23	205.71
2	2023-24	396.49
3	2024-25	824.93
	Average	**475.71**

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)	9.51
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).**	**9.51**

Annexure to the Board's Report

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
	9.70	NA	NA	NA	NA	NA
Total	**9.70**	**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 (Rs. In million)	Mode of implementa-tion - 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	2.25	No	Bandhan Konnagar	CSR00001463
2	Bandhan Climate Action Program (BCAP)	(iv)	Yes	West Bengal	South 24 Parganas	3.08	No	Bandhan Konnagar	CSR00001463
3	Bandhan Financial Literacy Program (BFLP)	(ii)	Yes	West Bengal	North 24 Parganas	2.37	No	Bandhan Konnagar	CSR00001463
4.	Promoting Education, Vocational Skills, and Livelihoods for Children with Disabilities	(ii)	Yes	West Bengal	Kolkata	2.00	No	Manovikas Kendra Rehabilitation and Research Institute for the Handicapped	CSR00016062
	Total					**9.70**			

Annexure to the Board's Report

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)** ₹ 9.70 million

g. **Excess amount for set-off, if any**

Sl. No.	Particular	₹ in million
(i)	Two per cent of the average net profit of the company as per section 135(5)	9.51
(ii)	Total amount spent for the Financial Year	9.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.19
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	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.	2022-23	-	-	-	NIL	N/A	-
2.	2023-24	-	-	-	NIL	N/A	-
3.	2024-25	-	-	-	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.
-	-	-	-	-	-	-	-	-

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)

Arvind Agrawal
Managing Director
DIN- 02268683
Place: Mumbai
Date: August 20, 2026

Subrata Mandal
Chairman of CSR Committee
DIN- 09196193
Place: Mumbai
Date: August 20, 2026

Chandra Shekhar Ghosh
Chairman of the Company
DIN- 00342477
Place: Mumbai
Date: August 20, 2026

Annexure to the Board's Report

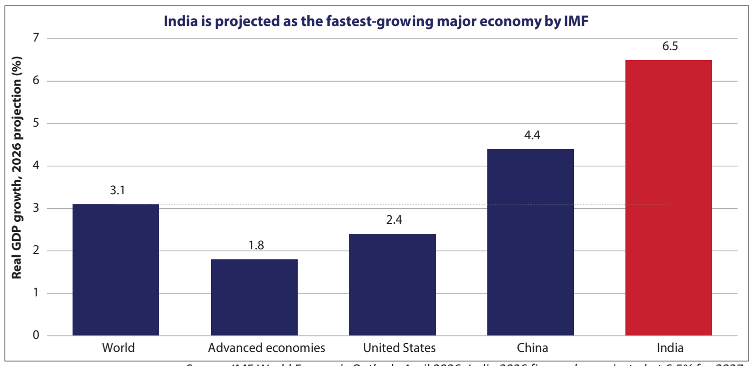
Annexure – 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2025

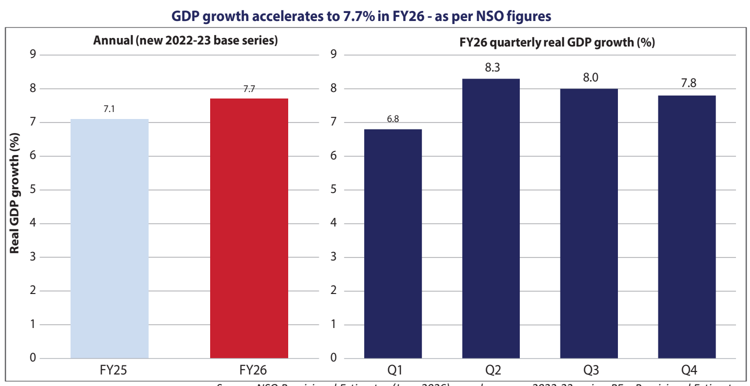
ECONOMIC SCENARIO

GLOBAL ECONOMY

The global economy entered 2026 navigating a landscape overshadowed by renewed geopolitical conflict and lingering trade frictions. According to the International Monetary Fund's World Economic Outlook (April 2026), global economic growth is projected to moderate from 3.4% in 2025 to 3.1% in 2026, remaining well below pre-pandemic averages. The forecast assumes that the conflict in the Middle East, which disrupted energy markets and pushed crude oil prices sharply higher in the final quarter of FY26, remains limited in duration and scope. After easing through 2025, global headline inflation is expected to rise from around 4.1% in 2025 to 4.4% in 2026, driven primarily by elevated commodity and energy prices, before resuming its decline in 2027. Growth in advanced economies is projected at 1.8% in 2026, with the United States expected to grow at 2.4%, supported by fiscal policy, lower policy rates and a fading drag from tariffs. China's growth outlook has been revised upward to 4.4% for 2026. Conversely, India continues to stand out as the fastest-growing major economy, with the IMF projecting growth of 6.5% in both 2026 and 2027, aided in part by the reduction of US tariffs on Indian goods. Key risks flagged by the IMF include a prolonged or broader Middle East conflict, deeper geopolitical and trade fragmentation, elevated public debt, and the possibility that AI-driven productivity gains disappoint, all of which pose threats to medium-term stability and investment sentiment.



Source: IMF World Economic Outlook, April 2026. India 2026 figure also projected at 6.5% for 2027.

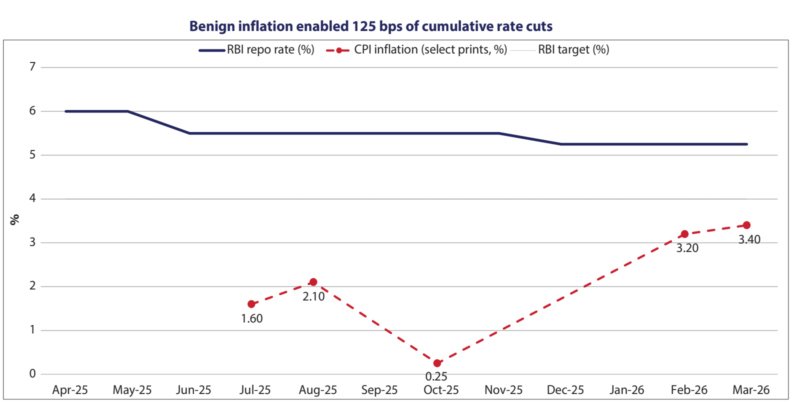


Source: NSO Provisional Estimates (June 2026), new base year 2022-23 series. PE = Provisional Estimates.

INDIAN ECONOMY

Based on the National Statistics Office's Provisional Estimates and the Reserve Bank of India's assessments through FY 2025-26, the Indian economy has once again demonstrated remarkable resilience, this time in the face of steep US tariff actions, volatile energy prices and heightened geopolitical uncertainty. 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



Source: MoSPI (CPI, 2024=100 base), RBI MPC statements. CPI shown for months with cited prints; FY26 average ~2.1%.

India's GDP grew by 7.7% in FY 2025-26, according to the NSO's Provisional Estimates released in June 2026, up from 7.1% in FY 2024-25. It may be noted that these figures are based on the new GDP series with base year 2022-23, introduced by the NSO in February 2026, replacing the earlier 2011-12 base. Growth was remarkably consistent through the year, with quarterly prints of 6.8% in Q1, 8.3% in Q2 — the strongest quarter, 8% in Q3 and then finally 7.8% in Q4, driven by robust private consumption (aided by GST rate rationalisation), government capital expenditure and buoyant services activity. Key growth sectors included construction, trade, and financial services, with the secondary and tertiary sectors each expanding by around 9% during the year.

Supporting this momentum, Real Gross Value Added (GVA) for 2025-26 stood at ₹294.91 lakh crore, reflecting a growth rate of 7.9%. Nominal GVA reached ₹314.87 lakh crore, compared to ₹288.54 lakh crore in FY 2024-25, marking growth of 9.1%. Nominal GDP for the year was estimated at ₹346.36 lakh crore, up 8.9% from ₹318.07 lakh crore in the previous year.

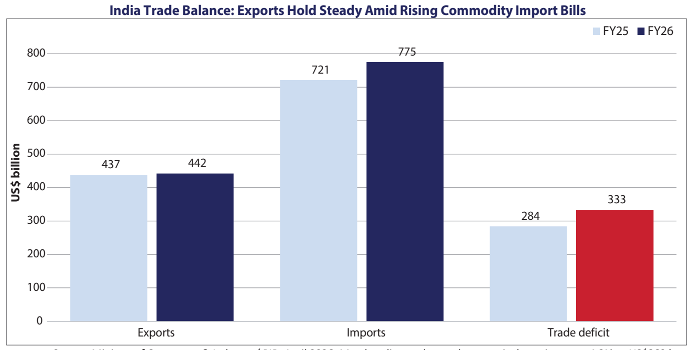
Inflation trends were exceptionally benign through FY26. CPI inflation fell to an eight-year low of 1.6% in July 2025 and touched a series low of 0.25% in October 2025, aided by a sharp correction in food prices and the GST rate cuts, before normalising to 3.4% by March 2026. Average CPI inflation for the year stood at approximately 2.1%, well below the RBI's 4% target. This gave the Reserve Bank room to ease monetary policy: the repo rate was cut by a cumulative 125 basis points over the cycle to 5.25% by December 2025, complemented by a 100-basis-point reduction in the Cash Reserve Ratio to 3.0% of NDTL, releasing approximately ₹2.5 lakh crore of primary liquidity into the banking system.

Employment indicators remained positive. Manufacturing and services PMIs stayed firmly in expansionary territory throughout the year, among the strongest readings globally, accompanied by sustained hiring. As per the Periodic Labour Force Survey, the all-India unemployment rate stood at 3.2%, with urban unemployment at 5.1%, indicating continued labour market strength.

External Sector and Trade

India's external sector faced significant headwinds during FY26, primarily from US trade policy. Merchandise exports for FY 2025-26 rose marginally by 0.93% to US$441.78 billion, weighed down by the imposition of steep US tariffs — a 25% reciprocal tariff coupled with an additional 25% penalty from August 2025, taking the effective rate on a majority of Indian goods exported to the US to 50%. Labour-intensive sectors such as textiles, gems & jewellery and auto components bore the brunt, while pharmaceuticals, electronics and energy products remained largely exempt. A significant relief came in February 2026, when an interim India-US trade understanding reduced the reciprocal tariff from 25% to 18% and removed the 25% penalty, materially improving the export outlook for FY27. Total exports including services grew 4.22% to US$860.09 billion, underscoring the continued strength of services trade.

India Trade Balance: Exports Hold Steady Amid Rising Commodity Import Bills



Source: Ministry of Commerce & Industry / PIB, April 2026. Merchandise trade; total exports incl. services rose 4.2% to US$860 bn.

On the import side, merchandise imports rose to US$774.98 billion, driven by higher crude oil prices following the Middle East conflict, elevated gold imports of US$71.98 billion (up from US$58.01 billion in FY25 on sharply higher gold prices), and consistent demand for electronic goods and machinery, which indicates healthy domestic investment momentum. The merchandise trade deficit consequently widened to US$333.19 billion from US$283.50 billion in FY25, with the overall trade deficit (including services) at US$119.30 billion.

BUDGET 2026-27 HIGHLIGHTS

The Union Budget 2026-27, presented on February 1, 2026, was anchored on three 'kartavyas' — sustaining growth and competitiveness, building human capital, and inclusive development — with a strong focus on Yuva Shakti. Total expenditure was budgeted at ₹53.47 lakh crore, with capital expenditure raised 11.5% to ₹12.2 lakh crore and the fiscal deficit targeted at 4.3% of GDP, continuing the glide path of fiscal consolidation.

Agriculture & Rural Economy

The budget deepens the rural prosperity agenda with an agriculture allocation of approximately ₹1.62 lakh crore, up 7% year-on-year, including ₹63,500 crore for PM-KISAN and ₹7,200 crore for PM-AASHA to support MSP-based procurement of pulses, oilseeds and coconut. A renewed push on oilseeds self-sufficiency, millets and natural farming is complemented by support for high-value crops across coastal, hill and Northeast regions. Bharat-VISTAAR, a multilingual AI-powered agriculture advisory tool with an outlay of ₹150 crore, and the deployment of kisan drones for crop assessment and land records mark a significant digital push. Rural employment received a major boost, with the allocation for the VB-G RAM G rural employment programme raised by nearly 43% over the FY26 revised estimates.

MSMEs & Manufacturing

In a continued push for small businesses and domestic manufacturing, the budget announced a ₹10,000 crore SME Growth Fund and a ₹2,000 crore top-up to the Self-Reliant India Fund, alongside a programme to revive 200 legacy industrial clusters.

Annexure to the Board's Report

The India Semiconductor Mission 2.0 will extend the country's chip manufacturing ambitions, while Biopharma SHAKTI, with an outlay of ₹10,000 crore over five years, aims to position India as a global biopharma hub. Rare earth corridors are proposed in mineral-rich states, and 'Corporate Mitras' — modular compliance-support courses in partnership with ICAI, ICSI and ICMAI — will ease regulatory burdens for MSMEs in Tier-II and Tier-III towns.

Infrastructure & Urban Development

Infrastructure remains a central pillar of the budget, with capital expenditure of ₹12.2 lakh crore and a record railway capex of ₹2.92 lakh crore. Seven high-speed 'Growth Connector' rail corridors were announced, including Mumbai-Pune, Hyderabad-Bengaluru, Chennai-Bengaluru and Delhi-Varanasi. Twenty new national waterways are to be made operational over five years. Urban development receives a new architecture through City Economic Regions, each supported with ₹5,000 crore over five years, while a new Infrastructure Risk Guarantee Fund will provide partial credit guarantees to crowd private capital into infrastructure financing.

Energy & Sustainability

The budget signals a decisive push toward energy security and the clean-energy transition. The allocation to the Ministry of New and Renewable Energy was raised 30.1% to ₹32,915 crore, including ₹22,000 crore for the PM Surya Ghar rooftop solar programme and a 66% increase for PM-KUSUM, while the Green Hydrogen Mission allocation was doubled. Supporting the target of 100 GW of nuclear capacity by 2047, the basic customs duty exemption on nuclear power imports was extended to 2035 and widened to all plants irrespective of capacity, with zero duty on all goods used for nuclear power generation.

Education, Skilling & Innovation

Education received an allocation of ₹1.39 lakh crore, spanning school and higher education. The budget proposes five University Townships near industrial and logistics corridors, AVGC Content Creator Labs across 15,000 secondary schools and 500 colleges (targeting two million creative-economy professionals by 2030), and Samarth 2.0 for textile-sector skilling. AI-focused upskilling and reskilling frameworks for engineers, an 'Education to Employment and Enterprise' Standing Committee, the training of one lakh Allied Health Professionals and five lakh caregivers over five years, three new All India Institutes of Ayurveda, and a revamped Khelo India Mission round out the human-capital agenda.

Science, Technology & Digital Economy

Technology received a landmark set of incentives. A tax holiday until 2047 was announced for foreign companies providing global cloud services from data centres located in India, reinforcing the country's ambition to become a global data-centre hub, with cumulative investments in the sector already exceeding US$126 billion. The India Semiconductor Mission 2.0 received an initial provision of ₹1,000 crore, while the Electronics Components Manufacturing Scheme outlay was nearly doubled from ₹22,000 crore to ₹40,000 crore. Artificial intelligence received targeted support through ₹250 crore for AI Centres of Excellence, ₹100 crore for AI in education, and the Bharat-VISTAAR agri-AI platform, complementing the ongoing IndiaAI Mission and its national GPU compute infrastructure.

Healthcare

The allocation to the Ministry of Health and Family Welfare crossed the ₹1 lakh crore mark for the first time, at ₹1,06,530 crore — an increase of about 10% over the FY26 revised estimates. Key programmes include ₹39,390 crore for the National Health Mission, ₹9,500 crore for Ayushman Bharat PM-JAY, ₹4,770 crore for PM-ABHIM health infrastructure, and enhanced funding for the Ayushman Bharat Digital Mission, alongside the health-skilling initiatives covered under the human capital agenda.

Employment & Social Welfare

The Ministry of Labour & Employment received a record allocation of ₹32,666 crore. The PM Viksit Bharat Rozgar Yojana (PM-VBRY), the employment-linked incentive scheme effective August 2025 with a total outlay of ₹99,446 crore and a target of over 3.5 crore jobs, has been allocated ₹20,082 crore for FY27; the scheme provides incentives of up to ₹15,000 per first-time employee. Social welfare spending was strengthened through higher allocations under the Jal Jeevan Mission, POSHAN, PM-SHRI and Samagra Shiksha, reinforcing the budget's focus on inclusive development.

Financial Sector & Capital Markets

Of particular relevance to the financial services sector, the budget announced a High-Level Committee on Banking for Viksit Bharat to undertake a structural review of banking governance, resilience and credit delivery, together with an NBFC roadmap setting credit-expansion and technology-adoption targets and a proposed restructuring of key public-sector NBFCs for scale. Capital market measures included raising the portfolio investment limit for FPIs/NRIs from 10% to 24% per person, a market-making framework for corporate bonds, incentives for high-value municipal bonds, and a comprehensive review of FEMA. To

Annexure to the Board's Report

curb speculative activity, the securities transaction tax on futures was raised from 0.02% to 0.05% and on options premium from 0.1% to 0.15%, effective April 1, 2026. Notably, the new Income Tax Act, 2025 — replacing the six-decade-old 1961 Act — comes into force from April 1, 2026, marking a generational simplification of direct tax administration. The Infrastructure Risk Guarantee Fund is also expected to crowd banks, insurers and bond investors into infrastructure financing.

Export & Trade Promotion

Positioning exports as the fourth engine of growth, the budget announced a series of facilitation measures: the duty-free input limit for seafood export processing was raised from 1% to 3% of the prior year's FOB export turnover, with similar support for the marine, leather and textile sectors; the ₹10 lakh per-consignment cap on courier exports was removed; the time limit for duty-free inputs was extended from six months to one year; and a one-time window was opened for SEZ units to sell into the domestic tariff area at concessional duty. The Export Promotion Mission, jointly driven by the MSME, Commerce and Finance ministries, continues to ease access to export credit and tackle non-tariff barriers, supported by faster customs clearance and cargo release.

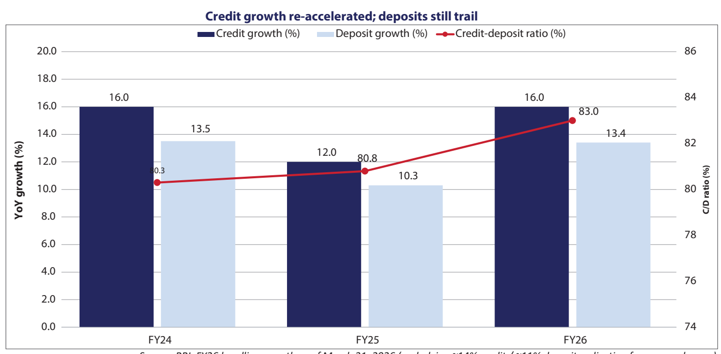
Tax Reforms & Middle-Class Relief

The budget has maintained stability in direct taxation, retaining the structure introduced in February 2025 under which individuals with income up to ₹12 lakh pay no tax under the new regime (₹12.75 lakh for salaried taxpayers with standard deduction), through the Section 87A rebate of up to ₹60,000. Providing relief on overseas remittances, the rate of tax collected at source under the Liberalised Remittance Scheme for education and medical purposes was reduced from 5% to 2%. Customs duty rationalisation continued, with a focus on reducing input costs for export-oriented and labour-intensive industries, while the fiscal deficit target of 4.3% of GDP for FY27 underscores the government's commitment to macroeconomic stability.

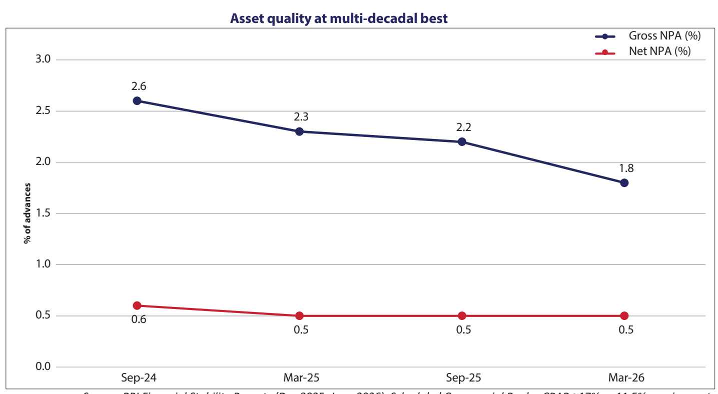
BANKING INDUSTRY IN INDIA

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 challenges such as margin compression in a falling rate environment, an evolving regulatory landscape, and mounting competition from fintech firms, the sector continued to embrace opportunities arising from digital innovation, structural reforms, and evolving customer demands. According to the Reserve Bank of India, India's banking sector remains well-capitalized and robustly regulated, with financial soundness indicators at or near their best levels in decades.



Source: RBI. FY26 headline growth as of March 31, 2026 (underlying ~14% credit / ~11% deposits adjusting for year-end surge).



Source: RBI Financial Stability Reports (Dec 2025, June 2026). Scheduled Commercial Banks; CRAR ~17% vs 11.5% requirement.

The Indian banking sector in FY2025-26 witnessed a marked re-acceleration in credit growth after the moderation of FY25. Bank credit expanded by approximately 16% year-on-year as of March 31, 2026 (with underlying growth of around 14% adjusting for an unusually strong year-end surge), up from 12% in FY25, supported by the transmission of the RBI's 125 basis points of rate cuts, the restoration of lower risk weights, and a consumption revival following GST rate rationalisation. Retail lending — particularly housing and gold loans — did much of the heavy lifting, with the gold loan market expanding to approximately ₹16.2 lakh crore, around 11% of retail credit, driven substantially by gold price appreciation. Credit to MSMEs was the fastest-growing sectoral segment, expanding around 24-25% and accounting for a sharply higher share of incremental credit, supported by government guarantee schemes, digital adoption and improved credit analytics

Deposit mobilization improved but continued to trail credit growth, rising approximately 13.4% year-on-year (underlying growth of around 11%). The credit-to-deposit ratio consequently touched a record high of about 83% during March 2026, keeping deposit competition intense. Banks responded with continued focus on term deposit mobilisation and wholesale funding instruments, even as the RBI's 100-basis-point CRR cut to 3.0% of NDTL — releasing about ₹2.5 lakh crore of primary liquidity — and sustained open market operations kept system liquidity in comfortable surplus for much of the year.

Annexure to the Board's Report

Asset quality strengthened to historic bests. Scheduled Commercial Banks' gross non-performing asset ratio improved to 1.8% as of March 2026 — a multi-decadal low — from 2.3% a year earlier, while net NPAs remained around 0.5%, supported by high provisioning. The RBI's macro stress tests indicate that even under adverse scenarios, aggregate capital ratios remain well above regulatory minimums; the system CRAR stood at approximately 17%, comfortably above the regulatory threshold of 11.5%.

Profitability remained robust, though margins compressed. Public sector banks reported a record aggregate net profit of ₹1.98 lakh crore in FY26, up 11.1% year-on-year, aided by lower credit costs and improved operational efficiency. Private sector banks continued to deliver steady, if slower, profit growth. Net interest margins across the system compressed by roughly 30 basis points, as a large share of floating-rate loans repriced downward immediately on repo rate cuts while deposit costs adjusted with a lag; margin pressure peaked in the first half and began easing in the second half as deposit repricing and CRR relief flowed through.

The year marked a decade of the Unified Payments Interface, which continued its robust growth as the cornerstone of India's digital payments ecosystem. UPI processed approximately 24,162 crore (241.6 billion) transactions in FY26, a 30% increase over the previous fiscal year, with the total transaction value rising 20.6% to ₹314 lakh crore. UPI now accounts for approximately 85% of India's retail digital payment volumes and nearly half of global real-time payment transactions by volume. Its international footprint expanded to ten countries, including Greece during the year, alongside Singapore, the UAE, France, Mauritius, Nepal, Bhutan, Qatar, Sri Lanka and Cambodia, with 703 banks live on the platform.

On the fraud and cybersecurity front, banks reported 10,114 fraud cases in FY26 — roughly half the previous year's count — though the reported value rose 46.4% to ₹48,021 crore, driven overwhelmingly by legacy advances-related cases. Encouragingly, card and internet-based payment frauds collapsed to 293 cases worth ₹29 crore, reflecting the impact of AI-based fraud detection systems, real-time monitoring and customer awareness initiatives. The RBI also operationalised a Cyber Range platform for simulated cyber-drill exercises, and banks continued to devote a substantial share of IT budgets to cybersecurity.

A NEW GROWTH PLAYBOOK FOR INDIAN BANKING IN 2026: ECL TRANSITION, REGULATORY LIBERALISATION AND THE MARGIN RESET

Having delivered record profitability and multi-decadal-best asset quality in FY2025-26, the Indian banking sector's defining theme for the year ahead is no longer balance-sheet repair but a fundamental rewriting of its rulebook. A cluster of landmark regulatory reforms finalised during FY26 — spanning provisioning, acquisition finance, capital markets lending and liquidity — will reshape how banks grow, price risk and deploy capital, even as a falling rate cycle resets margins across the system.

The most consequential regulatory development of the year was the finalisation of the Expected Credit Loss (ECL) framework for provisioning, issued in April 2026 and effective from April 1, 2027, with a transition glide path extending to 2031. The shift to forward-looking, IFRS-9-style provisioning will reward banks with strong data, modelling and early-warning capabilities. Alongside, the RBI opened new avenues for growth: the acquisition financing framework effective April 2026 permits banks, for the first time, to fund up to 75% of the acquisition value of strategic acquisitions of listed Indian companies; limits on IPO financing and loans against securities were raised substantially; revised LCR norms effective April 2026 are expected to free up lendable resources; and the grant of an in-principle universal bank licence to a small finance bank — the first in a decade — signalled a more enabling licensing posture.

At the same time, the competitive landscape continues to be redefined by digital-first financial entities, whose nimble operating models, AI-powered underwriting and minimal infrastructure costs allow them to capture a growing share of new-to-credit customers. With policy rates at 5.25% and lending yields repricing faster than deposits, traditional banks face compressed margins and must defend their liability franchises.

In light of these dynamics, banks must pursue a phased strategy combining near-term tactical measures with long-term structural transformation. In the immediate term, deposit mobilization — particularly low-cost CASA balances — must remain centre stage, supported by targeted propositions for senior citizens, SMEs and salaried segments. Portfolio diversification is another imperative: banks should scale exposure to green and sustainable lending, including solar energy, electric vehicle infrastructure and climate-resilient agri-tech, which benefit from policy tailwinds and priority sector incentives. The new co-lending framework offers a capital-efficient route to expand reach in partnership with NBFCs.

Simultaneously, banks must leverage emerging technologies to enhance operational efficiency and customer experience. The deployment of generative AI in customer servicing and credit operations holds the potential to materially reduce servicing costs, while investments in data infrastructure will be doubly rewarded under the forthcoming ECL regime. Building resilience further requires collaborative ecosystems — embedding financial services in agritech, healthtech and commerce platforms to access India's rapidly formalising rural digital economy — and sustained workforce transformation, with reskilling in AI, machine learning and data science essential to bridging the widening tech-talent gap.

Annexure to the Board's Report

In conclusion, the path forward for Indian banks involves a careful balancing act — managing near-term pressures on margins and deposits while capitalising on a once-in-a-generation regulatory opening of new business avenues, and laying the groundwork for a digitally-enabled, sustainable and inclusive banking model. Institutions that act decisively on these strategic imperatives will shape the future contours of Indian banking.

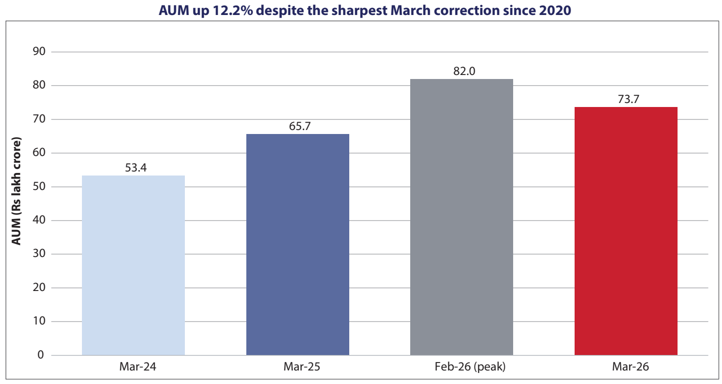
MUTUAL FUND INDUSTRY IN INDIA

Overview

In fiscal year 2025-26, the Indian mutual fund industry continued to expand despite a challenging second half for equity markets, with assets under management (AUM) reaching ₹73.73 lakh crore by March 2026, a growth of 12.2% from ₹65.74 lakh crore in March 2025. AUM had touched a peak of ₹82.03 lakh crore in February 2026 before a sharp mark-to-market correction in March 2026 — when the Nifty 50 fell 11.36%, its steepest monthly decline since March 2020 — pared the year-end figure; assets recovered swiftly to approximately ₹82 lakh crore by April 2026.

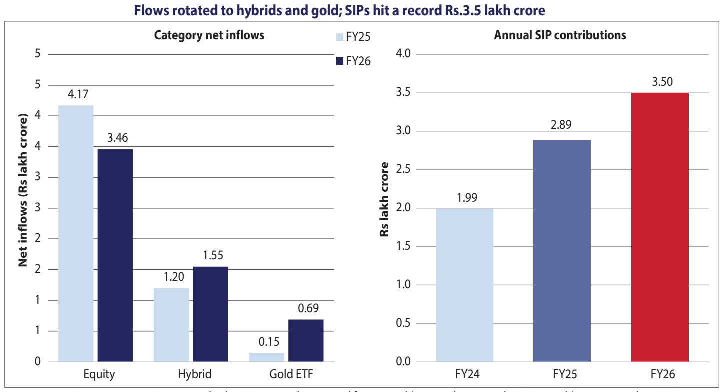
The investor base continued to broaden meaningfully. Total folios rose 16.8% to 27.39 crore by March 2026, while the count of unique investors approached the 6-crore milestone, which was crossed shortly after the year-end. Systematic Investment Plans remained the bedrock of retail participation and proved remarkably counter-cyclical: monthly SIP collections touched a record ₹32,087 crore in March 2026 — the worst month for markets — taking total SIP contributions for the year to approximately ₹3.5 lakh crore, the first-time annual SIP flows have crossed ₹3 lakh crore, up around 21% over FY25. Contributing SIP accounts rose to 9.72 crore from 8.11 crore a year earlier, and SIP assets now represent about a fifth of industry AUM.

AUM up 12.2% despite the sharpest March correction since 2020



Source: AMFI (month-end net AUM). Nifty 50 fell 9.4% in March 2026, paring the February 2026 peak.

Flows rotated to hybrids and gold; SIPs hit a record Rs.3.5 lakh crore



Source: AMFI, Business Standard. FY26 SIP total computed from monthly AMFI data; March 2026 monthly SIP a record Rs.32,087 crore.

Equity-oriented schemes attracted net inflows of ₹3.46 lakh crore during FY26 — lower than the exceptional ₹4.17 lakh crore of FY25, but positive in every single month, extending the streak of positive equity inflows to 61 consecutive months. Hybrid schemes attracted ₹1.55 lakh crore, up 29% year-on-year, as investors sought diversified allocations amid volatility, while gold ETFs recorded unprecedented inflows of ₹68,867 crore — more than the previous five years combined — as safe-haven demand surged; passive category AUM grew over 31% during the year. Notably, domestic mutual funds deployed a record of over ₹5 lakh crore into equities during FY26, providing a crucial counterweight to record foreign portfolio outflows and underscoring the stabilising role of domestic institutional flows in Indian capital markets.

DOMESTIC FLOWS AS THE MARKET'S SHOCK ABSORBER: THE FY26 STRESS TEST AND A NEW REGULATORY ERA

FY26 delivered the first real test of retail investor resilience since the pandemic: the Nifty 50 declined 5.1% and the Sensex 7.1% over the fiscal year — the sharpest fiscal-year fall since FY20 — amid record foreign portfolio outflows, elevated crude prices following the Middle East conflict, and rupee depreciation. While SIP flows held firm, SIP stoppage ratios spiked toward the year-end and flows rotated visibly toward hybrid funds, large-cap strategies and commodity ETFs, underscoring the need for sustained investor education on staying invested through market cycles. The industry passed this stress test with distinction: record domestic mutual fund buying largely absorbed the heaviest monthly foreign selling ever recorded in March 2026, marking a structural coming-of-age of domestic flows as the Indian market's shock absorber.

The regulatory framework is simultaneously undergoing its most significant overhaul in three decades. The SEBI (Mutual Funds) Regulations, 2026 — effective April 1, 2026 — replace the 1996 regulations with a principle-based regime, introducing a new Base Expense Ratio framework with statutory levies charged on actuals, a lighter-touch 'MF Lite' framework for passive-only asset managers, and codification of the Specialized Investment Funds (SIF) regime that was operationalised during FY26. While the new expense framework may compress industry margins in the near term, it is expected to improve transparency, lower

Annexure to the Board's Report

investor costs and expand the product continuum between mutual funds and portfolio management services.

The industry's penetration levels, while improving steadily, remain significantly lower than those observed in many developed economies, highlighting substantial growth opportunities alongside the need for continued efforts in financial inclusion, distribution expansion in smaller cities, and investor education. Industry projections envisage a healthy 16-18% CAGR in assets over the medium term, driven by rising unique investors, deepening B30 penetration and a widening product set.

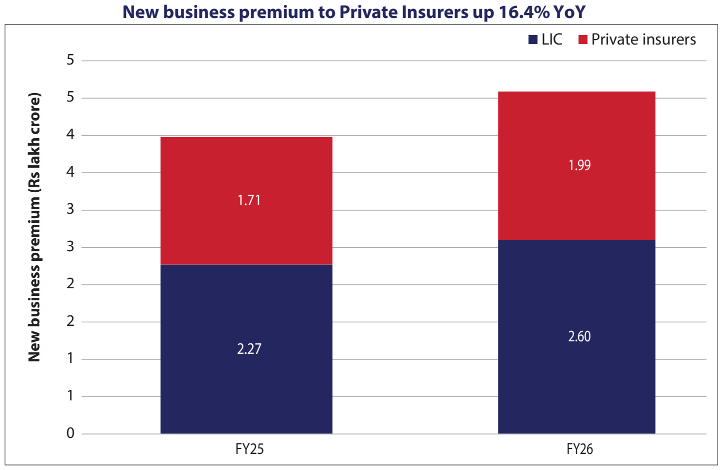
Looking ahead, the industry must remain vigilant about managing concentration risks, ensuring adequate investor education, and maintaining the delicate balance between growth and stability. The resilience of systematic flows demonstrated during FY26 positions the Indian mutual fund industry well for continued expansion, provided it maintains its focus on investor protection, product innovation, and service excellence while navigating the evolving regulatory and market landscape.

LIFE INSURANCE INDUSTRY IN INDIA

Overview

Fiscal year 2025-26 was a landmark year for the Indian life insurance industry, with new business premium crossing the ₹4 trillion mark for the first time to reach nearly ₹4.6 lakh crore, a growth of 15.7% over ₹3.97 lakh crore in FY25 — a sharp acceleration from the previous year's 5.1%. LIC collected ₹2.60 lakh crore of new business premium, up 14.9%, retaining a market share of about 56.7%, while the 26 private life insurers grew 16.8% to ₹1.99 lakh crore. Industry Annualized Premium Equivalent rose approximately 14.5% during the year. Growth was distinctly weighted toward the second half, catalysed by the landmark GST exemption on individual life and health insurance premiums effective September 22, 2025, which reduced the effective cost of protection for households.

New business premium to Private Insurers up 16.4% YoY



Source: Life Insurance Council / IRDAI monthly data. Growth accelerated post the GST exemption effective September 22, 2025.

The quality of growth was as notable as its quantum. The number of policies sold rose 4.7% to 2.83 crore, but individual new business sum assured surged 61% year-on-year — clear evidence of deepening protection coverage. Pure retail protection premiums grew approximately 57% in the second half of the year, with a visible surge in high-value term covers, while the product mix at private insurers tilted toward protection and non-participating products even as ULIP momentum softened with the Q4 equity market correction. Persistency ratios across leading insurers remained stable to improving.

Notwithstanding this strong year, the structural opportunity remains vast. As per the IRDAI's latest annual report, India's life insurance penetration stood at 2.7% of GDP with insurance density at around US$97 — well below global averages — underscoring the significant runway for growth as incomes rise, and reaffirming the relevance of the regulator's 'Insurance for All by 2047' vision.

A LANDMARK YEAR OF REFORM: GST EXEMPTION, 100% FDI AND THE ROAD TO INSURANCE FOR ALL BY 2047

FY26 will be remembered as arguably the most consequential year of reform in the history of the Indian insurance industry. The 56th GST Council's decision to exempt all individual life and health insurance premiums from GST (previously 18%), effective September 22, 2025, delivered an immediate demand stimulus — private insurers' sales rose over 20% in the months immediately following. The exemption, however, came with a transitional cost: with output GST nil, insurers lost input tax credit on commissions, rentals and administrative expenses, raising cost bases by an estimated 3-5% and prompting a rebalancing of distributor commercials across the industry.

An even more far-reaching reform followed in December 2025, when Parliament passed the Insurance Laws (Amendment) legislation, brought into force in February 2026, raising the foreign direct investment limit in insurance from 74% to 100% under the automatic route. The reform is expected to attract fresh capital, global technology and underwriting capability into the sector, and strengthen IRDAI's regulatory toolkit, including restored powers over commission structures. Alongside, the regulatory agenda gathered pace under IRDAI's new Chairman: the Bima Sugam digital marketplace is slated to go live with initial products by late 2026, the industry's transition to Ind AS 117 is targeted for April 2027 with FY27 as the comparative year, and a risk-based capital framework is expected to follow — collectively representing the most comprehensive modernisation of the sector's infrastructure in decades.

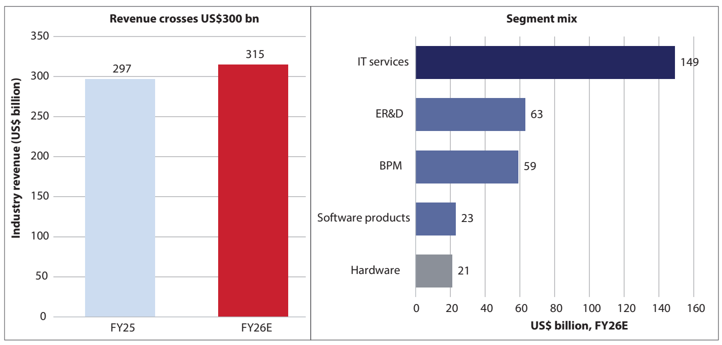
Looking ahead, industry growth is expected to normalise to high single digits to low teens in FY27 on the elevated FY26 base, with leading private insurers guiding for 13-14% APE growth. The combination of GST-exempt pricing, fresh foreign capital, digital distribution infrastructure and a decisive shift toward protection products positions the life insurance industry as one of the most structurally attractive segments of Indian financial services.

TECHNOLOGIES INDUSTRY IN INDIA

Overview

India's technology industry crossed a historic milestone in FY 2025-26, with revenue reaching US$315 billion — surpassing US$300 billion for the first time — representing growth of 6.1% over the previous year, according to Nasscom's Strategic Review 2026. Exports contributed approximately US$246 billion and the domestic market US$69 billion. By segment, IT services accounted for around US$149 billion (up 4.1%), engineering R&D US$63 billion, business process management US$59 billion (up 7%), and software products US$23 billion. Notably, AI-related revenue reached US$10-12 billion during the year, as artificial intelligence moved from experimentation to function-specific deployment across enterprises.

Indian tech revenue crossed US$300 billion in FY26



Source: Nasscom Strategic Review 2026. AI-related revenue US$10-12 bn; direct workforce ~6.0 million.

The industry's direct workforce grew to approximately 6.0 million, with net additions of about 1,35,000 during the year — though the composition of hiring shifted markedly. Global Capability Centres were the standout growth engine: India now hosts over 2,100 GCCs employing approximately 2.36 million professionals and generating an estimated US$98 billion in revenue, with the overwhelming majority of new centres carrying AI/ML as a core mandate. The broader digital economy also deepened: data centre investment commitments crossed US$126 billion cumulatively with major hyperscaler announcements during the year, India's semiconductor mission saw its first assembly and test plants enter production, the IndiaAI Mission scaled its national GPU compute infrastructure, and UPI processed over 241 billion transactions — cementing India's digital public infrastructure as a global reference model.

Demand conditions, however, remained muted for traditional IT services. US tariff actions and macro uncertainty prompted client caution and delayed discretionary spending; large Indian IT services players reported flat to low-single-digit constant-currency growth in FY26, even as deal bookings remained healthy and operating margins were defended through operational rigour. BFSI remained the most resilient vertical, while manufacturing, retail and logistics were affected by tariff-led supply-chain disruption.

ARTIFICIAL INTELLIGENCE AND THE REINVENTION OF THE TECHNOLOGY SERVICES MODEL

FY26 marked the year in which artificial intelligence began visibly rewriting the economics of the technology services industry. Generative and agentic AI compressed delivery effort on traditional services, with industry estimates suggesting annual pricing deflation of 2-3% (and higher in some portfolios) on effort-based work — a structural headwind that is forcing the industry's transition from headcount-linked to outcome-based commercial models. The effect was evident in workforce trends: while the industry added people in aggregate, the largest IT services firms recorded near-zero or negative net headcount additions even as they trained hundreds of thousands of employees in advanced AI skills and productised domain-specific AI agents and platforms.

The operating environment presented additional complexities. The steep increase in US H-1B visa fees announced in September 2025 accelerated the industry's already advanced localisation and offshore-leverage strategies, with Nasscom assessing the direct impact as marginal. Meanwhile, global technology spending is booming — driven overwhelmingly by AI infrastructure — even as spending on traditional IT services remains range-bound, underscoring that the industry's challenge is one of value migration rather than demand destruction.

For FY27, Nasscom expects industry growth to remain in the 5-7% band, characterising the period as one of investment and capability-building in AI-led services. The industry's strategic agenda is clear: scale AI-native service lines and agentic platforms, deepen ER&D and GCC partnerships, shift commercial constructs toward outcomes, and reskill the workforce at scale. India's combination of engineering talent depth, an expanding GCC ecosystem, world-class digital public infrastructure and cost competitiveness continues to position its technology industry strongly for the AI era.

COMPANY OVERVIEW

Bandhan Financial Services Limited (BFSL) stands as the pioneering institution behind the formation of Bandhan Bank Limited

Annexure to the Board's Report

and subsequently Bandhan Financial Holdings Limited (BFHL). 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 2025-26 is given below: *(Amount in ₹ Million)*

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Total Income	1,199.77	1,428.39	18,620.56	14,890.06
Profit before share of profit of associate & exceptional item	990.05	1,250.36	(1,542.53)	(634.38)
Share of profit of associate	-	-	3,188.52	9,964.58
Profit before exceptional item	**-**	**-**	**1,645.99**	**9,330.20**
Profit before Tax	990.05	1,250.36	1,645.99	(12,633.04)
Profit for the year	**862.02**	**1,097.94**	**540.84**	**(14,742.63)**

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	2025-26	2024-25	% 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

As the promoter of regulated financial institutions, BFSL faces indirect exposure tied to how its subsidiaries and associates perform and how well they meet regulatory requirements. Although BFSL stopped carrying out lending activities after transferring its microfinance portfolio to Bandhan Bank in 2015, any revisions to RBI norms governing promoter shareholding, NOFHC structures, or ownership limits could affect the Company's strategic position. Reputational exposure also persists, since BFSL's standing is tightly connected to the governance and results of the entities it has promoted. The Company stays alert to these shifting conditions and continues to comply with all applicable regulations while exercising financial discipline.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place a strong system of internal controls intended to preserve the reliability of its financial and operational processes. This framework is built to give reasonable assurance that accounting records are accurate and dependable, that assets are protected, and that statutory requirements are met. Frequent reviews, process audits, and the use of leading governance practices further strengthen this control environment.

For effective oversight, the Company engages an independent internal audit team that carries out regular assessments of important operational areas. These reviews are complemented by external audit checks performed by well-regarded audit firms. The outcomes of these audits are shared with the Audit Committee, which plays a key part in examining findings and enforcing accountability throughout the organisation.

The statutory audit for the financial year was conducted by M/s Lodha and Co. LLP. As required under Section 143 of the Companies Act, 2013, the auditors have additionally reported on the Company's internal financial controls, affirming that its internal control over financial reporting is adequate.

The Audit Committee sees to it that audit recommendations are acted upon promptly and that control systems continue to match changing operational requirements and regulatory expectations. Ongoing interaction among the Committee, internal auditors, and statutory auditors strengthens transparency and encourages continuous improvement.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Bandhan Financial Services Limited continues to give strong priority to building a resilient, future-ready workforce. Its people remain central to the Company's mission-driven growth, especially given its responsibilities within the financial sector. Over the year, the Company worked to reinforce its talent strategy through organised recruitment, clear role definition, and the use of performance-linked development frameworks. Learning and development stayed a top focus, with targeted training designed to build functional skills, leadership strength, and regulatory awareness at every level. Alongside hiring local talent, the Company launched initiatives that encourage internal mobility and sustained career growth, helping preserve institutional knowledge while rewarding merit. To advance inclusivity and engagement, it also carried out several cultural and team-building activities rooted in its core values. The workplace is continually shaped to support empowerment, well-being, and adherence to ethical and compliance standards. As of 31 March 2026, the Company employed 12 people, reflecting its commitment to developing a motivated, 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.

Place: Mumbai
Date: August 20, 2026

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

Chandra Shekhar Ghosh
Chairman and Whole time Director
(DIN: 00342477)

INDEPENDENT AUDITORS' REPORT

The Members of
Bandhan Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Bandhan Financial Services Limited** ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory n otes for the year ended on that date ('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 ('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 ('Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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 ('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 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 is sufficient and appropriate to provide a basis for our 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 standalone financial statements, consolidated 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards notified under Section 133 of the Act, read with relevant rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Company's ability 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 are also responsible for overseeing the Company's financial reporting process.

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 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 Company 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 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 AUDITORS' REPORT

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 of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the '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, 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) In our opinion, 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 Changes in Equity and the Standalone Statement of Cash Flows 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;

   e) On the basis of the written representations received from the Directors as on March 31, 2026, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2026 from being appointed as a Director in terms of Section 164(2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with reference to the 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 control with reference to the 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 litigation 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026;

   iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 37(viii) to the standalone 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 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, whether, 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. 37(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, 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, 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) of the Companies (Audit and Auditors) Rules, 2014, as amended, as provided under (a) and (b) above, contain any material misstatement;

v. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act; and

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026, 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) paid/ payable by the Company to its Directors during the current 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: 26058940VASMLE9955

Place: Kolkata
Date: June 24, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 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)

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 its 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 relevant records of the Company, the title deeds of immovable properties (other than properties where the Company is lessee and the lease agreements have been executed), are held in the name of the Company as on the balance sheet date;

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 clause (i)(d) of paragraph 3 of the Order is not applicable to the Company; and

e. According to the information and explanations given to us and as represented by the management, no proceeding has been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended. Accordingly, reporting under clause (i)(e) of paragraph 3 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 inventories and accordingly, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable to the Company; and

b. The Company has not been sanctioned any working capital limits from banks or financial institutions at any point of time during the year. Accordingly, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

iii. Investments have been made in mutual funds during the year. Other than this, the Company has not made any investment or provided any guarantee or security or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships (LLPs), or any other parties during the year.

a. The Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity and accordingly, reporting under clause (iii)(a) of paragraph 3 of the Order is not applicable to the Company;

b. Based on the information and explanations provided by the Company, the aforesaid investments being made in mutual funds at the rates prevailing at the time of investment, as such, are prima facie not prejudicial to the Company's interest; and

c. The Company has not provided loans or advances in the nature of loans and accordingly, reporting under clauses (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the Order is not applicable to the Company.

iv. The Company has complied with the provisions of Section 186 of the Act, in respect of the investments made, as applicable. The Company has not granted any loan or provided guarantee or security as covered under Sections 185 and 186 of the Act and accordingly, reporting in this respect is not applicable to the Company.

v. The Company is a non-banking financial company registered with the Reserve Bank of India to which the provisions of Sections 73 to 76 of the Act and the relevant rules thereunder are not applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sub-Section (1) of Section 148 of the Act, with regard to the business activities of the Company. Accordingly, reporting under clause (vi) of paragraph 3 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 services 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 goods and services 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, in arrears as at March 31, 2026 for a period of more than six months from the date they became payable; and

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 (43 of 1961) and accordingly, reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.

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 has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable to the Company;

b. The Company has not been declared wilful 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 outstanding at the beginning of the year and accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company;

d. During the year, the Company has not availed any funds on short-term basis and accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company;

e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures; and

f. The Company has not raised any loans during the year and accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.

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 accordingly, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable to the Company; and

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, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

xi. a. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations 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 we been informed of any such cases by the management;

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

b. According to the information and explanations given to us and based on our examination of the books and records of the company, no report under Sub-Section (12) of Section 143 of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 (as amended) has been filed with the Central Government. Accordingly, reporting under clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company; and

c. According to the information and explanations 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 clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.

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. Accordingly, reporting under clauses (xii)(a), (xii)(b) and (xii)(c) of paragraph 3 of the Order is not applicable to the Company.

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 the 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 a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of its business; and

b. We have considered, during the course of our audit, the reports of the internal auditor 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 (Revised) '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 and accordingly, reporting under clause (xv) of paragraph 3 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 (2 of 1934), and the registration has been obtained by the Company;

b. 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; and

d. There is one Core Investment Company within the Group.

xvii. Based on the examination of the books of account, 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 Statutory Auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and based on the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidences 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 that the 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.

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 on either ongoing projects or other than ongoing projects as stated in Section 135 of the Act and accordingly, reporting under clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order is not applicable to the Company.

xxi. The reporting under clause (xxi) of paragraph 3 of the Order is not applicable in respect of the audit of the standalone financial statements.

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940
UDIN: 26058940VASMLE9955

Place: Kolkata
Date: June 24, 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in point (f) 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 standalone financial statements under clause (i) of Sub-Section (3) of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to the standalone financial statements of **Bandhan Financial Services Limited** ('the Company') as at March 31, 2026, 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 is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 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 the standalone 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 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 evidences about the adequacy of the internal financial controls system 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 the 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 the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the 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 the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to the 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 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: 26058940VASMLE9955

Place: Kolkata
Date: June 24, 2026

Standalone Balance Sheet as at March 31, 2026

(₹ in million)

	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Financial assets			
Cash and cash equivalents	2	5.02	1.92
Bank balances other than cash and cash equivalents	3	4,993.77	4,616.96
Investments	4	28,548.26	28,522.20
Other financial assets	5	4.85	3.88
Subtotal		**33,551.90**	**33,144.96**
Non-financial assets			
Current tax assets (net)		-	33.90
Deferred tax assets (net)	15	0.41	-
Property, plant and equipment	6	27.48	28.94
Right of use assets	7	35.30	41.24
Intangible assets	8	0.01	0.04
Other non-financial assets	9	0.87	0.63
Subtotal		**64.07**	**104.75**
Assets held for sale	10	26.95	26.95
Total assets		**33,642.92**	**33,276.66**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
(I) Trade payables	11		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.00	7.04
(II) Other 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		35.40	49.72
Other financial liabilities	13	51.84	55.51
Sub total		**91.24**	**112.27**
Non-financial liabilities			
Current tax liabilities (net)		0.32	-
Provisions	14	25.89	16.45
Deferred tax liabilities (net)	15	-	0.61
Other non-financial liabilities	16	4.74	2.43
Sub total		**30.95**	**19.49**
Equity			
Equity share capital	17	1,278.21	1,278.21
Other equity	18	32,242.52	31,866.69
Total equity		**33,520.73**	**33,144.90**
Total liabilities and equity		**33,642.92**	**33,276.66**

The accompanying notes 1 to 40 are an integral part of these standalone financial statements
As per our report of even date attached

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

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Bandhan Group

Standalone Statement of Profit and Loss for the year ended March 31, 2026

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
Interest income	19	470.40	453.99
Dividend income	20	700.27	700.27
Net gain on fair value changes	21	10.94	60.93
Total revenue from operations		**1,181.61**	**1,215.19**
Other income	22	18.16	213.20
Total income		**1,199.77**	**1,428.39**
Expenses			
Finance costs	23	4.55	3.74
Employee benefits expense	24	96.52	62.87
Depreciation and amortisation expense	25	15.88	8.20
Other expenses	26	92.77	103.22
Total expenses		**209.72**	**178.03**
Profit before tax		**990.05**	**1,250.36**
Tax expense	27	**128.03**	**152.42**
Current tax		128.89	185.64
Deferred tax		(0.86)	(33.22)
Profit for the year		**862.02**	**1,097.94**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on defined benefit plan		(0.63)	(0.15)
Tax impact thereon		0.16	0.04
Other comprehensive income for the year, net of taxes		**(0.47)**	**(0.11)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**861.55**	**1,097.83**
Earnings per equity share (Face value per share ₹ 10)			
Basic & Diluted (₹)	30	6.74	8.59

The accompanying notes 1 to 40 are an integral part of these standalone financial statements
As per our report of even date attached

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Place: Kolkata
Date: June 24, 2026

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

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Standalone Statement of Cash Flows for the year ended March 31, 2026

	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flows from operating activities		
Profit before tax	**990.05**	**1,250.36**
Adjustments for:		
Interest on deposits with banks	(397.89)	(381.83)
Interest on government securities	(72.10)	(71.97)
Interest on security deposits	(0.41)	(0.19)
Dividend income	(700.27)	(700.27)
Net gain on fair value changes	(10.94)	(60.93)
Interest on income tax refund	(16.65)	(210.50)
Liabilities no longer required written back	(0.19)	-
Finance costs	4.55	3.74
Depreciation and amortisation expense	15.88	8.20
Operating (loss) before working capital changes	**(187.97)**	**(163.39)**
Changes in working capital:		
(Increase) in Other financial assets	(0.88)	(5.74)
(Increase) in Other non-financial assets	(0.25)	(0.47)
Increase/ (decrease) in Trade and Other payables	(17.36)	36.91
Increase/ (decrease) in Other financial liabilities	(0.06)	0.05
Increase in Provisions	8.81	8.08
Increase/ (decrease) in Other non-financial liabilities	(0.59)	0.58
Cash (used in) operations before dividend and interest	**(198.30)**	**(123.98)**
Dividend received	700.27	700.27
Interest received	491.44	439.23
Cash generated from operations	**993.41**	**1,015.52**
Direct taxes paid (net of refunds)	(77.88)	26.41
Net cash generated from operating activities (A)	**915.53**	**1,041.93**
B. Cash flows from investing activities		
Deposits with banks (net)	(398.56)	(311.50)
Purchase of investment in subsidiary	-	(1,170.00)
(Purchase)/redemption of other investments (net)	(14.82)	1,172.40
Purchase of property, plant and equipment	(4.10)	(26.92)
Purchase of intangible assets	-	(0.03)
Advance received against sale of immovable property	2.90	-
Net cash (used in) investing activities (B)	**(414.58)**	**(336.05)**

Bandhan Group

Standalone Statement of Cash Flows for the year ended March 31, 2026

	Year ended March 31, 2026	Year ended March 31, 2025
C. Cash flows from financing activities		
Payment of principal included in lease liabilities	(7.63)	(2.64)
Payment of interest included in lease liabilities	(4.50)	(2.91)
Dividend paid	(485.72)	(700.46)
Net cash (used in) financing activities (C)	**(497.85)**	**(706.01)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	3.10	(0.13)
Cash and cash equivalents as at the beginning of the year	1.92	2.05
Cash and cash equivalents as at the end of the year	**5.02**	**1.92**
Components of cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks	5.01	1.91
Total Cash and cash equivalents (refer Note 2)	**5.02**	**1.92**

Note (i) The above Standalone Statement of Cash Flows has been prepared under the "indirect Method" as set out in the Indian Accounting Standard 7 "Statement of Cash Flows".

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

Note (iii) The Company has spent ₹ 9.70 million (PY: ₹5.20 million) in cash on account of corporate social responsibility (CSR) expenditure during the year ended March 31, 2026.

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

	As at March 31, 2025	Changes from financing cash flow	Non cash changes		As at March 31, 2026
			Foreign exchange movement	Others	
Lease liabilities	42.20	(12.13)	-	8.53	38.60

	As at March 31, 2024	Changes from financing cash flow	Non cash changes		As at March 31, 2025
			Foreign exchange movement	Others	
Lease liabilities	2.76	(5.55)	-	44.99	42.20

Note (v) Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities, as applicable.

The accompanying notes 1 to 40 are an integral part of these standalone financial statements
As per our report of even date attached

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

For **LODHA & CO LLP**
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(i) Equity share capital

	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid-up		
As at March 31, 2024	12,78,21,101	1,278.21
Changes in equity share capital during the year	-	-
As at March 31, 2025	12,78,21,101	1,278.21
Changes in equity share capital during the year	-	-
As at March 31, 2026	**12,78,21,101**	**1,278.21**

(ii) Other equity

	Reserves and surplus				Total other equity
	Securities premium	Statutory reserve	General reserve	Retained earnings	
As at March 31, 2024	**11,971.05**	**15,764.39**	**2,779.55**	**954.33**	**31,469.32**
Profit for the year	-	-	-	1,097.94	1,097.94
Other comprehensive income for the year (net of tax)	-	-	-	(0.11)	(0.11)
Total comprehensive income for the year	**-**	**-**	**-**	**1,097.83**	**1,097.83**
Final dividend for the year 2023-24	-	-	-	(182.78)	(182.78)
Interim dividend for the year 2024-25	-	-	-	(517.68)	(517.68)
Transfer to statutory reserve	-	219.59	-	(219.59)	-
As at March 31, 2025	**11,971.05**	**15,983.98**	**2,779.55**	**1,132.11**	**31,866.69**
Profit for the year	-	-	-	862.02	862.02
Other comprehensive income for the year (net of tax)	-	-	-	(0.47)	(0.47)
Total comprehensive income for the year	**-**	**-**	**-**	**861.55**	**861.55**
Interim dividend for the year 2025-26	-	-	-	(485.72)	(485.72)
Transfer to statutory reserve	-	172.40	-	(172.40)	-
As at March 31, 2026	**11,971.05**	**16,156.38**	**2,779.55**	**1,335.54**	**32,242.52**

Description of nature and purpose of each reserve have been disclosed in note no. 18.

The accompanying notes 1 to 40 are an integral part of these standalone financial statements
As per our report of even date attached

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

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

A. Corporate Information

Bandhan Financial Services Limited (hereinafter referred to as "the Company") is registered with Corporate Identification No. (CIN) U70101WB1995PLC073339 under the Ministry of Corporate Affairs. The Company is registered as a Core Investment Company (CIC) with effect from September 21, 2017. The registered office of the Company is located at DN-32, Sector V, Salt Lake City, Kolkata – 700091, West Bengal.

The Reserve Bank of India ("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 standalone financial statements.

During the year ended March 31, 2025, the Company had applied to the RBI for voluntary surrender of the Certificate of Registration as a CIC and to continue as an "Unregistered CIC", in accordance with the prescribed procedure. The application is under examination by the RBI.

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 24, 2026.

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.

Use of Estimates

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amount of income and expenses for the periods presented.

The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods are affected.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

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 in note no. 1.21-1.28.

e. 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.

C. Recent pronouncements

a. New and revised standards adopted by the Company

During the year ended March 31, 2026, the Ministry of Corporate Affairs (MCA) notified amendments to existing Indian Accounting Standards vide the Companies (Indian Accounting Standards) Amendment Rules, 2025 dated May 7, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 dated August 13, 2025.

These amendments were primarily relating to:

- Ind AS 21 "The Effects of Changes in Foreign Exchange Rates", introducing guidance for assessing lack of exchangeability between currencies, estimation of spot exchange rates where a currency is not exchangeable and related disclosure requirements, together with consequential amendments to Ind AS 101 "First-time Adoption of Indian Accounting Standards";
- Ind AS 1 "Presentation of Financial Statements", including amendments relating to classification of liabilities as current or non-current and related disclosure requirements;
- Ind AS 7 "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures", introducing disclosure requirements relating to supplier finance arrangements;
- Consequential and editorial amendments in various standards including Ind AS 10 "Events after the Reporting Period", Ind AS 108 "Operating Segments", Ind AS 109 "Financial Instruments", and Ind AS 115 "Revenue from Contracts with Customers".

Revision in these standards did not have a material impact on the financial position, financial performance, cash flows or earnings per share of the Company for the year.

b. Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified amendments to Ind AS 1 "Presentation of Financial Statements" relating to classification of liabilities as current or non-current and non-current liabilities with covenants, which are effective for reporting periods beginning on or after April 1, 2026.

The amendments clarify that lender waivers obtained after the balance sheet date cannot be considered for classification of liabilities as current or non-current and require retrospective application in accordance with Ind AS 8.

The Company does not expect these amendments to have any material impact on its financial statements.

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.

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 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.

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.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

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

Classification and Subsequent measurement

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

1.11.1.1.1 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)

1.11.1.1 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 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.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

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 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.

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
Vehicles	8 Years

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

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.

1.17 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.

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 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

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

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 Assets held for Sale

As per the Ind AS, the Company is required to measure the assets identified to be held for sale at lower of carrying value and fair value less cost to sales. Accordingly, the Company has conducted valuation to assess the fair values of asset held for sale as at March 31, 2026. The 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, 2026

(₹ in million)

2. Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.01	0.01
Balances with banks		
- In current accounts	5.01	1.91
	5.02	**1.92**

3. Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Deposits with banks having original maturity exceeding three months	4,993.77	4,616.95
Unpaid dividend account	-	0.01
	4,993.77	**4,616.96**

4. Investments

As at March 31, 2026

	Nos.	At amortised cost	At fair value through profit or loss (FVTPL)	Subtotal	Others (at cost)	Total
In India						
Investment in mutual funds (at FVTPL)						
Mutual funds		-	207.54	207.54	-	207.54
Investment in government securities (at amortised cost)						
7.18% Govt Securities 2037	1,00,00,000	1,007.52	-	1,007.52	-	1,007.52
Investment in subsidiaries (at cost)*						
Bandhan Financial Holdings Limited	2,59,36,04,000	-	-	-	26,163.20	26,163.20
Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	8,94,317	-	-	-	1,170.00	1,170.00
Outside India	-	-	-	-	-	-
Total Gross		**1,007.52**	**207.54**	**1,215.06**	**27,333.20**	**28,548.26**
Less: Impairment loss allowance		-	-	-	-	-
Total Net		**1,007.52**	**207.54**	**1,215.06**	**27,333.20**	**28,548.26**

*In respect of Bandhan Financial Holdings Limited, 6 (six) shares and Bandhan Technologies Private Limited, 1 (one) share held jointly with nominees.

Other disclosures:

Aggregate amount of unquoted investments	27,540.74
Aggregate amount of quoted investments	1,007.52

Details of investment in subsidiaries:

	Bandhan Financial Holdings Limited	Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]
Principal place of business	West Bengal	Karnataka
Proportion of the ownership interest and voting rights held	100.00%	100.00%
Method used to account for above stated subsidiary	Cost	Cost

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

As at March 31, 2025

	Nos.	At amortised cost	At fair value through profit or loss (FVTPL)	Subtotal	Others (at cost)	Total
In India						
Investment in mutual funds (at FVTPL)						
Mutual funds		-	181.78	181.78	-	181.78
Investment in government securities (at amortised cost)						
7.18% Govt Securities 2037	1,00,00,000	1,007.22	-	1,007.22	-	1,007.22
Investment in subsidiaries (at cost)*						
Bandhan Financial Holdings Limited	2,59,36,04,000	-	-	-	26,163.20	26,163.20
Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	8,94,317	-	-	-	1,170.00	1,170.00
Outside India	-	-	-	-	-	-
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 respect of Bandhan Financial Holdings Limited, 6 (six) shares and Bandhan Technologies Private Limited, 1 (one) share held jointly with nominees.

Other disclosures :

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

Details of investment in subsidiaries:

	Bandhan Financial Holdings Limited	Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]
Principal place of business	West Bengal	Karnataka
Proportion of the ownership interest and voting rights held	100.00%	100.00%
Method used to account for above stated subsidiary	Cost	Cost

5. Other financial assets (unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Security deposits	4.85	3.88
	4.85	**3.88**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

6. Property, plant and equipment

	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total
Cost						
As at March 31, 2024	**3.92**	**0.45**	**-**	**2.16**	**0.78**	**7.31**
Additions	12.94	-	10.00	3.44	0.53	26.91
Disposals	-	-	-	-	-	-
As at March 31, 2025	**16.86**	**0.45**	**10.00**	**5.60**	**1.31**	**34.22**
Additions	-	0.04	3.61	0.10	0.36	4.11
Disposals	-	-	-	-	-	-
As at March 31, 2026	**16.86**	**0.49**	**13.61**	**5.70**	**1.67**	**38.33**
Depreciation						
As at March 31, 2024	**1.30**	**0.15**	**-**	**0.97**	**0.55**	**2.97**
Depreciation for the year (Refer note no. 25)	1.04	0.04	0.66	0.43	0.14	2.31
Disposals	-	-	-	-	-	-
As at March 31, 2025	**2.34**	**0.19**	**0.66**	**1.40**	**0.69**	**5.28**
Depreciation for the year (Refer note no. 25)	2.79	0.04	1.51	0.90	0.33	5.57
Disposals	-	-	-	-	-	-
As at March 31, 2026	**5.13**	**0.23**	**2.17**	**2.30**	**1.02**	**10.85**
Net carrying amount						
As at March 31, 2025	**14.52**	**0.26**	**9.34**	**4.20**	**0.62**	**28.94**
As at March 31, 2026	**11.73**	**0.26**	**11.44**	**3.40**	**0.65**	**27.48**

For capital commitment with regard to Property, plant and equipment, refer note no. 28(i)

7. Right-of-use assets

	As at March 31, 2026	As at March 31, 2025
Cost		
At the beginning of the year	**47.32**	**2.98**
Additions	4.34	44.34
Disposals	-	-
At the end of the year	**51.66**	**47.32**
Depreciation		
At the beginning of the year	**6.08**	**0.58**
Depreciation for the year (Refer note no. 25)	10.28	5.50
Disposals	-	-
At the end of the year	**16.36**	**6.08**
Net carrying amount as at the end of the year	**35.30**	**41.24**

(i) Amount recognised in the statement of profit and loss:

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation charge on right-of-use assets	10.28	5.50
Interest expense on lease liabilities	4.50	2.91

(ii) Amount recognised in the statement of cash flows:

	Year ended March 31, 2026	Year ended March 31, 2025
Total cash outflows for lease (including principal and interest)	12.13	5.55

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

8. Intangible assets

	As at March 31, 2026	As at March 31, 2025
Computer software (acquired)		
Cost		
At the beginning of the year	**0.60**	**0.57**
Additions	-	0.03
Disposals	-	-
At the end of the year	**0.60**	**0.60**
Amortisation		
At the beginning of the year	**0.56**	**0.53**
Amortisation for the year (Refer note no. 25)	0.03	0.03
Disposals	-	-
At the end of the year	**0.59**	**0.56**
Net carrying amount as at the end of the year	**0.01**	**0.04**

9. Other non-financial assets

	As at March 31, 2026	As at March 31, 2025
Capital advances	-	0.01
Prepaid expenses	0.80	0.24
Advance to suppliers and others	0.07	0.38
	0.87	**0.63**

10. Assets held for sale

	As at March 31, 2026	As at March 31, 2025
Carrying amount of non-current asset classified as held for sale		
Investment property	26.95	26.95

(i) The property is a commercial unit situated in Tripura, India.

(ii) 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.

(iii) 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.

(iv) During the year, the Company has entered into an agreement for sale for the aforesaid property and received an advance payment of ₹ 2.90. As on the date of approval of the standalone financial statements, the full amount of consideration has been received and the asset has since been transferred.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(v) The movement in Investment property is as follows:

	As at March 31, 2026	As at March 31, 2025
Building		
Cost		
At the beginning of the year	-	38.17
Additions	-	-
Disposals	-	-
At the end of the year	**-**	**38.17**
Depreciation		
At the beginning of the year	-	10.86
Depreciation for the year (Refer note no. 25)	-	0.36
Disposals	-	-
At the end of the year	**-**	**11.22**
Carrying amount	**-**	**26.95**
Less: Investment property classified as held for sale as at February 28, 2025	-	(26.95)
Net carrying amount as at the end of the year	**-**	**-**

Amount recognised in profit or loss for investment property:

	Year ended March 31, 2026	Year ended March 31, 2025
Rental income	-	2.47
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	**-**	**2.47**
Less: Depreciation	-	(0.36)
Profit from investment property	**-**	**2.11**

11. Trade payables

	As at March 31, 2026	As at March 31, 2025
Total undisputed outstanding dues of micro enterprises and small enterprises	-	-
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises	4.00	7.04
	4.00	**7.04**

As at March 31, 2026

	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	3.10		0.90	-	-	-	4.00
Disputed dues- to micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues- to other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**3.10**	**-**	**0.90**	**-**	**-**	**-**	**4.00**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

As at March 31, 2025

	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**

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

	As at March 31, 2026	As at March 31, 2025
(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 to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

12. Other payables

	As at March 31, 2026	As at March 31, 2025
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	35.40	49.72
	35.40	**49.72**

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

	As at March 31, 2026	As at March 31, 2025
(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 to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

13. Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer Note below)	38.60	42.20
Other employee payables	-	0.06
Unpaid dividend	-	0.01
Insurance claim payable	13.24	13.24
	51.84	**55.51**

(i) Lease liabilities schedule:

	As at March 31, 2026	As at March 31, 2025
Outstanding as at the beginning of the year	**42.20**	**2.76**
Additions	4.03	42.08
Deductions	-	-
Interest expense (Refer note no. 23)	4.50	2.91
Cash outflow	(12.13)	(5.55)
Outstanding as at the end of the year	**38.60**	**42.20**

(ii) Minimum lease payment:

	As at March 31, 2026	As at March 31, 2025
The following table sets forth, for the periods indicated, the details of liability, on an undiscounted basis, for premises taken on lease -		
Not later than one year	13.04	10.99
Later than one year and not later than five years	33.12	42.68
Later than five years	0.15	0.15
Total	**46.31**	**53.82**

14. Provisions

	As at March 31, 2026	As at March 31, 2025
Employee benefit obligations	25.89	16.45
	25.89	**16.45**

15. Deferred tax liabilities/ assets (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
On account of timing difference in:		
-Property, plant and equipment, investment property and intangible assets	2.18	2.21
-Right-of-use assets	8.88	10.38
-Fair value gain on investment	1.52	1.03
	12.58	**13.62**
Deferred tax assets		
On account of timing difference in:		
-Lease liabilities	9.71	10.62
-Post employment benefits	3.04	1.89
-Security deposit	0.24	0.50
	12.99	**13.01**
Net deferred tax liabilities/ (assets) (net)	**(0.41)**	**0.61**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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

	As at March 31, 2024	Charged/ credited to profit or loss	Charged/ credited to OCI	As at March 31, 2025	Charged/ credited to profit or loss	Charged/ credited to OCI	As at March 31, 2026
Deferred tax liabilities							
-Property, plant and equipment, investment property and intangible assets	1.70	0.51	-	2.21	(0.03)	-	2.18
-Right-of-use assets	0.60	9.78	-	10.38	(1.50)	-	8.88
-Fair value gain on investment	34.36	(33.33)	-	1.03	0.49	-	1.52
	36.66	**(23.04)**	**-**	**13.62**	**(1.04)**	**-**	**12.58**
Deferred tax assets							
-Unabsorbed short-term capital loss	1.14	(1.14)	-	-	-	-	-
-Lease liabilities	0.69	9.93	-	10.62	(0.91)	-	9.71
-Post employment benefits	0.96	0.89	0.04	1.89	0.99	0.16	3.04
-Security deposit	-	0.50	-	0.50	(0.26)	-	0.24
	2.79	**10.18**	**0.04**	**13.01**	**(0.18)**	**0.16**	**12.99**
Net deferred tax liabilities/ (assets) (net)	**33.87**	**(33.22)**	**(0.04)**	**0.61**	**(0.86)**	**(0.16)**	**(0.41)**

16. Other non-financial liabilities

	As at March 31, 2026	As at March 31, 2025
Advance received against sale of immovable property	2.90	-
Statutory liabilities	1.84	2.43
	4.74	**2.43**

17. Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised		
15,00,00,000 (PY: 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		
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 year:

	As at March 31, 2026		As at March 31, 2025	
	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
Changes 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) Terms/ rights attached to equity shares

The 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 Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) The Company does not have any holding or ultimate holding company.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(iv) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares held	% of Holding	No. of shares held	% 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 Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership 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) Refer note no. 39 for capital management disclosures.

(x) Details of shareholding of promoters:

		As at March 31, 2026			As at March 31, 2025		
Sr. No.	Promoter name	No. of shares held	% of Holding	% change during the year	No. of shares held	% of Holding	% 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	-

18. Other equity

	As at March 31, 2026	As at March 31, 2025
Securities premium	11,971.05	11,971.05
Statutory reserve	16,156.38	15,983.98
General reserve	2,779.55	2,779.55
Retained earnings	1,335.54	1,132.11
	32,242.52	**31,866.69**

Nature and purpose of reserves:

(i) Securities premium

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

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(ii) Statutory reserve

Statutory reserve is created in accordance with section 45-v1C(1) of the Reserve Bank of India (RBI) Act, 1934 which requires 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.

(iii) 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.

(iv) Retained earnings

Retained earnings represents accumulated profits earned by the Company and remaining undistributed as on date. It also includes cumulative amount of remeasurement of defined benefit plan determined based on changes in actuarial assumptions.

19. Interest income

	Year ended March 31, 2026	Year ended March 31, 2025
Financial instruments measured at amortised cost		
- Interest on deposits with banks	397.89	381.83
- Interest on government securities	72.10	71.97
- Interest on security deposits	0.41	0.19
	470.40	**453.99**

20. Dividend income

	Year ended March 31, 2026	Year ended March 31, 2025
Financial instruments measured at cost		
- Dividend income from subsidiary	700.27	700.27
	700.27	**700.27**

21. Net gain on fair value changes

	Year ended March 31, 2026	Year ended March 31, 2025
Financial instruments measured at fair value through profit or loss		
- Net gain on mutual funds		
Realised	9.00	193.33
Unrealised*	1.94	(132.40)
	10.94	**60.93**

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

22. Other income

	Year ended March 31, 2026	Year ended March 31, 2025
Rental income	1.30	2.47
Interest on income tax refund	16.65	210.50
Liabilities no longer required written back	0.19	-
Others	0.02	0.23
	18.16	**213.20**

23. Finance costs

	Year ended March 31, 2026	Year ended March 31, 2025
Interest on lease liabilities	4.50	2.91
Interest on income tax	0.05	0.83
	4.55	**3.74**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

24. Employee benefits expense

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	91.08	60.41
Contribution to provident and other funds	2.50	1.79
Staff welfare expenses	2.94	0.67
	96.52	**62.87**

25. Depreciation and amortisation expense

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment	5.57	2.31
Depreciation on right-of-use assets	10.28	5.50
Amortisation of intangible assets	0.03	0.03
Depreciation on investment property	-	0.36
	15.88	**8.20**

26. Other expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Rent, taxes and energy costs	3.86	3.10
Repairs and maintenance	1.44	0.78
Communication costs	0.37	0.27
Printing and stationery	0.37	0.21
Advertisement and publicity	7.21	0.08
Directors' fees, allowances and expenses	2.59	3.21
Auditors' fees and expenses [Refer note no. 26(i)]	3.27	3.22
Legal and professional charges	13.73	23.87
Insurance	0.23	0.19
Travelling and conveyance	11.25	9.48
Bank charges	0.04	0.44
Donation	35.40	49.72
Corporate social responsibility expenses [Refer note no. 26(ii)]	9.70	5.20
Miscellaneous expenses	3.31	3.45
	92.77	**103.22**

(i) Details of Auditors' fees and expenses:

	Year ended March 31, 2026	Year ended March 31, 2025
Payment to auditors:		
Audit fees	2.02	2.02
Tax audit fees	0.35	0.35
Certification fees	0.88	0.83
Reimbursement of expenses	0.02	0.02
	3.27	**3.22**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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

(a) Details of CSR Expenditure:

	Year ended March 31, 2026	Year ended March 31, 2025
a) Gross amount required to be spent by the Company during the year	9.51	5.14
b) Amount spent during the year	9.70	5.20
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Details of related party transactions- Contribution to Bandhan Konnagar	7.70	5.20
g) Provision for CSR expenditure at the beginning and at the end of the year	-	-

(b) Nature of CSR activities:

	Year ended March 31, 2026	Year ended March 31, 2025
1) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	2.25	3.55
2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	4.37	1.10
3) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	3.08	0.55
Total	**9.70**	**5.20**

(c) Details of excess amount spent:

	Year ended March 31, 2026	Year ended March 31, 2025
At the beginning of the year	-	-
Amount required to be spent during the year	9.51	5.14
Amount spent during the year	9.70	5.20
At the end of the year	**0.19**	**0.06**
- to be carried forward for next year	-	-
- not to be carried forward for next year	0.19	0.06

27. Tax expenses

Components of income tax expense:

	Year ended March 31, 2026	Year ended March 31, 2025
Current income tax:		
For current year	139.48	185.63
Adjustments in respect of earlier years	(10.59)	0.01
	128.89	185.64
Deferred tax:		
-Property, plant and equipment, investment property and intangible assets	(0.03)	0.51
-Right-of-use assets	(1.50)	9.78
-Fair value gain on investment	0.49	(33.33)
-Unabsorbed short-term capital loss	-	1.14
-Lease liabilities	0.91	(9.93)
-Post employment benefits	(0.99)	(0.89)
-Security deposit	0.26	(0.50)
	(0.86)	(33.22)
	128.03	**152.42**

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before income tax	990.05	1,250.36
Company's tax rate	25.168%	25.168%
Income tax expense calculated using Company's income tax rate	**249.18**	**314.69**
Adjustments for -		
Effect of non deductible expenses	11.35	14.03
Effect of favourable deductions	(121.91)	(176.31)
Adjustments in respect of earlier years	(10.59)	0.01
Tax expense reported in the standalone financial statements	**128.03**	**152.42**
Effective tax rate	**12.93%**	**12.19%**

28. Commitment, contingent liabilities and contingent assets

	As at March 31, 2026	As at March 31, 2025
(i) Commitment:		
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
(ii) Contingent liabilities:		
The Company does not have any contingent liabilities requiring disclosure in the standalone financial statements	-	-
(iii) Contingent assets:		
The Company does not have any contingent assets	-	-

29. Segment reporting

The Company is currently engaged primarily in the business of investing in India, which constitutes its sole reporting segment in accordance with Ind AS 108 "Operating Segments".

30. Earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
Net profit attributable to equity shareholders (in ₹ million)	862.02	1,097.94
Weighted average number of equity shares	12,78,21,101	12,78,21,101
Basic & Diluted earnings per share (₹)	6.74	8.59
Face value of equity shares (₹)	₹ 10	₹ 10

The Company does not have any dilutive potential equity shares

31. Employee benefits

(i) Defined contribution plan

	Year ended March 31, 2026	Year ended March 31, 2025
Employer's contribution to provident fund	1.71	1.21
Employer's contribution to pension fund	0.79	0.58

(ii) Defined benefit plan - gratuity

The Gratuity scheme is a 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.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Risks related to defined benefit plan:

(a) 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.

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

(c) 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.

	Year ended March 31, 2026	Year ended March 31, 2025
(A) Changes in Defined Benefit Obligation (DBO)		
Present Value of Defined Benefit Obligation as at the beginning of the year	2.68	1.16
Current service cost	1.31	1.29
Past service cost - plan amendements	0.46	-
Interest cost	0.15	0.08
Actuarial (Gains)/ Losses	0.63	0.15
Benefits paid	(0.59)	-
Present Value of Defined Benefit Obligation as at the end of the year	**4.64**	**2.68**
(B) Amount recognised in the Balance Sheet		
Present Value of Unfunded Obligation	4.64	2.68
Net liability recognised in the Balance Sheet	**4.64**	**2.68**
(C) Expense recognised in Profit or Loss		
Total service cost	1.77	1.29
Interest cost	0.15	0.08
Total expense recognised in Profit or Loss	**1.92**	**1.37**
(D) Expense recognized in the Other Comprehensive Income (OCI)		
Remeasurements - Due to Financial Assumptions	(0.02)	0.07
Remeasurements - Due to Experience Adjustments	0.65	0.08
Net (Income)/ Expense for the period to be recognized in OCI	**0.63**	**0.15**

(E) Sensitivity Analysis

	As at March 31, 2026		As at March 31, 2025	
	% Change in DBO	Amount of change	% Change in DBO	Amount of change
Discount Rates				
+ 100 Basis Points	(4.30%)	(0.20)	(4.50%)	(0.12)
- 100 Basis Points	4.70%	0.22	5.00%	0.13
Salary Growth				
+ 100 Basis Points	3.40%	0.16	3.50%	0.09
- 100 Basis Points	(3.20%)	(0.15)	(3.50%)	(0.09)

(F) Maturity profile of Defined Benefit Obligation

	As at March 31, 2026	As at March 31, 2025
i) Year 1	0.26	0.94
ii) Year 2	0.51	0.09
iii) Year 3	0.60	0.15
iv) Year 4	4.49	0.15
v) Year 5	0.52	0.15
vi) Year 6 to Year 10	3.98	1.23
	10.36	**2.71**

(₹ in million)

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

	As at March 31, 2026	As at March 31, 2025
Discount rate (per annum)	6.50%	6.40%
Salary increase (per annum)	8.80%	8.80%
Withdrawal rate	8.00%	8.00%
Mortalility rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). These Codes have been made effective from November 21, 2025, replacing and rationalising multiple labour laws then prevailing in the country. In accordance with the requirements of the Indian Accounting Standard 19 "Employee Benefits", changes to employee benefit plans resulting from legislative amendments constitute a plan amendment, necessitating recognition of past service cost immediately upon notification.

The impact on the employee benefit expenses with respect to gratuity amounting to ₹ 0.46 million, as determined actuarially, have been recognised as past service cost towards employees' benefit obligations during the year ended March 31, 2026. The Company continues to monitor the provisions of the Labour Codes and development thereof, including related Central and State rules as and when notified, and implications as relevant to the Company are given effect to in the respective period.

32. Related party transactions (RPT)

(i) 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 Konnagar	Promoter group entity
Bandhan Financial Holdings Limited	Subsidiary Company
Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	Subsidiary Company (w.e.f. September 4, 2024)
Bandhan AMC Limited	Subsidiary Company of Bandhan Financial Holdings Limited
Bandhan Mutual Fund Trustee Limited	Subsidiary Company of Bandhan Financial Holdings Limited
Bandhan Life Insurance Limited	Subsidiary Company of Bandhan Financial Holdings Limited
Bandhan Investment Managers (Mauritius) Limited	Subsidiary Company of Bandhan AMC Limited (up to September 17, 2025)
Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK)	Subsidiary Company of Bandhan Technologies Private Limited (w.e.f. October 23, 2024)
Bandhan Technologies Inc., USA (Formerly Genisys Software Limited, USA)	Subsidiary Company of Bandhan Technologies Private Limited (w.e.f. October 23, 2024)
Bandhan Bank Limited	Associate of Bandhan Financial Holdings Limited
Key Management Personnel (KMPs)	
Mr. Chandra Shekhar Ghosh	Director (w.e.f. July 10, 2024) and Executive Director (w.e.f. September 5, 2024) (designated Executive Chairman by the Board)
Mr. Arvind Agrawal	Managing Director
Mr. Roshan Agarwal	Chief Financial Officer (w.e.f August 21, 2025)
Mr. Biplab Kumar Mani	Company Secretary
Mr. Amrit Daga	Chief Financial Officer (up to July 22, 2025)

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Entities	Nature of relationship
Non-executive/ Independent directors	
Mr. Arun Shrivastava	Independent Director
Mr. Subrata Mandal	Independent Director
Mr. Pankaj Sood	Nominee Director of Caladium Investment Pte. Ltd.
Ms. Hulya Kefeli	Nominee Director of International Finance Corporation
Mr. Arup Kumar	Nominee Director of Small Industries Development Bank of India (up to December 4, 2024)
Mr. Sriradha Ramana Saripalli	Nominee Director of Small Industries Development Bank of India (w.e.f. December 4, 2024)
Mr. Arindam Banik	Non-Executive Director
Mr. Amit Kumar Hazra	Non-Executive Director
Relatives of Key Management Personnel (KMPs)	
Mrs. Nilima Ghosh	Spouse of Mr. Chandra Shekhar Ghosh
Mr. Angshuman Ghosh	Son of Mr. Chandra Shekhar Ghosh
Mr. Vaskar Ghosh	Brother of Mr. Chandra Shekhar Ghosh

(ii) Transactions during the year

Name of Related Party	Nature	As at March 31, 2026	As at March 31, 2025
Promoter entity	- Dividend paid	197.83	285.30
	- Advance received against sale of immovable property	2.90	-
Promoter group entity	- Donation	35.40	49.72
	- CSR	7.70	5.20
	- Office rent	0.14	0.14
	- Rental income	1.30	2.47
Subsidiary Company	- Dividend received	700.27	700.27
	- Letter of comfort (given) [refer Note (c)]	-	5,000.00
	- Re-imbursement of expenses (received)	0.78	0.10
	- Investment in equity shares	-	372.60
Subsidiary Company of Bandhan Financial Holdings Limited	- Domain sale	-	0.22
Associate of Bandhan Financial Holdings Limited	- Interest income	389.62	368.32
	- Bank charges	0.03	0.02
Key Management Personnel (KMPs)	- Remuneration and other allowances [refer Note (a)]	76.11	51.71
	- Dividend paid	5.93	0.18
Non-executive/ Independent directors	- Sitting fees [refer Note (b)]	2.59	3.21
Relative of Key Management Personnel (KMPs)	- Dividend paid	3.41	13.29

(₹ in million)

(iii) Balance outstanding

Name of Related Party	Nature	As at March 31, 2026	As at March 31, 2025
Promoter entity	- Advance received against sale of immovable property	2.90	-
Promoter group entity	- Donation	35.40	49.72
Subsidiary company	- Investments	27,333.20	27,333.20
	- Letter of comfort (given) [refer Note (c)]	5,000.00	5,000.00
Associate of Bandhan Financial Holdings Limited	- Bank Deposits	4,687.60	4,616.95
	- Current Account	4.58	1.56
Non-executive/ Independent directors	- Sitting fees	-	0.13

Note (a): Remuneration and other allowances to KMPs

	Year ended March 31, 2026	Year ended March 31, 2025
Short-term emloyee benefits	74.16	50.11
Post employment benefits	1.95	1.60

i) 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 under RPT once the same is finalised vide the recommendation of the Nomination and Remuneration Committee.

ii) Expenses towards gratuity and leave encashment 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.

Note (b): In the case of Nominee Directors, sitting fees have been paid to the respective companies.

Note (c): The Company had 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 ₹ 5,000.00 over the period of next 5 years for meeting financial obligations of BFHL towards Bandhan Life Insurance Limited.

Note (d): 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:

	Year ended March 31, 2026	Year ended March 31, 2025
Net investments during the year	(91.64)	(247.36)
Balance as at the end of the year	-	88.22

33. Category wise classification of financial assets and liabilities

As at March 31, 2026

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Financial assets				
Cash and cash equivalents	-	-	5.02	5.02
Bank balances other than cash and cash equivalents	-	-	4,993.77	4,993.77
Investments*	207.54	-	1,007.52	1,215.06
Other financial assets	-	-	4.85	4.85
Financial liabilities				
Trade payables	-	-	4.00	4.00
Other payables	-	-	35.40	35.40
Other financial liabilities	-	-	51.84	51.84

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

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

As at March 31, 2025

	Fair value through profit or loss	Fair value through other comprehensive information	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.

34. 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.

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.

As at March 31, 2026

	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial assets				
Investment in mutual funds	207.54	-	-	207.54
Total financial assets measured at fair value	**207.54**	**-**	**-**	**207.54**

As at March 31, 2025

	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial assets				
Investment in mutual funds	181.78	-	-	181.78
Total financial assets measured at fair value	**181.78**	**-**	**-**	**181.78**

Note: There is no movement between Level 1, Level 2 and Level 3 fair values as applicable, during the current or previous year and, there are no financial liabilities being measured at fair values.

35. Risk Management Framework

The Company is a Core Investment Company (CIC) and its operations are limited to being a CIC. The risks therefore mainly 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 Committee, Risk Management Committee and the Board of the Subsidiary. The Company is exposed to 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 Committee 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 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 Committee and Audit Committee reviews the adequacy of Company's risk management policies, processes and report the matter to the Board of Directors.

(₹ in million)

(i) 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 and 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 in government securities and money market instruments. The Company reviews these investments on a regular basis. Further, Investment in subsidiary is reviewed by Board of Directors at regular intervals.
The Company's exposure to credit risk is limited to the carrying amount of the assets at the reporting date.

(ii) Liquidity risk

Liquidity risk is the risk that the Company 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 Company believes that cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since the Company has no external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed cash flows as at the balance sheet date:

As at March 31, 2026	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	4.00	-	-	4.00
Other payables	35.40	-	-	35.40
Other financial liabilities	26.28	33.12	0.15	59.55
Total	**65.68**	**33.12**	**0.15**	**98.95**

As at March 31, 2026	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	7.04	-	-	7.04
Other payables	49.72	-	-	49.72
Other financial liabilities	24.30	42.68	0.15	67.13
Total	**81.06**	**42.68**	**0.15**	**123.89**

The Company 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 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.

(a) Interest rate risk

Interest rate risk is where the Company 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 Company does not have any borrowings.
The Company 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 the relatively short tenure of the underlying portfolio of debt mutual fund schemes in which the Company 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.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Unhedged foreign currency exposure

Nature of exposure	As at March 31, 2026			As at March 31, 2025		
	Currency	Amount (in USD)	(in ₹ million)	Currency	Amount (in USD)	(in ₹ million)
Sitting fees payable to nominee director of IFC	USD	-	-	USD	1,522.00	0.13
Due diligence fees	USD	-	-	USD	10,500.00	0.90

Sensitivity analysis of the above exposure, considering the materiality aspect, has not been disclosed.

(c) Price risk

The Company's investments in non-listed equity securities are accounted for at cost in the standalone 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.

36. 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.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5.02	-	5.02	1.92	-	1.92
Bank balances other than cash and cash equivalents	4,058.24	935.53	4,993.77	4,616.96	-	4,616.96
Investments	221.33	28,326.93	28,548.26	195.27	28,326.93	28,522.20
Other financial assets	-	4.85	4.85	-	3.88	3.88
Non-financial assets						
Current tax assets (net)	-	-	-	33.90	-	33.90
Deferred tax assets (net)	-	0.41	0.41	-	-	-
Property, plant and equipment	-	27.48	27.48	-	28.94	28.94
Right-of-use assets	10.65	24.65	35.30	-	41.24	41.24
Intangible assets	-	0.01	0.01	-	0.04	0.04
Other non-financial assets	0.87	-	0.87	-	0.63	0.63
Assets held for sale	26.95	-	26.95	26.95	-	26.95
TOTAL - ASSETS	**4,323.06**	**29,319.86**	**33,642.92**	**4,875.00**	**28,401.66**	**33,276.66**
LIABILITIES						
Financial liabilities						
Trade and other payables	39.40	-	39.40	56.76	-	56.76
Other financial liabilities	22.63	29.21	51.84	20.04	35.47	55.51
Non-financial liabilities						
Current tax liabilities (net)	0.32	-	0.32	-	-	-
Provisions	13.80	12.09	25.89	8.97	7.48	16.45
Deferred tax liabilities (net)	-	-	-	-	0.61	0.61
Other non-financial liabilities	4.74	-	4.74	2.43	-	2.43
TOTAL - LIABILITIES	**80.89**	**41.30**	**122.19**	**88.20**	**43.56**	**131.76**

37. 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 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.

(iii) Wilful defaulter

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

(₹ in million)

(iv) Relationship with struck off companies

The Company, neither had any transactions during the years ended March 31, 2026 and March 31, 2025 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 (esrtwhile Corporation Bank) amounting to ₹ 250.00 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 15, 2026.

(vi) Restriction on number of layers

The Company is a Systemically Important Non-Deposit taking Non Banking Financial Company as defined in clause (f) of Section 45-I of the Reserve Bank of India Act, 1934. Accordingly, the Companies (Restriction on Number of Layers) Rules, 2017 is not applicable to the 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:

a) 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,
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.

(xii) 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 preson during the current or previous year.

38. The following additional information, to the extent applicable, is disclosed in terms of the directions issued by the Reserve Bank of India:

(i) Reserve Bank of India (Core Investment Companies) Directions, 2025 as amended (Circular No. RBI/DOR/2025-26/367, DOR.FIN.REC.No.297/03-10-119/2025-26 dated November 28, 2025)

(a) Components of ANW and other related information

	As at March 31, 2026	As at March 31, 2025
i) ANW as a % of Risk Weighted Assets	121.27%	120.02%
ii) Unrealised appreciation in the book value of quoted investments	-	-
iii) Diminution in the aggregate book value of quoted investments	-	-
iv) Leverage ratio	0.36%	0.34%

Note: As advised to the Company, the Letter of Comfort [refer note no. 32(c)] has not been considered for calculation of Risk Weighted Assets.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(b) Investment in other CICs

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

(c) Off-balance sheet exposure

	As at March 31, 2026	As at March 31, 2025
i) Off balance sheet exposure	-	-
ii) Financial Guarantee as a % of total off-balance sheet exposure	-	-
iii) Non-Financial Guarantee as a % of total off-balance sheet exposure	-	-
iv) Off balance sheet exposure to overseas subsidiaries	-	-
v) Letter of Comfort issued to any subsidiary	5,000.00	5,000.00

Note: As advised to the Company, the Letter of Comfort [refer note no. 32(c)] has not been considered for calculation of Risk Weighted Assets.

(d) Business ratios

	March 31, 2026	March 31, 2025
i) Return on Equity (RoE)	2.57%	3.31%
ii) Return on Assets (RoA)	2.56%	3.30%
iii) Net Profit per employee	71.84	109.79

(e) Asset liability management (Maturity pattern of certain items of Assets and Liabilities)

	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Bank deposits	-	-	-	-	-	1,139.73	2,918.51	935.53	-	-	4,993.77
	(-)	(-)	(0.01)	(-)	(-)	(1,030.21)	(3,586.74)	(-)	(-)	(-)	(4,616.96)
Investments	-	-	207.54	-	-	13.79	-	-	-	28,326.93	28,548.26
	(-)	(-)	(181.78)	(-)	(-)	(13.49)	(-)	(-)	(-)	(28,326.93)	(28,522.20)
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(1.03)	(-)	(-)	(-)	(-)	(-)	(-)	(1.03)

Note: The above Asset-Liability Management disclosure is on the basis of certain assumptions and estimates made by the management. Previous year figures are disclosed in paranthesis.

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(ii) Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended (Circular No. RBI/DOR/2025-26/359, DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025)

Sr. No.	Particulars	Remarks
A. Disclosure requirements for all NBFCs		
(a)	Exposure -	
	i) Unhedged foreign currency exposure	Refer Note 35(iii)(b)
(b)	Related party disclosure	Refer Note 38(iii)
B. Disclosure requirements for NBFCs-Middle Layer (NBFCs-ML)		
(a)	Summary of significant accounting policies	Refer Note 1
(b)	Capital	Refer Note 38(i)(a) for disclosures applicable to the Core Investment Companies
(c)	Investments	Refer Note 38(iv)
(d)	Asset liability management (Maturity pattern of certain items of Assets and Liabilities)	Refer Note 38(i)(e)
(e)	Corporate Governance	
	i) Details of penalties and strictures	No penalties were imposed by RBI or any other statutory/ regulatory authority during the year ended March 31, 2026 and March 31, 2025.
(f)	Registration from other financial sector regulators	The Company is registered with the following other financial sector regulator (Financial Regulator as described by Ministry of Finance):
		i. Ministry of Corporate Affairs
		ii. Ministry of Finance (Financial Intelligence Unit)
(g)	Area of Operation	The Company is a NBFC-CIC and and involved in investing activities in India.
(h)	Remuneration of Directors	Refer Note 38(iii)
(i)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Net Profit for the year ended March 31, 2026 is ₹ 862.02 million (PY: ₹ 1,097.94 million)
		Prior period items during the year ended March 31, 2026 and March 31, 2025 is ₹ Nil (PY: Nil).
		There is no change in accounting policies during the year ended March 31, 2026 and March 31, 2025.
(j)	Provisions and contingencies	Refer Note 38(v)
(k)	Draw down from Reserves	There are no draw down from reserves except for payment of dividend and transfer to statutory reserve. Refer Statement of Changes in Equity.
(l)	Off-balance sheet exposures and structured products	Refer Note 38(i)(c)

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(iii) Related party disclosure

	Parent (as per ownership or control)		Subsidiaries (including step-down)		Associate of subsidiary		Directors		Relatives of Directors		Other Key Management Personnel		Promoter/ Promoter group		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
Transactions during the year																
Bank Deposits (net)	-	-	-	-	98.56	311.50	-	-	-	-	-	-	-	-	98.56	311.50
Investment made	-	-	-	372.60	-	-	-	-	-	-	-	-	-	-	-	372.60
Advance received against sale of immovable property	-	-	-	-	-	-	-	-	-	-	-	-	2.90	-	2.90	-
Interest income	-	-	-	-	389.62	368.32	-	-	-	-	-	-	-	-	389.62	368.32
Dividend received	-	-	700.27	700.27	-	-	-	-	-	-	-	-	-	-	700.27	700.27
Dividend paid	-	-	-	-	-	-	5.93	0.18	3.41	13.29	-	-	197.83	285.30	207.17	298.77
Remuneration to KMPs	-	-	-	-	-	-	59.92	38.87	-	-	16.19	12.84	-	-	76.11	51.71
Donation expense	-	-	-	-	-	-	-	-	-	-	-	-	35.40	49.72	35.40	49.72
CSR expense	-	-	-	-	-	-	-	-	-	-	-	-	7.70	5.20	7.70	5.20
Letter of comfort (given)	-	-	-	5,000.00	-	-	-	-	-	-	-	-	-	-	-	5,000.00
Other income	-	-	-	0.22	-	-	-	-	-	-	-	-	1.30	2.47	1.30	2.69
Sitting Fees	-	-	-	-	-	-	2.59	3.21	-	-	-	-	-	-	2.59	3.21
Other expense	-	-	0.78	0.10	0.03	0.02	-	-	-	-	-	-	0.14	0.14	0.95	0.26
Balance outstanding																
Bank Deposits and balances in current account	-	-	-	-	4,692.18	4,618.51	-	-	-	-	-	-	-	-	4,692.18	4,618.51
Investments	-	-	27,333.20	27,333.20	-	-	-	-	-	-	-	-	-	-	27,333.20	27,333.20
Letter of comfort (given)	-	-	5,000.00	5,000.00	-	-	-	-	-	-	-	-	-	-	5,000.00	5,000.00
Other payables	-	-	-	-	-	-	-	0.13	-	-	-	-	35.40	49.72	35.40	49.85
Advance received against sale of immovable property	-	-	-	-	-	-	-	-	-	-	-	-	2.90	-	2.90	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Maximum outstanding during the year	Amount Outstanding	Maximum outstanding during the year
Bank Deposits and balances in current account	4,692.18	5,213.24	4,618.51	5,193.02
Investments	27,333.20	27,333.20	27,333.20	27,333.20
Letter of comfort (given)	5,000.00	5,000.00	5,000.00	5,000.00

(iv) Investments

		Year ended March 31, 2026	Year ended March 31, 2025
1	**Value of Investments**		
	i) Gross Value of Investments		
	a) In India	28,548.26	28,522.20
	b) Outside India	-	-
	ii) Provisions for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	28,548.26	28,522.20
	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	-	-

(v) Provisions and contingencies

	Year ended March 31, 2026	Year ended March 31, 2025
Break up of provisions shown under statement of profit and loss		
i) Provision made towards income tax and deferred tax	128.03	152.42
ii) Provision for employee benefits	19.55	14.49

No contingent liability has been recognized in the statement of profit & loss.

(vi) Schedule to the Balance Sheet

Particulars		As at March 31, 2026		As at March 31, 2025	
Liabilities side		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
(a)	Debentures:				
	- Secured	-	-	-	-
	- Unsecured	-	-	-	-
	(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)	Public Deposits	-	-	-	-
(g)	Other Loans	-	-	-	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Asset side	**Amount Outstanding**	**Amount Outstanding**
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	-	-
(b) Unsecured	-	-
(4) 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	-	-
(5) 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	-	-
2. Unquoted:		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	207.54	181.78
(iv) Government Securities	-	-
(v) Others	-	-
Long Term Investments		
1. Quoted:		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	1,007.52	1,007.22
(v) Others	-	-
2. Unquoted:		
(i) Shares		
(a) Equity	27,333.20	27,333.20
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Category	As at March 31, 2026 Amount net of provisions			As at March 31, 2025 Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(6) Borrower group-wise classification of assets financed as in (3) and (4) above:						
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	As at March 31, 2026		As at March 31, 2025	
Category	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
1. Related Parties				
(a) Subsidiaries	55,537.95	27,333.20	52,952.21	27,333.20
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1,213.64	1,215.06	1,224.38	1,189.00
Total	**56,751.59**	**28,548.26**	**54,176.59**	**28,522.20**

Particulars	As at March 31, 2026	As at March 31, 2025
(8) Other information		
(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	-	-

39. 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 the 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.

Details of Dividend distributions made

	Interim dividend		Final dividend	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Year to which dividend relates	2025-26	2024-25	-	2023-24
Dividend paid per Equity share (%)	38.00%	40.50%	-	14.30%
Dividend paid per Equity share (₹)	₹ 3.80	₹ 4.05	-	₹ 1.43
Gross amount of dividend declared and paid	485.72	517.68	-	182.78

Notes to Standalone Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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

As per our report of even date attached

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

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Place: Kolkata
Date: June 24, 2026

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

INDEPENDENT AUDITORS' REPORT

The Members of

Bandhan Financial Services Limited

Report on the Audit of The Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Bandhan Financial Services Limited** ('the Parent Company') and its subsidiary companies (the Parent Company and its subsidiary companies together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2026, 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 ('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 ('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 ('the Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit and other comprehensive income/(loss), consolidated changes in equity and the consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI'), and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

As reported by the auditors of one of the subsidiary companies, attention is drawn to note no. 63(a) to the consolidated financial statements, which describes the non-compliance by Bandhan Life Insurance Limited ('BLIL') with the Expenses of Management ('EOM') ratio prescribed under the Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission, of Insurers) Regulations, 2024, issued by the Insurance Regulatory and Development Authority of India ('the Authority'), for financial year 2024-25 and 2025-26, and the forbearance application made by BLIL to the Authority in this regard. BLIL is awaiting a response from the Authority on this matter.

Our opinion is not modified in respect of this matter.

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 standalone financial statements, consolidated 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 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.

INDEPENDENT AUDITORS' REPORT

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

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act 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 Indian Accounting Standards notified under Section 133 of the Act, read with relevant rules, as amended. 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 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 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 the respective 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 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 Parent Company 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 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 ability of the companies included in the Group 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 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;
- 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.

We communicate with those charged with governance of the Parent Company 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.

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 ₹ 2,15,860.10 million as on March 31, 2026, total revenues of ₹ 18,293.69 million, total net profit after tax of ₹ 379.14 million, total comprehensive income of ₹ (1,664.44) million, and net cash flows of ₹ 656.21 million for the year ended on that date. The figures of the intermediate consolidated financial statements and other financial information, as stated here in above, are before giving effect to consolidation adjustments, and 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 June 17, 2026 on the intermediate consolidated financial statements in other matters paragraph have 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 ₹ 63,860.92 million and net assets of ₹ 7,204.91 million as at March 31, 2026, total revenues of ₹ 16,303.87 million and net cash flows of ₹ 178.66 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 ₹ 3,034.67 million for the year ended March 31, 2026, in respect of 1 associate. The figures of the financial statements/ financial information, including special purpose Ind AS financial statements of a subsidiary and special purpose condensed financial information of the associate, as stated hereinabove, are before giving effect to consolidation adjustments, and have been audited by the respective auditors of these subsidiary companies and associate.

        i. The financial statements of one of the subsidiary has been prepared in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938, as amended, 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 notified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, to the extent applicable, and have been audited by the other joint auditors, whose report dated May 08, 2026 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 provisions of Section 29 of the Banking Regulations Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time, and have been audited by the other joint auditors, whose report dated April 28, 2026 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 the 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 the 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, 2026 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, 2026 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

INDEPENDENT AUDITORS' REPORT

which premium has been discounted but liability exists as at March 31, 2026 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 IRDAI and the Institute of Actuaries of India, in concurrence with the IRDAI. 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'."

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

The matters reported hereunder are based on the financial statements of the Parent Company and the intermediate consolidated financial statements of its subsidiary companies and on consideration of the reports of the other auditors of the said subsidiary companies.

1. With respect to the matters specified in clause (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 (the 'Order'/ 'CARO') issued by the Central Government in terms of Sub-Section (11) of Section 143 of the Act, according to the information and explanations given to us, and based on our reports and on consideration of the reports of the other auditors on the intermediate consolidated financial statements and other financial information of the subsidiary companies, to which reporting under CARO is applicable, as noted in 'Other Matters' paragraph above, 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	Parent Company/ Subsidiary	Clause number of the CARO report
Bandhan AMC Limited	U65993MH1999PLC123191	Step-down subsidiary	(xiv)(b)

2. As required by Section 143(3) of the Act, 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 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 so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 3(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

   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 relevant 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;

   e) On the basis of the written representations received from the Directors of the Parent Company as on March 31, 2026, taken on record by the Board of Directors of the Parent Company, and as per the reports of the other auditors of its subsidiary companies incorporated in India, none of the Directors of the companies included in the Group, incorporated in India, are disqualified as on March 31, 2026 from being appointed as a Director in terms of Section 164(2) of the Act;

   f) With respect to the maintenance of accounts and other matters connected therewith, reference is invited to paragraph 2(b) above on reporting under Section 143(3)(b) of the Act; 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, 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. 59(ii) to the consolidated financial statements;

   ii. The Group has made provisions as on March 31, 2026 as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts, including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies during the year ended March 31, 2026. Further, statutory auditors of subsidiary, Bandhan Financial Holdings Limited, have reported that, based on the report of the other auditor of the associate, 'There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2026';

   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(vii) 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, 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(vii) 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 other 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, as stated under (a) and (b) above, contain any material misstatement;

iv. The interim dividend declared and paid during the year by the Parent Company and its subsidiary company, which is a company incorporated in India, whose financial statements have been audited under the Act, as reported by us and the other auditor of the subsidiary company, is in accordance with Section 123 of the Act. Further, statutory auditors of subsidiary, Bandhan Financial Holdings Limited, have reported that, based on the report of the other auditors of the subsidiary and associate:

   a. The statutory auditors, vide their report dated May 12, 2026 on the consolidated financial statements of Bandhan AMC Limited have reported that, 'The interim dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend'.

   b. The joint statutory auditors, vide their report dated April 28, 2026 on the financial statements of Bandhan Bank Limited prepared under Indian GAAP have reported that, 'The final dividend proposed in the previous year, declared and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable. The Board of Directors of the Bank have proposed dividend for the financial year 2025-26 which is subject to approval of its members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable, until the date of their report'.

v. 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 AUDITORS' 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 have 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	• In respect of 2 subsidiaries, as reported by their 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 recording 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 being preserved by the said companies as per the statutory requirements of record retention. • 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: a. The audit trail was not enabled throughout the year for certain accounting masters in respect of two accounting software(s). b. The audit trail configured at database level logs record only modified values in respect of two accounting software(s). During the course of performing their procedures, other than the aforesaid instances, where the question on commenting on audit trail does not arise, they did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the said company as per the statutory requirements for record retention except in relation to certain software and databases for which the audit trail features was not enabled.
Instances of non-preservation of the audit trail	In respect of 2 subsidiaries, as reported by their 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 the audit trail being preserved by the said companies as per the statutory requirements for record retention.

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 to the Act. Further, statutory auditors of subsidiary, Bandhan Financial Holdings Limited, have reported that, based on the reports of the other auditors of the subsidiaries and associate:

   a. The joint statutory auditors vide their report dated May 08, 2026 on the financial statements of Bandhan Life Insurance Limited prepared under Indian GAAP have reported that, 'As per the information and explanations 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 Act.'

   b. The statutory auditors vide their report dated May 13, 2026 on the financial statements of Bandhan Mutual Fund Trustee Limited, have reported that, 'The company has not approved or paid any remuneration to the directors of the company other than sitting fees for meetings, which are within the limits prescribed. Also, the company has not appointed any whole-time directors or managers as covered under Section 197 read with Schedule V of the Act.'

   c. The joint statutory auditors vide their report dated April 28, 2026 on the financial statements 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 Regulations 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.'

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940
UDIN: 26058940PPKWWM3863

Place: Kolkata
Date: June 24, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(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 ('the Act')

In conjunction with our audit of the consolidated financial statements of **Bandhan Financial Services Limited** ('the Parent Company') as of and for the year ended March 31, 2026, 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 is 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 Parent Company's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and based on the reports of the other auditors of the subsidiary companies, 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 were operating effectively as at March 31, 2026, based on the internal financial controls 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 of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 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.

Our opinion is not modified in respect of the above matters.

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940
UDIN: 26058940PPKWWM3863

Place: Kolkata
Date: June 24, 2026

Consolidated Balance Sheet as at March 31, 2026

(₹ in million)

	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Financial assets			
Cash and cash equivalents	2	1,926.93	1,270.77
Bank balances other than cash and cash equivalents	3	6,451.69	5,702.85
Derivative financial instruments	4	-	15.47
Receivables			
Trade receivables	5	727.13	545.24
Loans	6	618.82	585.11
Investments			
Investments of life insurance business			
- Policyholders'	7(a)	38,177.28	36,626.43
- Shareholders'	7(b)	527.12	1,680.15
Other investments	8	7,076.30	6,978.97
Assets held to cover linked liabilities	9	9,637.47	9,364.20
Other financial assets	10	5,570.14	4,644.84
Subtotal		**70,712.88**	**67,414.03**
Non-financial assets			
Current tax assets (net)	11(a)	352.05	279.24
Deferred tax assets (net)	12(a)	23.06	26.13
Property, plant and equipment	13	341.46	294.94
Right-of-use assets	14	790.29	629.98
Capital work-in-progress	15	29.54	29.28
Goodwill	16	26,344.87	26,344.87
Other intangible assets	17	68.14	116.52
Investment accounted using equity method	18	1,23,171.41	1,24,711.70
Other non-financial assets	19	800.54	709.73
Subtotal		**1,51,921.36**	**1,53,142.39**
Assets held for sale	20	26.95	26.95
Total assets		**2,22,661.19**	**2,20,583.37**
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	4	426.82	-
Payables			
I) Trade payables	21		
i) total outstanding dues of micro enterprises and small enterprises		19.72	27.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		836.70	404.92
II) Other payables	22		
i) total outstanding dues of micro enterprises and small enterprises		1.30	1.48
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		36.74	50.68
Policyholders' liabilities	23	52,290.90	49,170.13
Other financial liabilities	24	2,566.69	2,309.76
Subtotal		**56,178.87**	**51,964.59**

Consolidated Balance Sheet as at March 31, 2026

(₹ in million)

	Note	As at March 31, 2026	As at March 31, 2025
Non-financial liabilities			
Current tax liabilities (net)	11(b)	222.22	221.55
Provisions	25	169.40	230.46
Deferred tax liabilities (net)	12(b)	15,038.51	15,188.36
Other non-financial liabilities	26	560.61	349.84
Subtotal		**15,990.74**	**15,990.21**
Equity			
Equity share capital	27	1,278.21	1,278.21
Other equity	28	1,47,091.44	1,49,412.82
Equity attributable to owners of the parent		1,48,369.65	1,50,691.03
Non-controlling interest		2,121.93	1,937.54
Total equity		**1,50,491.58**	**1,52,628.57**
Total liabilities and equity		**2,22,661.19**	**2,20,583.37**

The accompanying notes 1 to 65 are an integral part of these consolidated financial statements
As per our report of even date attached

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

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

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Place: Kolkata
Date: June 24, 2026

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Consolidated Statement of Profit and Loss as at March 31, 2026

(₹ in million)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
Interest income	29	3,538.34	3,521.37
Dividend income	30	98.90	24.99
Fees and commission income	31	5,824.10	4,945.89
Premium income from insurance business	32	7,680.28	4,334.62
Net gain on fair value changes	33	-	1,019.99
Sale of services	34	1,404.25	818.11
Total revenue from operations		**18,545.87**	**14,664.97**
Other income	35	74.69	225.09
Total income		**18,620.56**	**14,890.06**
Expenses			
Finance costs	36	56.30	46.54
Fees and commission expense	37	2,015.99	795.87
Net loss on fair value changes	33	51.90	-
Impairment on financial instruments	38	20.93	0.51
Cost of services rendered	39	342.52	374.88
Employee benefits expense	40	5,307.58	3,897.28
Depreciation and amortisation expense	41	393.46	408.73
Net change in insurance/investment contract liabilities	42	3,337.05	2,822.00
Claims incurred pertaining to insurance business	43	4,670.60	4,198.53
Other expenses	44	3,966.76	2,980.10
Total expenses		**20,163.09**	**15,524.44**
Profit/(loss) before share of profit of associate, exceptional item and tax		**(1,542.53)**	**(634.38)**
Share of profit of associate		3,188.52	9,964.58
Profit/(loss) before exceptional item and tax		**1,645.99**	**9,330.20**
Exceptional item	64	-	(21,963.24)
Profit/(loss) before tax		**1,645.99**	**(12,633.04)**
Tax expense	45		
Current tax		1,231.23	618.20
Deferred tax		(126.08)	1,491.39
Profit/(loss) for the year		**540.84**	**(14,742.63)**
Other comprehensive income	46		
(a) Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) on defined benefit plan		50.70	(24.34)
ii) Changes in the fair value of equity investments at fair value through other comprehensive income		4.53	-
iii) Share of other comprehensive income of associate		404.99	(461.40)
Tax impact on above		(71.54)	51.74
Subtotal		**388.68**	**(434.00)**

Bandhan Group

Consolidated Statement of Profit and Loss as at March 31, 2026

(₹ in million)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
(b) Items that will be reclassified to profit or loss			
i) Foreign currency translation		11.08	2.46
ii) Debt instruments through other comprehensive income		(1,540.70)	343.89
iii) Effective portion of cash flow hedge		(428.06)	32.39
iv) Share of other comprehensive income of associate		(558.84)	267.49
v) Share of other comprehensive income of associate reclassified to profit or loss		3.89	-
Tax impact on above		79.91	(33.43)
Subtotal		**(2,432.72)**	**612.80**
Other comprehensive income for the year (a + b)		**(2,044.04)**	**178.80**
Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)		**(1,503.20)**	**(14,563.83)**
Profit/(loss) for the year attributable to:			
Owners of the parent		103.55	(15,077.36)
Non-controlling interest		437.29	334.73
Other comprehensive income for the year attributable to:			
Owners of the parent		(2,000.63)	172.67
Non-controlling interest		(43.41)	6.13
Total comprehensive income for the year attributable to:			
Owners of the parent		(1,897.08)	(14,904.69)
Non-controlling interest		393.88	340.86
Earnings per equity share (Face value per share ₹ 10)	47		
Basic and Diluted (₹)		0.81	(117.96)

The accompanying notes 1 to 65 are an integral part of these consolidated financial statements
As per our report of even date attached

For **LODHA & CO LLP**
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

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

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Consolidated Statement of Cash Flows as at March 31, 2026

(₹ in million)

		Year ended March 31, 2026	Year ended March 31, 2025
A.	**Cash flows from operating activities**		
	Profit/ (loss) before tax	**1,645.99**	**(12,633.04)**
	Adjustments for:		
	Interest income	(3,538.34)	(3,521.37)
	Dividend income	(98.90)	(24.99)
	Interest on income tax refund	(46.48)	(220.07)
	Profit on sale of property, plant and equipment (net)	(1.36)	(0.37)
	Provisions/ liabilities no longer required written back	(1.24)	(0.61)
	Finance costs	56.30	46.54
	Net loss/ (gain) on fair value changes	51.90	(1,019.99)
	Impairment on financial instruments	20.93	0.51
	Share based payments expense	132.09	109.29
	Depreciation and amortisation expense	393.46	408.73
	Net change in insurance/ investment contract liabilities	3,337.05	2,822.00
	Loss on dilution of stake in associate	660.21	-
	Loss on translation of foreign currency transactions	-	8.39
	Share of profit of associate	(3,188.52)	(9,964.58)
	Exceptional item	-	21,963.24
	Operating (loss) before working capital changes	**(576.91)**	**(2,026.32)**
	Changes in working capital:		
	(Increase) in trade receivables	(181.89)	(29.87)
	(Increase) in other receivables	(1,004.02)	(471.86)
	Increase/ (decrease) in trade and other payables, other liabilities and provisions	498.57	(5.48)
	Cash (used in) operations before dividend and interest	**(1,264.25)**	**(2,533.53)**
	Dividend received	1,065.15	991.44
	Interest received	3,489.67	3,294.03
	Cash generated from operations	**3,290.57**	**1,751.94**
	Direct taxes paid (net of refunds)	(1,269.33)	(432.84)
	Net cash generated from operating activities (A)	**2,021.24**	**1,319.10**
B.	**Cash flows from investing activities**		
	Deposits with banks (net)	(770.93)	1,361.08
	Proceeds from repayment of loan given	11.65	-
	Payments made for business combination	-	(1,019.77)
	Purchase of other investments (net)	(2,356.19)	(2,078.76)
	Proceeeds from dilution of stake in associate (net)	2,952.47	-
	Additions to property, plant and equipment and capital work-in-progress	(177.57)	(215.24)
	Additions to other intangible assets	(40.59)	(59.76)
	Proceeds from sale of property, plant equipment	3.28	0.51
	Advance received against sale of immovable property	2.90	-
	Net cash (used in) investing activities (B)	**(374.98)**	**(2,011.94)**
C.	**Cash flows from financing activities**		
	Payment of principal included in lease liabilities	(167.73)	(131.85)
	Payment of interest included in lease liabilities	(56.19)	(45.69)
	Dividend paid	(765.88)	(700.46)
	Net cash (used in) financing activities (C)	**(989.80)**	**(878.00)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**656.46**	**(1,570.84)**
	Cash and cash equivalents as at the beginning of the year	1,270.77	2,712.17
	Cash and cash equivalents on business combination	-	129.44
	Cash and cash equivalents as at the end of the year	**1,927.23**	**1,270.77**
	Components of cash and cash equivalents as per the Consolidated Statement of Cash Flows		
	Cash on hand	0.12	0.10
	Stamps on hand	12.17	15.01
	Balances with banks	1,319.30	1,255.66
	In deposit accounts with original maturity within three months	501.96	-
	Others	93.68	-
	Total cash and cash equivalents (gross)	**1,927.23**	**1,270.77**

Consolidated Statement of Cash Flows as at March 31, 2026

(₹ in million)

Note i: The above Consolidated Statement of Cash Flows has been prepared under the "indirect method" as set out in the Indian Accounting Standard 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 ₹ 51.38 (PY: ₹ 61.77) in cash on account of corporate social responsibility (CSR) expenditure during the year ended March 31, 2026.

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

	As at March 31, 2025	Changes from financing cash flow	Non cash changes			As at March 31, 2026
			Foreign exchange movement	Adjustment for business combination	Others	
Lease liabilities	703.97	(223.92)	-	-	388.73	868.78

	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)	-	163.16	260.75	703.97

Note v: Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash flows with the Consolidated Balance Sheet is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents as per the Consolidated Statement of Cash Flows	1,927.23	1,270.77
Less: Allowance for impairment loss	0.30	0.00
Cash and cash equivalents as per Note 2	**1,926.93**	**1,270.77**

Note vi: Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities, as applicable.

The accompanying notes 1 to 65 are an integral part of these consolidated financial statements
As per our report of even date attached

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

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Consolidated Statement of Changes in Equity as at March 31, 2026

(₹ in million)

(i) Equity share capital

	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid-up		
As at March 31, 2024	**12,78,21,101**	**1,278.21**
Changes in equity share capital during the year	-	-
As at March 31, 2025	**12,78,21,101**	**1,278.21**
Changes in equity share capital during the year	-	-
As at March 31, 2026	**12,78,21,101**	**1,278.21**

(ii) Other equity and non-controlling interest

	Reserves and surplus						Other comprehensive income (OCI)				Other equity attributable to owners of the parent	Non-controlling interest	Total other equity and non-controlling interest
	Capital reserve	Securities premium	Employee stock options outstanding account	Statutory reserve	General reserve	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Foreign currency translation reserve			
As at March 31, 2024	**364.80**	**11,971.05**	**61.52**	**39,195.15**	**2,651.42**	**1,09,838.42**	**(113.49)**	**747.79**	-	**0.98**	**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)	566.01	(379.15)	31.27	2.37	172.67	6.13	178.80
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(15,125.19)**	**566.01**	**(379.15)**	**31.27**	**2.37**	**(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 18.1)	-	-	-	-	-	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	-	-	-	-	-	(182.78)	-	-	-	-	(182.78)	-	(182.78)
Interim dividend for the financial year 2024-25	-	-	-	-	-	(517.68)	-	-	-	-	(517.68)	-	(517.68)
Transfer to statutory reserve	-	-	-	480.55	-	(480.55)	-	-	-	-	-	-	-
As at March 31, 2025	**364.80**	**11,971.05**	**169.03**	**39,675.70**	**2,653.20**	**93,612.58**	**563.20**	**368.64**	**31.27**	**3.35**	**1,49,412.82**	**1,937.54**	**1,51,350.36**

Consolidated Statement of Changes in Equity as at March 31, 2026

(₹ in million)

	Reserves and surplus						Other comprehensive income (OCI)				Other equity attributable to owners of the parent	Non-controlling interest	Total other equity and non-controlling interest
	Capital reserve	Securities premium	Employee stock options outstanding account	Statutory reserve	General reserve	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Foreign currency translation reserve			
As at March 31, 2025	**364.80**	**11,971.05**	**169.03**	**39,675.70**	**2,653.20**	**93,612.58**	**563.20**	**368.64**	31.27	**3.35**	**1,49,412.82**	**1,937.54**	**1,51,350.36**
Profit/(loss) for the year	-	-	-	-	-	103.55	-	-	-	-	103.55	437.29	540.84
Other comprehensive income for the year	-	-	-	-	-	195.27	(1,969.00)	177.23	(415.08)	10.95	(2,000.63)	(43.41)	(2,044.04)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**298.82**	**(1,969.00)**	**177.23**	**(415.08)**	**10.95**	**(1,897.08)**	**393.88**	**(1,503.20)**
Adjustment for increase of stake in subsidiary	-	-	-	-	-	(70.67)	-	-	-	-	(70.67)	70.67	-
Employee stock option expense for the year	-	-	132.09	-	-	-	-	-	-	-	132.09	-	132.09
Transfer on lapse of vested options	-	-	(4.24)	-	4.24	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(280.16)	(280.16)
Interim dividend for the financial year 2025-26	-	-	-	-	-	(485.72)	-	-	-	-	(485.72)	-	(485.72)
Transfer to statutory reserve	-	-	-	998.12	-	(998.12)	-	-	-	-	-	-	-
As at March 31, 2026	**364.80**	**11,971.05**	**296.88**	**40,673.82**	**2,657.44**	**92,356.89**	**(1,405.80)**	**545.87**	**(383.81)**	**14.30**	**1,47,091.44**	**2,121.93**	**1,49,213.37**

Description of nature and purpose of each reserve have been disclosed in note no. 28.

The accompanying notes 1 to 65 are an integral part of these consolidated financial statements
As per our report of even date attached

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

For LODHA & CO LLP
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Place: Kolkata
Date: June 24, 2026

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

A. Corporate Information

Bandhan Financial Services Limited (hereinafter referred to as "the Parent Company") is registered with Corporate Identification No. (CIN) U70101WB1995PLC073339 under the Ministry of Corporate Affairs. The Parent Company is registered as a Core Investment Company (CIC) with effect from September 21, 2017. The registered office of the Parent Company is located at DN-32, Sector V, Salt Lake City, Kolkata – 700091, West Bengal.

During the year ended March 31, 2025, the Parent Company had applied to the RBI for voluntary surrender of the Certificate of Registration as a CIC and to continue as an "Unregistered CIC", in accordance with the prescribed procedure. The application is under examination by the RBI.

The Parent Company is the holding company of two subsidiaries namely, Bandhan Financial Holdings Limited (hereinafter referred to as 'BFHL') and Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited] (hereinafter referred to as 'BTPL'). BFHL is the holding company of Bandhan AMC Limited, Bandhan Mutual Fund Trustee Limited, Bandhan Investment Managers (Mauritius Limited), Bandhan Life Insurance Limited and holds investment in Bandhan Bank Limited, its associate. BTPL is the holding company of Bandhan Technologies Inc., USA (Formerly Genisys Software Limited, USA) and Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK). The Parent Company and aforesaid subsidiaries are collectively referred to as, "the Group".

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 and 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 June 24, 2026.

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

Consolidation procedures for subsidiaries:

a. 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.

b. 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, 2026.

c. The difference between the cost of investment in subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however, it is tested for impairment at each balance sheet date and impairment loss, if any, is recognised in the consolidated financial statements.

d. The Parent Company consolidates entities which it owns or controls. 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.

Consolidation procedures for associate:

a. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

b. The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

c. If Group's share of losses of an associate equal or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

d. The aggregate of the Group's share of profit or loss of associates is shown on the face of the consolidated statement of profit and loss.

   The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

e. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and then recognises the impairment loss with respect to the Group's investment in associate. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

(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 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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(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, 2026	As at March 31, 2025
Bandhan Financial Holdings Limited	Subsidiary	India	100.00%	100.00%
Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	Subsidiary	India	100.00%	100.00%
Bandhan AMC Limited	Step Down Subsidiary	India	59.98%	59.98%
Bandhan Mutual Fund Trustees Limited	Step Down Subsidiary	India	60.00%	60.00%
Bandhan Investment Managers (Mauritius) Limited [Refer note no. 8]	Step Down Subsidiary	Mauritius	-	100.00%
Bandhan Life Insurance Limited	Step Down Subsidiary	India	97.16%	96.83%
Bandhan Technologies Inc., USA (Formerly Genisys Software Limited, USA)	Step Down Subsidiary	USA	100.00%	100.00%
Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK)	Step Down Subsidiary	United Kingdom	100.00%	100.00%
Bandhan Bank Limited	Associate	India	38.86%	39.98%

(iv) Business Combinations

a. 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.

b. 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.

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

(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.

(vii) Use of Estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amount of income and expenses for the periods presented.

The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods are affected.

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 in note no. 1.32 to 1.38.

(viii) 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.

C. Recent pronouncements

a. New and revised standards adopted by the Group

During the year ended March 31, 2026, the Ministry of Corporate Affairs (MCA) notified amendments to existing Indian Accounting Standards vide the Companies (Indian Accounting Standards) Amendment Rules, 2025 dated May 7, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 dated August 13, 2025.

These amendments were primarily relating to:

- Ind AS 21 "The Effects of Changes in Foreign Exchange Rates", introducing guidance for assessing lack of exchangeability between currencies, estimation of spot exchange rates where a currency is not exchangeable and related disclosure requirements, together with consequential amendments to Ind AS 101 "First-time Adoption of Indian Accounting Standards";

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

- Ind AS 1 "Presentation of Financial Statements", including amendments relating to classification of liabilities as current or non-current and related disclosure requirements;
- Ind AS 7 "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures", introducing disclosure requirements relating to supplier finance arrangements;
- Consequential and editorial amendments in various standards including Ind AS 10 "Events after the Reporting Period", Ind AS 108 "Operating Segments", Ind AS 109 "Financial Instruments", and Ind AS 115 "Revenue from Contracts with Customers".

Revision in these standards did not have a material impact on the financial position, financial performance, cash flows or earnings per share of the Group for the year.

b. Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified amendments to Ind AS 1 "Presentation of Financial Statements" relating to classification of liabilities as current or non-current and non-current liabilities with covenants, which are effective for reporting periods beginning on or after April 1, 2026.

The amendments clarify that lender waivers obtained after the balance sheet date cannot be considered for classification of liabilities as current or non-current and require retrospective application in accordance with Ind AS 8.

The Group does not expect these amendments to have any material impact on its consolidated financial statements.

1. Summary of Material Accounting Policies

1.1 Cash and Cash Equivalents

Cash and cash equivalent comprises of cash on hand, stamps 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 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.

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 use 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:

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(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.

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.

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, 2026

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.

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 Chairman and Managing Director (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.

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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

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 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.

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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

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".

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.

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 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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

1.24 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.

1.25 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.

1.26 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
Vehicles	8 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.

1.27 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, 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.

1.28 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.

1.29 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.

1.30 Employee Benefits

1.30.1 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.

1.30.2 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.

1.30.3 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'.

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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

1.30.4 Share Based Payments

The stock options of subsidiary company, granted to eligible employees pursuant to the subsidiary company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

1.31 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.

1.32 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.

1.33 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.

1.34 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.

1.35 Fair value of Assets held for Sale

As per the Ind AS, the Group is required to measure the assets identified to be held for sale at lower of carrying value and fair value less cost to sales. Accordingly, the Group has conducted valuation to assess the fair values of asset held for sale as at March 31, 2026. The 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.

1.36 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.

1.37 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.

1.38 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, 2026

(₹ in million)

2. Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.12	0.10
Stamps on hand	12.17	15.01
Balance with banks		
In current accounts	1,319.30	1,255.66
Less: Allowance for impairment loss*	0.00	0.00
	1,319.30	1,255.66
In deposit accounts with original maturity within three months	501.96	-
Less: Allowance for impairment loss	0.30	-
	501.66	-
Others**	93.68	-
Total	**1,926.93**	**1,270.77**

*March 31, 2026: ₹989.00 (PY: ₹ 2,104.00)
**Remittance-in-transit

3. Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balance with bank in deposit accounts having original maturity exceeding three months	6,452.92	5,697.18
Less: Allowance for impairment loss	1.23	0.89
	6,451.69	5,696.29
Balances in earmarked accounts		
Unpaid dividend	-	0.01
Other bank balances	-	6.55
Total	**6,451.69**	**5,702.85**

4. Derivative financial instruments

	As at March 31, 2026	As at March 31, 2025
At fair value through profit or loss		
Derivative financial assets		
Forward rate agreements	-	15.47
Total	**-**	**15.47**
Derivative financial liabilities		
Forward rate agreements	426.82	-
Total	**426.82**	**-**

Refer note 55 for further details.

5. Trade receivables - unsecured (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Considered good	727.13	545.02
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 loss)	-	0.22
Total	**727.13**	**545.24**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Ageing of trade receivables as at March 31, 2026

	Not due	Unbilled	Outstanding for following periods from 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	156.59	67.22	503.32	-	-	-	-	**727.13**
Undisputed, having significant increase in credit risk	-	-	-	-	-	-	-	**-**
Disputed, considered good	-	-	-	-	-	-	-	**-**
Disputed, considered doubtful	-	-	-	-	-	-	-	**-**
Subtotal	156.59	67.22	503.32	-	-	-	-	**727.13**
Less: Allowance for impairment loss								**-**
Total trade receivables								**727.13**

Ageing of trade receivables as at March 31, 2025

	Not due	Unbilled	Outstanding for following periods from 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								**545.24**

6. Loans (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Loans		
Loans against policies	39.31	36.60
Term loans	575.74	533.09
Loan repayable on demand	3.77	15.42
Total Gross (A)	**618.82**	**585.11**
Less: Allowance for impairment loss	-	-
Total Net (A)	**618.82**	**585.11**
Secured	39.31	36.60
Unsecured	579.51	548.51
Total Gross (B)	**618.82**	**585.11**
Less: Allowance for impairment loss	-	-
Total Net (B)	**618.82**	**585.11**
Loans in India		
Public sector	-	-
Others	618.82	585.11
Loans outside India	-	-
Total Gross (C)	**618.82**	**585.11**
Less: Allowance for impairment loss	-	-
Total Net (C)	**618.82**	**585.11**

Loans repayable on demand

Type of borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Inter-corporate deposit	3.77	15.42	0.61%	2.64%

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

7(a). Investments- policyholders

	As at March 31, 2026	As at March 31, 2025
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	1,300.75	663.00
B. Carried at fair value through other comprehensive income		
Quoted		
Investments in government or trust securities	20,674.30	19,925.69
Investments in debentures	14,484.18	14,323.30
C. Carried at fair value through profit or loss		
Quoted		
Investments in equity instruments	1,718.05	1,714.44
Total	**38,177.28**	**36,626.43**
Investments in India	38,177.28	36,626.43
Investments outside India	-	-
	38,177.28	**36,626.43**

7(b). Investments- shareholders

	As at March 31, 2026	As at March 31, 2025
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	331.00	256.44
B. Carried at fair value through other comprehensive income		
Quoted		
Investments in government or trust securities	80.25	347.05
Investments in debentures	49.87	1,010.66
C. Carried at fair value through profit or loss		
Unquoted		
Investments - others	66.00	66.00
Total	**527.12**	**1,680.15**
Investments in India	527.12	1,680.15
Investments outside India	-	-
	527.12	**1,680.15**

8. Other investments

	At amortised cost	At fair value			Total
		Through other comprehensive income	Through profit or loss	Subtotal	
As at March 31, 2026					
In India					
Mutual funds	-	-	5,439.82	5,439.82	5,439.82
Government securities	1,007.52	-	-	-	1,007.52
Equity instruments*	-	5.03	360.71	365.74	365.74
Alternate investment funds	-	-	263.07	263.07	263.07
Total - Gross	**1,007.52**	**5.03**	**6,063.60**	**6,068.63**	**7,076.15**
Outside India	-	-	0.15	0.15	0.15
Less: Allowance for impairment loss	-	-	-	-	-
Total - net	**1,007.52**	**5.03**	**6,063.75**	**6,068.78**	**7,076.30**
Quoted	1,007.52	-	448.98	448.98	1,456.50
Unquoted	-	5.03	5,614.77	5,619.80	5,619.80

(₹ 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

*During the year ended March 31, 2026, the Board of Directors of Bandhan AMC Limited has approved the liquidation of its wholly-owned subsidiary, Bandhan Investment Managers (Mauritius) Limited ("BIMML"). Post September 17, 2025, the subsidiary has been handed over to the liquidator and there is a loss of control. The liquidation is under process and accordingly, the investment in BIMML has been reclassified from investment in subsidiary to investment in equity instruments measured at FVTPL as at March 31, 2026.

9. Assets held to cover linked liabilities

	As at March 31, 2026	As at March 31, 2025
A. Carried at amortised cost		
Quoted		
Investments in government or trust securities	197.44	351.35
B. Carried at fair value through profit or loss		
Quoted		
Investments in equity instruments	7,737.91	7,052.05
Investments in mutual funds	435.76	490.28
Investments in government or trust securities	882.88	937.29
Investments in debentures	383.48	533.23
Total	**9,637.47**	**9,364.20**
Investments in India	9,637.47	9,364.20
Investments outside India	-	-
	9,637.47	**9,364.20**

10. Other financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (unless otherwise stated)		
Income accrued on investments	909.42	890.79
Due from reinsurers	204.88	255.00
Unclaimed amount of policyholders	111.08	122.08
Reinsurance assets	3,381.17	3,009.83
Margin money receivable	388.72	20.42
Security deposits [net of impairment of ₹ 9.98 (PY: ₹ 8.17)]	79.73	65.92
Dividend declared but not received	0.33	0.41
Other deposits	45.22	41.87
Other receivables [net of impairment of ₹ 18.48 (PY: ₹ Nil)]*	449.59	238.52
Total	**5,570.14**	**4,644.84**

*includes receivable arising from unsettled trades as at the year end amounting to ₹ 359.63 (PY: ₹ 225.83)

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

11(a). Current tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance tax (net of provision for tax)	352.05	279.24
Total	**352.05**	**279.24**

11(b). Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for income tax (net of advance tax)	222.22	221.55
Total	**222.22**	**221.55**

12(a). Deferred tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Components of deferred tax assets		
Property, plant and equipment and other intangible assets	4.51	3.06
Right-of-use assets and lease liabilities	3.75	0.68
Post employment benefits	19.60	23.41
Fair valuation of security deposits	0.24	-
Impairment on financial instruments	0.39	-
Total deferred tax assets	**28.49**	**27.15**
Components of deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets	2.18	-
Fair valuation of investments	3.25	1.02
Total deferred tax liabilities	**5.43**	**1.02**
Deferred tax assets (net)	**23.06**	**26.13**

12(b). Deferred tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Components of deferred tax liabilities		
Fair valuation of investments	127.66	134.99
Carrying value of investment in associate	14,961.16	15,104.57
Total deferred tax liabilities	**15,088.82**	**15,239.56**
Components of deferred tax assets		
Property, plant and equipment and other intangible assets	27.23	23.31
Right-of-use assets and lease liabilities	15.18	17.52
Post employment benefits	-	3.24
Impairment on financial instruments	2.50	2.28
Fair valuation of security deposits	5.40	4.85
Unabsorbed short-term capital loss	-	-
Total deferred tax assets	**50.31**	**51.20**
Deferred tax liabilities (net)	**15,038.51**	**15,188.36**

(₹ in million)

12(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:

	As at March 31, 2024	Additions on business combination	Charged/ credited to profit or loss	Charged/ credited to OCI	Charged/ credited to equity	As at March 31, 2025	Charged/ credited to profit or loss	Charged/ credited to OCI	Charged/ credited to equity	As at March 31, 2026
Deferred tax liabilities:										
Fair valuation of investments	**142.21**	-	(6.20)	-	-	**136.01**	(5.75)	0.65	-	**130.91**
Carrying value of investment in associate	**13,545.38**	-	1,515.85	(11.21)	54.55	**15,104.57**	(121.41)	(22.00)	-	**14,961.16**
Total (A)	**13,687.59**	**-**	**1,509.65**	**(11.21)**	**54.55**	**15,240.58**	**(127.16)**	**(21.35)**	**-**	**15,092.07**
Deferred tax assets:										
Post employment benefits	**1.53**	9.17	14.87	1.08	-	**26.65**	(6.40)	(0.65)	-	**19.60**
Property, plant and equipment, investment property and other intangible assets	**22.86**	0.53	2.98	**-**	-	**26.37**	3.19	-	-	**29.56**
Right-of-use assets and lease liabilities	**17.01**	-	1.19	**-**	-	**18.20**	0.73	-	-	**18.93**
Impairment on financial instruments	**1.93**	0.46	(0.11)	**-**	-	**2.28**	0.61	-	-	**2.89**
Fair valuation of security deposits	**4.38**	-	0.47	**-**	-	**4.85**	0.79	-	-	**5.64**
Unabsorbed short-term capital loss	**1.14**	-	(1.14)	**-**	-	**-**	-	-	-	**-**
Total (B)	**48.85**	**10.16**	**18.26**	**1.08**	**-**	**78.35**	**(1.08)**	**(0.65)**	**-**	**76.62**
Deferred tax liabilities (net) (A-B)	**13,638.74**	**(10.16)**	**1,491.39**	**(12.29)**	**54.55**	**15,162.23**	**(126.08)**	**(20.70)**	**-**	**15,015.45**

12(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 differences can be utilised.

Tax losses carried forward	**Year ended March 31, 2026**		**Year ended March 31, 2025**	
	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	2,729.89	AY 2033-34	2,729.89	AY 2033-34
AY 2026-27*	3,688.00	AY 2034-35	-	-

* 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, 2026

(₹ in million)

13. Property, plant and equipment

	Leasehold improvements	Furniture and fixture	Vehicles	Office equiments	Computer hardware	Total
Gross carrying amount						
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**
Additions on business combination	-	-	-	-	-	-
Additions	49.87	10.06	29.51	17.51	62.81	169.76
Disposals/adjustments	(1.56)	(0.81)	(7.09)	(4.56)	(19.92)	(33.94)
As at March 31, 2026	**249.92**	**56.96**	**90.13**	**92.58**	**318.59**	**808.18**
Accumulated depreciation						
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**
Additions on business combination	-	-	-	-	-	-
Depreciation	36.93	8.97	18.08	12.84	44.50	121.32
Disposals/adjustments	(1.56)	(0.79)	(5.56)	(4.23)	(19.88)	(32.02)
As at March 31, 2026	**137.46**	**29.60**	**36.03**	**55.27**	**208.36**	**466.72**
Net carrying amount						
As at March 31, 2026	**112.46**	**27.36**	**54.10**	**37.31**	**110.23**	**341.46**
As at March 31, 2025	**99.52**	**26.29**	**44.20**	**32.97**	**91.96**	**294.94**

Note 1: Refer note 59 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

14. Right-of-use assets

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**629.98**	**384.95**
Additions	343.48	389.87
Disposals/ adjustments	-	-
Depreciation	183.17	144.84
Balance at the end of the year	**790.29**	**629.98**

Refer note 24(i) for further details on right-of-use assets.

15. Capital work-in-progress (CWIP)

	As at March 31, 2026	As at March 31, 2025
Opening balance	**29.28**	**-**
Additions	29.54	29.28
Disposals/ adjustments	-	-
Capitalised and included under property, plant and equipment	29.28	-
Closing balance	**29.54**	**29.28**

Ageing of capital work-in-progress as at March 31, 2026

	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	29.54	-	-	-	29.54
Projects temporarily suspended	-	-	-	-	-
Total	**29.54**	**-**	**-**	**-**	**29.54**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Ageing of capital work-in-progress as at March 31, 2025

	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**

16. Goodwill

a. Gross carrying amount

	As at March 31, 2026	As at March 31, 2025
Opening balance	**26,344.87**	**25,762.32**
Additions on business combination (Refer note 54)	-	582.55
Disposals	-	-
Closing balance (a)	**26,344.87**	**26,344.87**

b. Accumulated impairment

	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Impairment during the year	-	-
Other adjustments	-	-
Closing balance (b)	-	-
Net carrying amount (a-b)	**26,344.87**	**26,344.87**

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, 2026 and March 31, 2025.

17. Other intangible assets

	As at March 31, 2026	As at March 31, 2025
Computer software (acquired)		
Gross carrying amount		
At the beginning of the year	2,592.59	2,520.61
Additions on business combination	-	11.58
Additions	40.79	59.41
Disposals/adjustments	-	0.99
At the end of the year	**2,633.38**	**2,592.59**
Accumulated amortisation		
At the beginning of the year	2,476.07	2,290.67
Additions on business combination	-	3.92
Amortisation	88.97	180.65
Disposals/adjustments	0.20	0.83
At the end of the year	**2,565.24**	**2,476.07**
Net carrying amount	**68.14**	**116.52**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

18. Investment accounted using equity method

	As at March 31, 2026	As at March 31, 2025
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	**38.86%**	**39.98%**
Proportionate voting rights#	**26.00%**	**26.00%**
#Pursuant to section 12(2) of the Banking Regulations Act, 1949, the aggregate voting right is restricted at 26.00%.		
i) Movement in the carrying amount of investment in associate		
Opening balance	1,24,711.70	1,37,489.00
Share of profit for the year	3,188.52	9,964.58
Share of other comprehensive income for the year	(153.85)	(193.91)
Other adjustments (Refer note 18.1)	-	381.44
Dividend	(966.17)	(966.17)
Effect of dilution of stake	(3,608.79)	-
Closing balance	**1,23,171.41**	**1,46,674.94**
Impairment charge (Refer note 64)	-	(21,963.24)
Closing balance (net of impairment)	**1,23,171.41**	**1,24,711.70**
ii) Summarised financial information of the associate		
Financial assets	20,52,319.00	18,65,022.00
Non-financial assets	51,145.00	42,949.00
Financial liabilities	18,49,226.00	16,57,664.00
Non-financial liabilities	9,877.00	12,138.00
Net assets	**2,44,361.00**	**2,38,169.00**
Fair value of investment in associate*	**88,482.04**	**94,221.27**
* 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	**2,36,505.00**	**2,40,343.00**
Profit for the year	8,062.00	24,922.00
Other comprehensive income for the year	(389.00)	(485.00)
Total comprehensive income for the year	**7,673.00**	**24,437.00**
iv) Reconciliation of net assets of the associate to the carrying amount of investment		
Group's share	94,951.79	95,227.28
Fair value and other adjustments**	28,219.62	29,484.42
Carrying amount of investment in associate	**1,23,171.41**	**1,24,711.70**

** The other adjustments mainly comprise of dilution of interest in associate on account of employee stock options.

Note 18.1: 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 had recognised transitional impact (net of deferred tax) amounting to ₹ 631.00 and ₹ 323.00 to retained earnings and FVOCI reserve respectively in its financial statements for the previous year ended March 31, 2025.

(₹ in million)

Accordingly, the Group had recognised the corresponding impact of its share in above (net of taxes) amounting to ₹ 216.21 and ₹ 110.68 in retained earnings and FVOCI reserve respectively in its financial statements for the previous year ended March 31, 2025.

19. Other non-financial assets

	As at March 31, 2026	As at March 31, 2025
Capital advances	19.16	11.61
Advances to suppliers and others	27.02	51.60
Balances with government authorities	410.11	306.69
Prepaid expenses	334.53	338.70
Others	9.72	1.13
Total	**800.54**	**709.73**

20. Assets held for sale

Carrying amount of non-current asset classified as held for sale

	As at March 31, 2026	As at March 31, 2025
Investment property	26.95	26.95
Total	**26.95**	**26.95**

(i) The property is a commercial unit situated in Tripura, India.

(ii) 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.

(iii) 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 consolidated financial statements in this respect.

(iv) During the year, the Parent Company has entered into an agreement for sale for the aforesaid property and received an advance payment of ₹ 2.90. As on the date of approval of consolidated financial statements, the full amount of consideration has been received and the asset has since been transferred.

(v) The movement in Investment property is as follows:

	As at March 31, 2026	As at March 31, 2025
Building		
Gross carrying amount		
At the beginning of the year	**-**	**38.17**
Additions	-	-
Disposals	-	-
At the end of the year	**-**	**38.17**
Accumulated depreciation		
At the beginning of the year	-	10.86
Depreciation for the year	-	0.36
Disposals	-	-
At the end of the year	**-**	**11.22**
Carrying amount	**-**	**26.95**
Less: Investment property classified as held for sale as at February 28, 2025	-	(26.95)
Net carrying amount	**-**	**-**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Amount recognised in profit or loss for investment property:

	As at March 31, 2026	As at March 31, 2025
Rental income	-	2.47
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	**-**	**2.47**
Less: Depreciation	-	(0.36)
Profit from investment property	**-**	**2.11**

21. Trade payables (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSE)	19.72	27.62
Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	836.70	404.92
Total	**856.42**	**432.54**

Ageing of trade payables as at March 31, 2026

	Not due	Unbilled	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- MSE	11.31	-	8.37	0.04	-	-	**19.72**
Undisputed dues- Others	46.41	326.96	457.74	1.23	4.36	-	**836.70**
Disputed dues- MSE	-	-	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	-	-	**-**
Total	**57.72**	**326.96**	**466.11**	**1.27**	**4.36**	**-**	**856.42**

Ageing of trade payables as at March 31, 2025

	Not due	Unbilled	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- MSE	12.22	-	15.40	-	-	-	**27.62**
Undisputed dues- Others	61.19	229.03	89.91	18.37	-	6.42	**404.92**
Disputed dues- MSE	-	-	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	-	-	**-**
Total	**73.41**	**229.03**	**105.31**	**18.37**	**-**	**6.42**	**432.54**

22. Other payables (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	1.30	1.48
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable for donation	35.40	49.72
Payable for others	1.34	0.96
Total	**38.04**	**52.16**

23. Policyholders' liabilities

	As at March 31, 2026	As at March 31, 2025
Insurance contract liabilities	51,863.01	48,740.45
Investment contract liabilities	427.89	429.68
Total	**52,290.90**	**49,170.13**

Refer note 50 for further details.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

24. Other financial liabilities (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Lease liabilities [Refer Note (i) below]	868.78	703.97
Employee benefits payable	1,024.68	926.88
Payable to exchange/clearing houses (net)	205.19	176.61
Claims outstanding	93.30	129.05
Reinsurance payable	218.72	200.71
Premium/proposal deposits to be refunded	28.08	25.66
Unclaimed amount of policyholders	111.08	122.08
Margin money payable	-	11.48
Unpaid dividend*	-	0.01
Insurance claim payable	13.24	13.24
Others**	3.62	0.07
Total	**2,566.69**	**2,309.76**

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the balance sheet date.

** Others include ₹ Nil (PY: ₹ 0.03) towards unspent amount in respect of corporate social responsibility.

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 in lease liabilities:

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**703.97**	**457.60**
Additions	332.54	378.22
Disposals/adjustments	-	-
Interest expense	56.19	45.69
Payment of lease liabilities	(223.92)	(177.54)
Balance at the end of the year	**868.78**	**703.97**

(c) Minimum lease payment:

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

	As at March 31, 2026	As at March 31, 2025
Not later than one year	252.88	212.45
Later than one year but not later than five years	684.62	520.22
Later than five years	121.90	127.21
	1,059.40	**859.88**

(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.

25. Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	169.40	230.46
Total	**169.40**	**230.46**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

26. Other non-financial liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory dues	360.36	287.48
Advance received against sale of immovable property	2.90	-
Proposal deposit from insurance business	45.92	18.12
Premium received in advance	16.99	12.33
Advance from customers	0.39	0.60
Others	134.05	31.31
Total	**560.61**	**349.84**

27. Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised		
15,00,00,000 (PY: 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		
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 year:

	As at March 31, 2026		As at March 31, 2025	
	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
Changes 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) Terms/ rights attached to equity 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, 2026		As at March 31, 2025	
	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 ownership 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 Company has a) not allotted any shares other than for cash, b) not allotted any shares by way of bonus and 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.

(₹ in million)

(vii) There are no calls unpaid by directors and officers of the Parent Company.

(viii) Refer note 60 for capital management disclosures.

(ix) Details of shareholding of promoters

Promoter name	As at March 31, 2026			As at March 31, 2025		
	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	-

28. Other equity

	As at March 31, 2026	As at March 31, 2025
Capital reserve	364.80	364.80
Securities premium	11,971.05	11,971.05
Employee stock options outstanding account	296.88	169.03
Statutory reserve	40,673.82	39,675.70
General reserve	2,657.44	2,653.20
Retained earnings	92,356.89	93,612.58
Debt instruments through OCI	(1,405.80)	563.20
Equity instruments through OCI	545.87	368.64
Cash flow hedge reserve	(383.81)	31.27
Foreign currency translation reserve	14.30	3.35
Total	**1,47,091.44**	**1,49,412.82**

Refer Statement of changes in equity for movement in the balances of the reserves.

Nature and purpose of reserves

(i) Capital reserve

The amount represents difference between the value of net assets acquired by the Group in the course of business combination and the consideration paid for such combination.

(ii) Securities premium

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

(iii) Employee stock options outstanding account

The account is used to recognise the grant date fair value of options issued to employees by the subsidiary companies 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.

(iv) Statutory reserve

Parent Company

Statutory reserve 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 dividend, 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 dividend, if any.

(v) General reserve

The Group has created General reserve 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, 2026

(₹ in million)

(vi) Retained earnings

Retained earnings represents accumulated profits earned by the Group and remaining undistributed as on date. It also includes accumulated amount on account of remeasurement of defined benefit plan determined based on changes in actuarial assumptions.

(vii) Debt instruments through OCI

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.

(ix) Equity instruments through OCI

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.

(x) Cash flow hedge reserve

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.

(xi) Foreign currency translation reserve

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.

29. Interest income

	Year ended March 31, 2026	Year ended March 31, 2025
Interest income on investments		
On financial assets measured at fair value through OCI	2,427.32	2,270.77
On financial assets measured at fair value through profit or loss	186.24	214.49
On financial assets measured at amortised cost	361.09	378.80
Interest on deposit with banks	485.47	579.57
Interest on government securities	72.10	71.97
Interest on unwinding of financial instruments measured at amortised cost	6.12	5.77
Total	**3,538.34**	**3,521.37**

30. Dividend income

	Year ended March 31, 2026	Year ended March 31, 2025
Financial instruments measured at fair value through profit or loss		
Dividend income	98.90	24.99
Total	**98.90**	**24.99**

31. Fees and commission income

	Year ended March 31, 2026	Year ended March 31, 2025
Management fees	5,797.05	4,922.94
Portfolio management fees	7.88	7.78
Advisory fees	3.93	2.41
Trusteeship fees	15.24	12.76
Total	**5,824.10**	**4,945.89**

Bandhan Group

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

32. Premium income from insurance business

	Year ended March 31, 2026	Year ended March 31, 2025
Premium from insurance business (net of goods and services tax)	8,497.39	5,122.84
Reinsurance ceded	(817.11)	(788.22)
Total	**7,680.28**	**4,334.62**

33. Net gain/(loss) on fair value changes

	Year ended March 31, 2026	Year ended March 31, 2025
On financial instruments at fair value through profit or loss		
Investments	(63.38)	1,003.70
Derivatives	(38.55)	(16.91)
Reclassification of fair value of debt instruments on derecognition from other comprehensive income	50.03	33.20
Total	**(51.90)**	**1,019.99**
Realised	1,100.83	2,180.88
Unrealised	(1,152.73)	(1,160.89)
Total	**(51.90)**	**1,019.99**

34. Sale of services

	Year ended March 31, 2026	Year ended March 31, 2025
Software services	935.60	508.12
Business process outsourcing	468.65	309.99
Total	**1,404.25**	**818.11**

35. Other income

	Year ended March 31, 2026	Year ended March 31, 2025
Interest on income tax refund	46.48	220.07
Rental income	1.30	2.47
Profit on sale of property, plant and equipment (net)	1.36	0.37
Provisions/liabilities no longer required written back	1.24	0.61
Miscellaneous income	24.31	1.57
Total	**74.69**	**225.09**

36. Finance costs

	Year ended March 31, 2026	Year ended March 31, 2025
Interest on lease liabilities	56.19	45.69
Interest - others	0.11	0.85
Total	**56.30**	**46.54**

37. Fees and commission expense

	Year ended March 31, 2026	Year ended March 31, 2025
Fees and commission expense pertaining to life insurance business	2,015.99	795.87
Total	**2,015.99**	**795.87**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

38. Impairment on financial instruments

	Year ended March 31, 2026	Year ended March 31, 2025
On financial instruments measured at amortised cost:		
Bank balances	0.64	0.89
Trade receivables	-	(0.87)
Security deposit	1.81	0.49
Other receivables	18.48	-
Total	**20.93**	**0.51**

39. Cost of services rendered

	Year ended March 31, 2026	Year ended March 31, 2025
Computer rental and hire charges	19.22	11.98
Data communication expenses	3.27	1.60
Consultancy charges	320.03	361.30
Total	**342.52**	**374.88**

40. Employee benefits expense

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	4,684.15	3,426.17
Contribution to provident and other funds (Refer note 56)	328.88	223.89
Share based payments (Refer note 58)	132.09	109.29
Staff welfare expense	162.46	137.93
Total	**5,307.58**	**3,897.28**

41. Depreciation and amortisation expense

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on investment property	-	0.36
Depreciation of property, plant and equipment	121.32	82.88
Depreciation on right-of-use assets	183.17	144.84
Amortisation of intangible assets	88.97	180.65
Total	**393.46**	**408.73**

42. Net change in insurance/investment contract liabilities

	Year ended March 31, 2026	Year ended March 31, 2025
Changes in valuation of liabilities in respect of life insurance policies	3,337.05	2,822.00
Total	**3,337.05**	**2,822.00**

43. Claims incurred pertaining to insurance business

	Year ended March 31, 2026	Year ended March 31, 2025
Claims by death	872.34	692.08
Claims by maturity	1,165.79	692.28
Annuities/pension payments	0.26	0.28
Surrender and withdrawals	1,378.46	2,300.44
Other benefits	1,253.75	513.45
Total	**4,670.60**	**4,198.53**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

44. Other expenses

	Year ended March 31, 2026	Year ended March 31, 2025
Rent, taxes and energy costs*	451.34	114.33
Repairs and maintenance	122.19	104.63
Communication costs	63.31	57.76
Printing and stationery	16.61	15.19
Advertisement and publicity	515.77	675.12
Director's fees, allowances and expenses	30.51	22.72
Auditors' fees and expenses	19.11	19.80
Legal and professional charges	389.89	346.27
Insurance	12.53	10.14
Membership and subscription	149.20	119.44
Scheme issue expenses**	29.03	55.20
Donation expenses	35.40	49.72
Corporate social responsibility expenses	51.38	61.77
Information technology expenses	805.82	663.11
Travelling and conveyance	183.71	180.31
Loss on translation of foreign currency transactions	-	8.39
Loss on dilution of stake in associate	660.21	-
Miscellaneous expense	430.75	476.20
Total	**3,966.76**	**2,980.10**

* Includes expense relating to short-term leases and leases of low value assets amounting to ₹ 20.53 (PY: ₹ 20.33) and the cash outflow pertaining to this is ₹ 20.53 (PY: ₹ 20.33).

** Scheme issue expenses are the expenses incurred by the Group towards launching of schemes and plans of Bandhan Mutual Fund.

45. Tax expense

The components of income tax expense recognised in profit or loss

	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
For the current year	1,204.63	697.87
For earlier years	26.60	(79.67)
	1,231.23	618.20
Deferred tax	(126.08)	1,491.39
Total tax expense recognised in profit or loss	**1,105.15**	**2,109.59**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit/(loss) before tax as per statement of profit and loss	1,645.99	(12,633.04)
Tax thereon at statutory income tax rate	414.26	(3,179.48)
Adjustments for:		
Effect of incomes which are taxed at different rates	1,588.54	666.93
Effect of non-deductible expenses	(4.52)	2,415.48
Effect of favourable deductions	(416.40)	(376.08)
Employee stock options	33.25	27.51
Change in tax rate upon consolidation of associate	(923.90)	(1,082.95)
Effect of change in tax rate	-	3,369.82
Deferred tax not created on loss making subsidiaries	385.24	354.00
Tax for earlier years	26.60	(79.67)
Others	2.08	(5.97)
Total tax expense recognised in profit or loss	**1,105.15**	**2,109.59**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

46. Other comprehensive income

	Year ended March 31, 2026	Year ended March 31, 2025
(a) Items that will not be reclassified to profit or loss		
(i) Remeasurement gain/(loss) on defined benefit plan	50.70	(24.34)
Tax impact on above	(12.98)	7.10
	37.72	**(17.24)**
(ii) Changes in the fair value of equity investments at FVOCI	4.53	-
Tax impact on above	(0.65)	-
	3.88	**-**
(iii) Share of other comprehensive income of associate	404.99	(461.40)
Tax impact on above	(57.91)	44.64
	347.08	**(416.76)**
Subtotal (a)	**388.68**	**(434.00)**
(b) Items that will be reclassified to profit or loss		
(i) Foreign currency translation	11.08	2.46
Tax impact on above	-	-
	11.08	**2.46**
(ii) Debt instruments through other comprehensive income	(1,540.70)	343.89
Tax impact on above	-	-
	(1,540.70)	**343.89**
(iii) Effective portion of cash flow hedge	(428.06)	32.39
Tax impact on above	-	-
	(428.06)	**32.39**
(iv) Share of other comprehensive income of associate	(558.84)	267.49
Tax impact on above	79.91	(33.43)
	(478.93)	**234.06**
(v) Share of other comprehensive income of associate reclassified to profit or loss	3.89	-
	3.89	**-**
Subtotal (b)	**(2,432.72)**	**612.80**
Total other comprehensive income (a+b)	**(2,044.04)**	**178.80**

47. Earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
Profit/(loss) for the year attributable to equity shareholders	103.55	(15,077.36)
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 ₹)	**0.81**	**(117.96)**

* 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, 2026

(₹ in million)

48. Fair value measurement

(i) Category wise classification of financial assets and liabilities as at March 31, 2026

	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
Cash and cash equivalents	1,926.93	-	-	1,926.93
Bank balances other than cash and cash equivalents	6,451.69	-	-	6,451.69
Trade receivables	727.13	-	-	727.13
Loans	618.82	-	-	618.82
Investments of life insurance business	1,631.75	35,288.60	1,784.05	38,704.40
Other investments	1,007.52	5.03	6,063.75	7,076.30
Assets held to cover linked liabilities	197.44	-	9,440.03	9,637.47
Other financial assets	5,570.14	-	-	5,570.14
	18,131.42	**35,293.63**	**17,287.83**	**70,712.88**
Financial liabilities				
Derivative financial instruments	-	-	426.82	426.82
Trade payables	856.42	-	-	856.42
Other payables	38.04	-	-	38.04
Policyholders' liabilities	52,290.90	-	-	52,290.90
Other financial liabilities	2,566.69	-	-	2,566.69
	55,752.05	**-**	**426.82**	**56,178.87**

(ii) Category wise classification of financial assets and liabilities as at March 31, 2025

	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	432.54	-	-	432.54
Other payables	52.16	-	-	52.16
Policyholders' liabilities	49,170.13	-	-	49,170.13
Other financial liabilities	2,309.76	-	-	2,309.76
	51,964.59	**-**	**-**	**51,964.59**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(iii) 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:

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
A) At fair value through profit or loss				
Equity instruments	257.35	-	103.51	360.86
Alternate investment funds	-	263.07	-	263.07
Mutual funds	5,439.82	-	-	5,439.82
Financial assets related to life insurance business				
Policyholders	1,718.05	-	-	1,718.05
Shareholders	-	-	66.00	66.00
Assets held to cover linked liabilities	8,173.67	1,266.36	-	9,440.03
B) At fair value through other comprehensive income				
Equity instruments	-	-	5.03	5.03
Financial assets related to life insurance business				
Policyholders	-	35,158.48	-	35,158.48
Shareholders	-	130.12	-	130.12
C) At amortised cost				
Government securities	1,007.52	-	-	1,007.52
Financial assets related to life insurance business				
Policyholders	-	1,300.75	-	1,300.75
Shareholders	-	331.00	-	331.00
Assets held to cover linked liabilities	-	197.44	-	197.44
	16,596.41	**38,647.22**	**174.54**	**55,418.17**

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Financial liabilities				
At fair value through profit or loss				
Derivative liabilities	-	426.82	-	426.82
	-	**426.82**	**-**	**426.82**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ 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**

Note: During the year, the investment in equity investment measured at FVTOCI is transferred from level 2 to level 3.

(iv) Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity securities
As at March 31, 2024	**105.82**
Acquisitions/transfers	66.00
Gains/(losses) recognised in consolidated statement of profit and loss	(2.05)
As at March 31, 2025	**169.77**
Acquisitions/transfers	0.50
Gains/(losses) recognised in consolidated statement of profit and loss	4.27
As at March 31, 2026	**174.54**

(v) 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 balances 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, 2026

(₹ in million)

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. The investment in MFU is fair valued on the basis of Discounted Cash Flows (DCF) method.

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 company. 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 company 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 Asserts 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, the Group 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.

(vi) The following table summarises the quantitative information about the significant unobservable input used in level 3 fair value measurements

	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2026	March 31, 2025		
Unquoted equity shares	108.54	103.77	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 1.09 (PY: ₹ 1.04). Decrease in net asset value by 1% would decrease value by ₹ 1.09 (PY: ₹ 1.04).
Unquoted equity shares	66.00	66.00	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 0.66 (PY: ₹ 0.66). Decrease in net asset value by 1% would decrease value by ₹ 0.66 (PY: ₹ 0.66).

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

49A Risk Management Framework of the Group other than Asset Management and Life Insurance business

(i) 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 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 Committee 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 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 Committee 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.

(ii) 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. With respect to the Group's investing activities, mutual fund schemes and counter parties are shortlisted and exposure limits are 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:
a) they have a low risk of default,
b) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
c) 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

	Total
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**
Additions on business combination	-
Add/(less): changes during the year	(0.30)
Impairment allowance as at March 31, 2026*	**1.55**

* On security deposits, fixed deposits 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, 2026	As at March 31, 2025
Cash and cash equivalents	593.62	113.27
Bank balances other than cash and cash equivalents above	6,436.16	5,687.63
Trade receivables	315.17	295.40
Loans	3.77	15.42
Investments	1,400.82	1,940.45
Other financial assets	16.29	12.35

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(₹ in million)

(iii) 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 the 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:

As at March 31, 2026	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	63.10	-	-	**63.10**
Other payables	38.04	-	-	**38.04**
Other financial liabilities	83.71	193.69	43.11	**320.51**
Total	**184.85**	**193.69**	**43.11**	**421.65**

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**

The Group believes that its working capital is sufficient to meet the financial liabilities within the above maturity periods.

(iv) 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 the 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.

(₹ equivalent in million)

	USD	CAD*	GBP
Financial assets			
Trade receivables	0.03	0.00	-
	(0.83)	(0.00)	(0.01)
Financial liabilities			
Trade payables**	-	-	-
	(1.03)	(-)	(-)
Unhedged foreign currency exposure (net)	0.03	0.00	-
	(-)(0.20)	(0.00)	(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

(i) 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: credit risk, liquidity risk and market 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.

(ii) 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:
i) they have a low risk of default,
ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
iii) 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.

The Group has placed security deposit with lessors for premises leased by the Group aggregating to ₹ 74.96 as at March 31, 2026 (PY: ₹ 61.72). Where the Group perceives any significant increase 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).

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

- 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, 2026

	Risk rating	Lessor type	Exposure at default	Probability of default	Loss given default	Expected credit loss
Security deposit	Stage 1 (12 month ECL)	Corporate	44.20	24.98%	45.00%	4.97
		Others	30.76	24.98%	65.00%	4.99
	Total		**74.96**			**9.96**

As at March 31, 2025

	Risk rating	Lessor type	Exposure at default	Probability of default	Loss given default	Expected credit loss
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**

Reconciliation of impairment allowance on security deposit

	Total
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
Add/(less): changes during the year	1.81
Impairment allowance as at March 31, 2026	**9.96**

Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions, credit risk on them is, therefore, insignificant.

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, 2026	As at March 31, 2025
Cash and cash equivalents	25.96	43.89
Bank balances other than cash and cash equivalents	15.53	15.22
Trade receivables	282.83	180.32
Investments	5,675.48	5,038.52
Other financial assets	67.62	54.89

(₹ in million)

(iii) 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 the cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since the 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, 2026	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	211.64	-	-	**211.64**
Other financial liabilities	887.71	377.37	78.80	**1,343.88**
Total	**1,099.35**	**377.37**	**78.80**	**1,555.52**

As at March 31, 2025	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	176.20	-	-	**176.20**
Other financial liabilities	801.36	327.26	15.89	**1,144.51**
Total	**977.56**	**327.26**	**15.89**	**1,320.71**

(iv) 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.

(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. 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, 2026	As at March 31, 2025
Investment in mutual fund units (debt)	3,609.38	3,325.80

	Impact on profit after tax and equity	
	March 31, 2026	March 31, 2025
Increase of 100 basis points (bps) (PY: 100 bps)*	23.15	24.45
Decrease of 100 basis points (bps) (PY: 100 bps)*	(23.15)	(24.45)

*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.

(b) Foreign currency risk:

The Group does not have any foreign currency exposure 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.

(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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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

	As at March 31, 2026	As at March 31, 2025
Investment in mutual fund units (equity-oriented)	1,437.14	1,082.49
Investment in alternate investment fund units	263.07	151.08
Investment in equity instruments	365.89	478.65
Total	**2,066.10**	**1,712.22**

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.

	Impact on profit after tax*	
	Year ended March 31, 2026	Year ended March 31, 2025
Investment in mutual fund units		
- Increase of 100 basis points (bps) (PY: 100 bps)	9.06	7.62
- Decrease of 100 basis points (bps) (PY: 100 bps)	(9.06)	(7.62)
Investment in alternate investment fund units		
- Increase of 100 basis points (bps) (PY: 100 bps)	2.29	1.55
- Decrease of 100 basis points (bps) (PY: 100 bps)	(2.29)	(1.55)

*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.

Investment in equity instruments

The majority of the Group's investments in equity instruments is in Gandhar Oil Refinery (India) Ltd (GORL) 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% (PY: 15%) or decreased by 15% (PY: 15%) with all other variables held constant, and that all the Group's equity instruments moved in line with the benchmark index BSE 200.

	Impact on profit after tax and equity*	
	Year ended March 31, 2026	Year ended March 31, 2025
BSE 200		
- Increase by 15% (PY: 15%)	4.37	6.62
- Decrease by 15% (PY: 15%)	(4.37)	(6.62)

*The sensitivity analysis represents movement as at the March 31, 2026 and March 31, 2025 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.

(₹ in million)

49C Risk management for Life Insurance Business

(i) 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 driven by the Enterprise Risk Management Framework.

The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels as per the Board approved risk appetite 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 forecasted 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.

The Group has established the following capital management objectives, policies and approach to manage 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;
- 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 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. 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 healthy 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 Company) and Unit Linked Life (Individual and Company). 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.

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(₹ in million)

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 an 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.

The Group clarifies contracts as insurance contracts or investment contracts with discretionary participation feature (DPF) in accordance with Ind AS 104 and the implementation guidance issued by IRDAI. For non-unit linked products, a contract is considered an insurance contract where the death benefit payable is atleast 5% higher than the premium paid at any point during the contractual term, indicating the transfer of significant insurance risk.

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.

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.

(₹ in million)

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. 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 categorised 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 utilised for evaluation of the risk which in turn helps in prioritisation.

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. Implementation of risk control self assessment (RCSA) tool at organisation level is under progress.

(ii) 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)	As at March 31, 2026	As at March 31, 2025
Available solvency margin (ASM)	3,285.68	5,132.50
Required solvency margin (RSM)	2,113.50	1,906.41
Solvency ratio (ASM/RSM)	**1.55**	**2.69**

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(₹ in million)

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, 2026 and March 31, 2025.

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.

As at March 31, 2026	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	581.68	-	-	**581.68**
Policyholders' liabilities*	7,677.07	8,115.27	36,498.56	**52,290.90**
Other financial liabilities	979.36	113.57	-	**1,092.93**
Total	**9,238.11**	**8,228.84**	**36,498.56**	**53,965.51**

As at March 31, 2025	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	168.38	-	-	**168.38**
Policyholders' liabilities*	7,258.86	8,642.83	33,268.44	**49,170.13**
Other financial liabilities	921.81	15.39	-	**937.20**
Total	**8,349.05**	**8,658.22**	**33,268.44**	**50,275.71**

*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.

(iii) 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: market interest rates (interest rate risk), foreign exchange rates (currency 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.

(a) 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.

(₹ in million)

(b) 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, 2026 and March 31, 2025.

(c) 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.

(iv) 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, impairment or downgrades of the securities in the 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 a 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, 2026

	UNR	Sovereign	AAA	AA+	Others	Total
Financial assets at FVTOCI						
Policyholders:						
Debt	-	-	13,583.22	900.96	-	**14,484.18**
Government securities	-	20,674.30	-	-	-	**20,674.30**
Shareholders:						
Debt	-	-	49.87	-	-	**49.87**
Government securities	-	80.25	-	-	-	**80.25**
Subtotal (a)	**-**	**20,754.55**	**13,633.09**	**900.96**	**-**	**35,288.60**
Financial assets at FVTPL						
Policyholders:						
Equity	9,891.72	-	-	-	-	**9,891.72**
Debt	-	-	281.18	102.30	-	**383.48**
Government securities	-	882.88	-	-	-	**882.88**
Shareholders:						
Equity	-	-	-	-	66.00	**66.00**
Subtotal (b)	**9,891.72**	**882.88**	**281.18**	**102.30**	**66.00**	**11,224.08**
Financial assets at amortised cost						
Policyholders:						
Government securities	**-**	1,498.19	-	-	-	**1,498.19**
Shareholders:						
Government securities	-	331.00	-	-	-	**331.00**
Subtotal (c)	**-**	**1,829.19**	**-**	**-**	**-**	**1,829.19**
Total credit risk exposure (a+b+c)	**9,891.72**	**23,466.62**	**13,914.27**	**1,003.26**	**66.00**	**48,341.87**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Credit exposure by credit rating as at March 31, 2025

	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**
Subtotal (a)	**-**	**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**
Subtotal (b)	**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**
Subtotal (c)	**-**	**1,270.79**	**-**	**-**	**-**	**1,270.79**
Total credit risk exposure (a+b+c)	**9,256.77**	**22,480.82**	**14,710.63**	**1,156.56**	**66.00**	**47,670.78**

50. Key disclosures related to life insurance business

(i) Life insurance and investment contract liability

	As at March 31, 2026			
	With DPF	**Linked business**	**Others**	**Total**
Insurance contract liability				
Life	14,857.37	10,013.45	26,938.56	**51,809.38**
Health	-	-	-	**-**
Annuity	-	-	-	**-**
Pension	53.63	-	-	**53.63**
Total	**14,911.00**	**10,013.45**	**26,938.56**	**51,863.01**
Investment contract liability				
Life	-	123.44	-	**123.44**
Health	-	-	-	**-**
Annuity	-	-	-	**-**
Pension	-	304.45	-	**304.45**
Total	**-**	**427.89**	**-**	**427.89**
Grand total	**14,911.00**	**10,441.34**	**26,938.56**	**52,290.90**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ 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**

(ii) Movement of life insurance contract liabilities

	For the year ended March 31, 2026			
	With DPF	Linked business	Others	Total
Gross liability as at March 31, 2025	15,315.00	9,654.78	23,770.67	**48,740.45**
Add/(Less):				
Premium	1,873.34	2,118.89	4,327.58	**8,319.81**
Unwinding of the discount/ Interest credited	992.95	(149.41)	1,607.94	**2,451.48**
Changes in valuation for expected future benefits	(1,682.32)	(1,433.85)	(1,918.50)	**(5,034.67)**
Insurance liabilities released	82.31	(37.64)	(356.89)	**(312.22)**
Undistributed Participating Policyholders surplus (UPPS)	(697.36)	0.92	-	**(696.44)**
Others	(972.91)	(140.26)	(492.23)	**(1,605.40)**
Change in other liabilities	-	-	-	**-**
Gross liability as at March 31, 2026	**14,911.01**	**10,013.43**	**26,938.57**	**51,863.01**

	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**

(iii) 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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

	For the year ended March 31, 2026		
	Linked business	Others	Total
As at March 31, 2025	**429.68**	**-**	**429.68**
Additions			
Premium	56.58	-	56.58
Interest and bonus credited to policyholders	8.04	-	8.04
Others	(5.60)	-	(5.60)
Deductions			
Withdrawals/ claims	(52.64)	-	(52.64)
Fee income and other expenses	(8.17)	-	(8.17)
As at March 31, 2026	**427.89**	**-**	**427.89**

	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**

Change in reinsurance assets

	For the year ended March 31, 2026			
	With DPF	Linked business	Others	Total
As at March 31, 2025	**12.61**	**2.57**	**2,994.65**	**3,009.83**
Premium	9.51	3.91	803.69	817.11
Unwinding of the discount/interest credited	1.07	0.28	210.58	211.93
Change in valuation for expected future benefits	(9.27)	(3.44)	(555.66)	(568.37)
Insurance liabilities released	(5.30)	(0.77)	(83.26)	(89.33)
As at March 31, 2026	**8.62**	**2.55**	**3,370.00**	**3,381.17**

	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**

(iv) 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, 2026

(₹ in million)

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 2.40% or 4.80% as applicable as at March 31, 2026 (3.60% or 6.00% as applicable as at March 31, 2025).

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, 2026	Year ended March 31, 2025
Mortality rates [as a % of Indian Assured Lives Mortality (12-14)]**	Max	Par: 115.5% Non Par: 192.5%	Par: 90.75% Non Par: 159.5%
	Min	Par: 71.5% Non Par: 33%	Par: 74.25% Non Par: 33%
Discount/ interest rates***	Max	Par: 6.60% Non Par: 6.40%	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 1091 p.a Non Par: INR 1091 p.a	Par: INR 1034 p.a Non Par: INR 1034 p.a
	Min	Par: INR 422 p.a Non Par: INR 225 p.a	Par: INR 400 p.a Non Par: INR 213 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 IIAM 12-15 – Indian Individual Annuitant 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, 2026

(₹ in million)

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 year. The sensitivities are same as shared with Regulators during annual reporting.

For the year ended March 31, 2026

Sensitivity parameters	Insurance with DPF	Insurance without DPF	Investment with DPF	Investments without DPF
Lapses increased by 10%	15,383.92	32,496.74	-	427.74
Lapses decreased by 10%	15,383.92	34,770.53	-	427.77
Mortality increased by 10%	15,383.92	34,490.31	-	427.78
Mortality decreased by 10%	15,383.92	32,803.02	-	427.73
Expenses increased by 10%	15,383.92	33,734.29	-	427.76
Expenses decreased by 10%	15,383.92	33,424.03	-	427.75
Interest rate increased by 100 bps	15,383.92	33,624.38	-	423.80
Interest rate decreased by 100 bps	15,383.92	33,687.31	-	432.43
Inflation rate increased by 100 bps	15,383.92	33,812.39	-	427.76
Inflation rate decreased by 100 bps	15,383.92	33,388.80	-	427.76

For the year ended March 31, 2025

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

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

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Ownership interest held by non-controlling interest	40.02%	40.02%	2.84%	3.17%
Financial assets	6,053.71	5,355.38	55,962.63	54,084.24
Non-financial assets	1,332.29	1,084.89	493.34	526.52
Financial liabilities	1,449.81	1,256.67	54,365.11	50,305.05
Non-financial liabilities	481.05	505.48	357.96	236.47
	5,455.14	**4,678.12**	**1,732.90**	**4,069.24**
NCI's share of net assets	**2,183.25**	**1,872.27**	**49.28**	**141.33**
Consolidation adjustments*	(117.38)	(68.36)	-	(12.29)
NCI's share of net assets (adjusted)	**2,065.87**	**1,803.91**	**49.28**	**129.04**

* On account of employee stock options and impact of decrease in proportionate stake of NCI.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

(II) Summarised statement of profit and loss and other comprehensive income

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Total Revenue	5,996.77	5,101.56	10,538.33	7,936.85
Profit/(loss) for the year	1,313.71	1,082.96	(2,988.71)	(2,800.01)
Other comprehensive income	40.85	(17.99)	(1,969.64)	380.11
Total comprehensive income	**1,354.56**	**1,064.97**	**(4,958.35)**	**(2,419.90)**
Profit/(loss) attributable to NCI	525.77	433.42	(90.67)	(97.25)
Other comprehensive income attributable to NCI	16.35	(7.20)	(59.76)	13.20

(III) Summarised cash flows

	Bandhan AMC Limited		Bandhan Life Insurance Limited	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities	1,520.91	1,488.09	(2,540.30)	(3,790.26)
Cash flow from investing activities	(683.47)	(1,326.58)	140.48	(163.00)
Cash flow from financing activities	(854.50)	(135.88)	2,596.41	3,728.42
Net increase/(decrease) in cash and cash equivalents	**(17.06)**	**25.63**	**196.59**	**(224.84)**

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 Konnagar	Promoter group entity
Bandhan Bank Limited	Associate of wholly-owned subsidiary
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
Lathe Investment Pte Ltd	Entity having significant influence over step-down subsidiary
Tangerine Investments Limited	Entities under common control/part of investor group having significant influence over step-down subsidiary
Carillon Investments B.V.	Entities under common control/part of investor group having significant influence over step-down subsidiary
Infinity Partners	Entities under common control/part of investor group having significant influence over step-down subsidiary
Key management personnel	
Mr. Chandra Shekhar Ghosh	Director (w.e.f. July 10, 2024) and Executive Director (w.e.f. September 5, 2024) (designated Executive Chairman by the Board)
Mr. Arvind Agrawal	Managing Director
Mr. Roshan Agarwal	Chief Financial Officer (w.e.f August 21, 2025)
Mr. Biplab Kumar Mani	Company Secretary
Mr. Amrit Daga	Chief Financial Officer (up to July 22, 2025)
Mr. Karni Singh Arha	Managing Director, 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), Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

Entities	Nature of relationship
Non-executive/Independent directors	
Mr. Arun Shrivastava	Independent Director
Mr. Subrata Mandal	Independent Director
Mr. Pankaj Sood	Nominee Director of Caladium Investment Pte. Ltd.
Ms. Hulya Kefeli	Nominee Director of International Finance Corporation
Mr. Arup Kumar	Nominee Director of Small Industries Development Bank of India (up to December 4, 2024)
Mr. Sriradha Raman Saripali	Nominee Director of Small Industries Development Bank of India (w.e.f. December 4, 2024)
Mr. Arindam Banik	Non Executive Director
Mr. Amit Kumar Hazra	Non Executive Director
Relative of Key Management Personnel (KMPs)	
Mrs. Nilima Ghosh	Spouse of Mr. Chandra Shekhar Ghosh
Mr. Angshuman Ghosh	Son of Mr. Chandra Shekhar Ghosh
Mr. Vaskar Ghosh	Brother of Mr. Chandra Shekhar Ghosh

B) Transactions and balances

i) Transactions during the year ended March 31, 2026 and March 31, 2025

	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	-	197.83	-	5.93	-	283.31	487.07
	(-)	(285.30)	(-)	(0.18)	(-)	(13.29)	(298.77)
Interest income	422.18	-	-	-	-	-	422.18
	(516.32)	(-)	(-)	(-)	(-)	(-)	(516.32)
Office rent	-	0.28	-	-	-	-	0.28
	(-)	(0.28)	(-)	(-)	(-)	(-)	(0.28)
Bank charges	0.05	-	-	-	-	-	0.05
	(0.03)	(-)	(-)	(-)	(-)	(-)	(0.03)
Rental income	-	1.30	-	-	-	-	1.30
	(-)	(2.47)	(-)	(-)	(-)	(-)	(2.47)
Donations	-	35.40	-	-	-	-	35.40
	(-)	(49.72)	(-)	(-)	(-)	(-)	(49.72)
Contribution towards CSR expenses	-	21.15	-	-	-	-	21.15
	(-)	(27.49)	(-)	(-)	(-)	(-)	(27.49)
Commission	1,501.90	-	-	-	-	-	1,501.90
	(438.65)	(-)	(-)	(-)	(-)	(-)	(438.65)
Remuneration	-	-	-	226.83	-	-	226.83
	(-)	(-)	(-)	(177.62)	(-)	(-)	(177.62)
Sitting fees*	-	-	-	-	2.59	-	2.59
	(-)	(-)	(-)	(-)	(3.21)	(-)	(3.21)
Investment transaction charges	-	-	-	-	-	0.41	0.41
	(-)	(-)	(-)	(-)	(-)	(0.33)	(0.33)
Revenue from Portfolio Management Services	-	4.65	-	-	-	-	4.65
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advance received against sale of immovable property	-	2.90	-	-	-	-	2.90
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of asset	-	-	-	0.11	-	-	0.11
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Contribution to defined benefit plan	-	-	100.34	-	-	-	100.34
	(-)	(-)	(51.07)	(-)	(-)	(-)	(51.07)

*In case of Nominee Director, sitting fees have been paid to the respective companies.
Previous year figures are shown in parenthesis.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

ii) Outstanding as at March 31, 2026 and March 31, 2025

	Associate	Promoter and Entity forming part of Promoter Group	Post employment benefits plan	Key Management Personnel	Non-executive/ Independent directors	Others	Total
Bank Deposits	5,300.91	-	-	-	-	-	5,300.91
	(5,141.04)	(-)	(-)	(-)	(-)	(-)	(5,141.04)
Current account	285.78	-	-	-	-	-	285.78
	(91.69)	(-)	(-)	(-)	(-)	(-)	(91.69)
Investment in associate accounted using equity method	1,23,171.41	-	-	-	-	-	1,23,171.41
	(1,24,711.70)	(-)	(-)	(-)	(-)	(-)	(1,24,711.70)
Loan given	-	-	575.74	-	-	-	575.74
	(-)	(-)	(533.09)	(-)	(-)	(-)	(533.09)
Donation payable	-	35.40	-	-	-	-	35.40
	(-)	(49.72)	(-)	(-)	(-)	(-)	(49.72)
Advance received against sale of immovable property	-	2.90	-	-	-	-	2.90
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Commission payable	345.70	-	-	-	-	-	345.70
	(115.60)	(-)	(-)	(-)	(-)	(-)	(115.60)
Sitting Fees payable	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.13)	(-)	(0.13)
Trade receivables	-	1.54	-	-	-	-	1.54
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Other receivables	-	-	-	-	-	-	-
	(-)	(-)	(1.31)	(-)	(-)	(-)	(1.31)

C) Compensation of key management personnel

	Year ended March 31, 2026	Year ended March 31, 2025
Short-term employee benefits	221.46	171.64
Post-employment benefits	5.37	5.98

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 finalised vide 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.

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:

	Year ended March 31, 2026	Year ended March 31, 2025
Net investments made during the year	214.97	826.52
Balance as at the end of the year	5,046.52	4,661.95

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

53. Maturity pattern of items of assets and liabilities

	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,926.93	-	**1,926.93**	1,270.77	-	**1,270.77**
Bank balances other than cash and cash equivalents	5,507.00	944.69	**6,451.69**	5,694.18	8.67	**5,702.85**
Derivative financial instruments	-	-	**-**	3.40	12.07	**15.47**
Trade receivables	727.13	-	**727.13**	545.24	-	**545.24**
Loans	3.77	615.05	**618.82**	15.42	569.69	**585.11**
Investments of life insurance business						
Policyholders	4,914.25	33,263.03	**38,177.28**	3,392.99	33,233.44	**36,626.43**
Shareholders	417.03	110.09	**527.12**	1,526.77	153.38	**1,680.15**
Other investments	3,892.11	3,184.19	**7,076.30**	4,130.60	2,848.37	**6,978.97**
Assets held to cover linked liabilities	8,694.81	942.66	**9,637.47**	8,024.44	1,339.76	**9,364.20**
Other financial assets	5,265.69	304.45	**5,570.14**	2,420.32	2,224.52	**4,644.84**
	31,348.72	**39,364.16**	**70,712.88**	**27,024.13**	**40,389.90**	**67,414.03**
Non-financial assets						
Current tax assets (net)	-	352.05	**352.05**	46.98	232.26	**279.24**
Deferred tax assets (net)	-	23.06	**23.06**	-	26.13	**26.13**
Property, plant and equipment	-	341.46	**341.46**	-	294.94	**294.94**
Right-of-use assets	175.82	614.47	**790.29**	-	629.98	**629.98**
Capital work-in-progress	-	29.54	**29.54**	-	29.28	**29.28**
Goodwill	-	26,344.87	**26,344.87**	-	26,344.87	**26,344.87**
Other intangible assets	-	68.14	**68.14**	-	116.52	**116.52**
Investment accounted using equity method	-	1,23,171.41	**1,23,171.41**	-	1,24,711.70	**1,24,711.70**
Other non-financial assets	595.70	204.84	**800.54**	353.02	356.71	**709.73**
	771.52	**1,51,149.84**	**1,51,921.36**	**400.00**	**1,52,742.39**	**1,53,142.39**
Assets held for sale	26.95	-	**26.95**	26.95	-	**26.95**
Total assets	**32,147.19**	**1,90,514.00**	**2,22,661.19**	**27,451.08**	**1,93,132.29**	**2,20,583.37**
Financial liabilities						
Derivative financial instruments	-	426.82	**426.82**	-	-	**-**
Trade payables	856.42	-	**856.42**	432.54	-	**432.54**
Other payables	38.04	-	**38.04**	52.16	-	**52.16**
Policyholders' liabilities	7,677.07	44,613.83	**52,290.90**	7,258.86	41,911.27	**49,170.13**
Other financial liabilities	1,770.12	796.57	**2,566.69**	1,446.72	863.04	**2,309.76**
	10,341.65	**45,837.22**	**56,178.87**	**9,190.28**	**42,774.31**	**51,964.59**
Non-financial liabilities						
Current tax liabilities (net)	222.22	-	**222.22**	221.55	-	**221.55**
Provisions	86.60	82.80	**169.40**	131.02	99.44	**230.46**
Deferred tax liabilities (net)	-	15,038.51	**15,038.51**	-	15,188.36	**15,188.36**
Other non-financial liabilities	560.61	-	**560.61**	349.84	-	**349.84**
	869.43	**15,121.31**	**15,990.74**	**702.41**	**15,287.80**	**15,990.21**
Total liabilities	**11,211.07**	**60,958.53**	**72,169.61**	**9,892.69**	**58,062.11**	**67,954.80**

54. Business combination

In September 2024, the Parent Company acquired 100.00% equity stake and voting interest in Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited] on September 4, 2024 from its promoters.

Further, Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited] made acquisitions of Bandhan Technologies Inc., USA (Formerly Genisys Software Limited, USA) and Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK) wherein it acquired 100.00% equity stake and voting interests in these companies on October 23, 2024 from its promoters.

(₹ in million)

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

	Genisys India	Genisys USA	Genisys UK
Cash consideration	797.40	131.92	90.45

B. Identifiable assets acquired and liabilities assumed

	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 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.

55. Derivative Financial Instruments

The Group has during the year, 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. Notional principal and mark-to-market value of interest rate derivative outstanding and not 'highly effective'

	Counterparty	As at March 31, 2026	As at March 31, 2025
7.34% GS 2064 (22/04/2064)	IDFC First Bank	320.80	3,671.80
7.30% GS 2053 (19/06/2053)	Federal Bank	519.09	-
7.09% GS 2054 (05/08/2054)	Federal Bank	659.90	-
7.09% GS 2054 (05/08/2054)	IDFC First Bank	714.91	-
6.90% GS 2065 (15/04/2065)	Axis Bank	532.87	-
Total		**2,747.57**	**3,671.80**

B. Total notional exposure of Interest Rate Derivatives (Forward rate agreements (FRA)) outstanding as at the end of the year (instrument-wise)

	Counterparty	As at March 31, 2026	As at March 31, 2025
7.34% GS 2064 (22/04/2064)	IDFC First Bank	3,517.22	3,671.80
7.30% GS 2053 (19/06/2053)	Federal Bank	519.09	-
7.09% GS 2054 (05/08/2054)	Federal Bank	659.90	-
7.09% GS 2054 (05/08/2054)	IDFC First Bank	714.91	-
6.90% GS 2065 (15/04/2065)	Axis Bank	532.87	-
Total		**5,943.99**	**3,671.80**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

C. The fair value mark to market (MTM) gains/(losses) in respect of Interest Rate Derivatives (FRA) outstanding as at the end of the year (instrument-wise)

Hedging Instrument	As at March 31, 2026	As at March 31, 2025
7.34% GS 2064 (22/04/2064)	(276.98)	15.47
7.30% GS 2053 (19/06/2053)	(31.68)	-
7.09% GS 2054 (05/08/2054)	(104.87)	-
6.90% GS 2065 (15/04/2065)	(13.29)	-
Total	**(426.82)**	**15.47**

D. Loss which would be incurred if counter parties failed to fulfil their obligation under the outstanding Interest Rate Derivative contracts

	As at March 31, 2026	As at March 31, 2025
Loss which would be incurred if counter parties failed to fulfil their obligation under the outstanding Interest Rate Derivative contracts (FRA)	39.56	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.

E. Movement in cash flow hedge reserve

Hedge reserve account	As at March 31, 2026		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	32.39	32.39
Changes in fair value during the year	(22.80)	(405.60)	(428.40)
Amount reclassified to revenue	0.10	-	0.10
Balance at the end of the year	**(22.70)**	**(373.21)**	**(395.91)**

Hedge reserve account	As at March 31, 2025		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-
Changes in fair value during the year	-	32.39	32.39
Amount reclassified to revenue	-	-	-
Balance at the end of the year	**-**	**32.39**	**32.39**

F. Interest Rate Derivative - Counterparty exposure

	As at March 31, 2026	As at March 31, 2025
Name of the counterparty	IDFC First Bank	IDFC First Bank
Hedge designation	Cash flow hedge	Cash flow hedge
Derivative contract	Forward Rate Agreement	Forward Rate Agreement
Credit exposure	146.70	146.73
Likely impact of 1 bps increase in interest rate		
-Derivative	(3.84)	(3.84)
-Underlying being hedged	3.85	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, 2026	Year ended March 31, 2025
Provident fund	176.27	135.22
Pension fund	14.22	9.60
Labour welfare fund	0.13	0.02
Total	**190.62**	**144.84**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

b) Defined benefit plans

The Group operates a gratuity plan for its employees. Under the plan, an employee who has completed prescribed period 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 (including step-down), Bandhan Financial Holdings Limited and Bandhan Mutual Fund Trustee Limited have an unfunded defined benefit gratuity plan as on the balance sheet date. The step-down subsidiary companies viz, Bandhan Life Insurance Limited, Bandhan AMC Limited and Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited] have a funded defined benefit gratuity plan as on the balance sheet date, necessary disclosures as per Ind AS 19 are provided below.

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

	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 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	4.91	-	4.91	(5.05)	-	-	(5.05)
Actuarial loss/ (gain) arising on account of experience changes	(4.18)	-	(4.18)	11.79	-	-	11.79
Liabilities assumed/settled	-	-	-	-	0.10	-	(0.10)
Other 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)	-	-
As at March 31, 2025	**32.09**	**-**	**32.09**	**323.59**	**251.73**	**-**	**71.86**
Current service cost	1.83	-	1.83	88.63	-	-	88.63
Interest expense/income	0.27	-	0.27	23.27	18.12	-	5.15
Return on plan assets	-	-	-	-	11.15	-	(11.15)
Actuarial loss/ (gain) arising from change in financial assumptions	(0.18)	-	(0.18)	(19.30)	-	-	(19.30)
Actuarial loss/ (gain) arising on account of experience changes	1.20	-	1.20	(21.27)	-	-	(21.27)
Employer contributions	-	-	-	-	128.00	-	(128.00)
Benefit payments	(0.59)	-	(0.59)	(34.30)	(34.30)	-	-
Past service cost (Refer note below)	1.02	-	1.02	28.29	-	-	28.29
As at March 31, 2026	**35.64**	**-**	**35.64**	**388.91**	**374.70**	**-**	**14.21**

	Unfunded		Funded	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Present value of plan liabilities	35.64	32.09	388.91	323.59
Fair value of plan assets	-	-	374.70	251.73
Plan liability (net of plan assets)	**35.64**	**32.09**	**14.21**	**71.86**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

ii) Costs recognised in profit or loss	Unfunded		Funded	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Employee benefit expense				
Current service cost	1.83	4.69	88.63	61.07
Interest cost (net)	0.27	1.11	5.15	2.39
Past service cost	1.02	-	28.29	-
Net impact on the profit before tax	**3.12**	**5.80**	**122.07**	**63.46**

iii) Costs recognised in other comprehensive income	Unfunded		Funded	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurements of the net defined benefit liability:				
Return on plan assets excluding amounts included in interest income	-	-	11.15	(0.89)
Actuarial gains/(losses) arising from changes in demographic assumptions	-	(4.91)	-	5.05
Actuarial gains/(losses) arising from changes in financial assumptions	0.18	(3.53)	19.30	(12.54)
Actuarial gains/(losses) arising from changes in experience	(1.20)	4.19	21.27	(11.79)
Adjustment to recognise the effect of asset ceiling	-	-	-	0.08
Net impact on the other comprehensive income before tax	**(1.02)**	**(4.25)**	**51.72**	**(20.09)**

iv) Defined benefit plan assets Category of assets (% allocation)	Unfunded		Funded	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Insurer managed funds				
- Investment funds with insurance companies	-	-	31.76%	27.58%
- Government securities	-	-	-	12.56%
- Deposit and money market securities	-	-	2.12%	4.40%
- Debentures / bonds	-	-	66.12%	55.46%

v) Major actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Discount rate	6.40% to 7.20%	6.40% to 6.80%
Salary escalation rate*	5.00% to 12.00%	7.00% to 12.00%
Withdrawal/attrition rate	0% to 50%	0% to 50%

* 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, 2026	As at March 31, 2025
Within the next 12 months	40.66	31.42
Between 2 and 5 years	187.92	126.26
Beyond 6 years	802.17	678.80
Total expected payments	**1,030.75**	**836.48**

(₹ in million)

vii) Sensitivity

As at March 31, 2026	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	100 bps	(7.49)	8.29
Salary escalation rate	100 bps	7.57	(7.09)

As at March 31, 2026	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50 bps	(12.99)	13.96
Salary escalation rate	50 bps	13.30	(12.55)

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	3.79	(3.53)

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)

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, 2025: 4 years-10 years).

Note

The Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). These Codes have been made effective from November 21, 2025, replacing and rationalising multiple labour laws then prevailing in the country. In accordance with the requirements of the Indian Accounting Standard 19 "Employee Benefits", changes to employee benefit plans resulting from legislative amendments constitute a plan amendment, necessitating recognition of past service cost immediately upon notification.

The impact on the employee benefit expenses with respect to gratuity amounting to ₹ 29.31 (PY: ₹ Nil), as determined actuarially, have been recognised as past service cost towards employees' benefit obligations during the year ended March 31, 2026. The Group continues to monitor the provisions of the Labour Codes and development thereof, including related Central and State rules as and when notified, and implications as relevant to the Group are given effect to in the respective period.

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.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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, neither had any transactions during the years ended March 31, 2026 and March 31, 2025 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 Parent Company had taken loan from Union Bank of India (esrtwhile Corporation Bank) amounting to ₹ 250.00 and the loan settlement period was 2016-17. The Parent Company is under the jurisdiction of Kolkata ROC and the Parent Company had to file the registration of charge pertaining to this loan by June 2, 2016. However, due to technical glitch, the Parent 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 15, 2026.

vi) Compliance with approved scheme(s) of arrangements

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

vii) 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:

a) 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,

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

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.

viii) 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.

ix) Details of crypto currency or virtual currency

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

x) 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 previous year.

(₹ in million)

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

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 other than as disclosed in note 52.

58. Employee share based payments

A. Bandhan AMC Limited Employee Stock Option Scheme 2023

a) Employee stock option scheme (equity settled)

The step-down subsidiary of the Parent 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 said company as decided by its 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 said 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 said 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.

Summary of options granted under the plan:

	Year ended March 31, 2026		Year ended March 31, 2025	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	135.39	91,35,682	135.39	61,02,365
Granted during the year	135.39	38,41,759	135.39	33,99,481
Exercised during the year	-	-	-	-
Forfeited during the year	135.39	(4,36,381)	135.39	(3,66,164)
Lapsed/expired during the year	-	-	-	-
Closing balance	**135.39**	**1,25,41,060**	**135.39**	**91,35,682**
Vested and exercisable	135.39	28,26,654	135.39	9,50,702

There were no options that were exercised during the year ended March 31, 2026 and March 31, 2025.

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, 2026	Outstanding as at March 31, 2025
	Vest 1	Vest 2	Vest 3			
August 1, 2023	August 1, 2029	August 1, 2030	August 1, 2031	135.39	55,02,743	56,74,911
August 25, 2023	August 25, 2029	August 25, 2030	August 25, 2031	135.39	17,811	17,811
March 1, 2024	March 1, 2030	March 1, 2031	March 1, 2032	135.39	1,06,864	1,06,864
August 1, 2024	August 1, 2030	August 1, 2031	August 1, 2032	135.39	31,42,861	33,36,096
August 1, 2025	August 1, 2031	August 1, 2032	August 1, 2033	135.39	37,70,781	-
Total					**1,25,41,060**	**91,35,682**
Weighted average remaining contractual life of options outstanding at end of the year					**5.91**	**6.69**

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

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 BAMC ESOS 2023 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, 2026 included:

Assumptions	**Year ended March 31, 2026**	**Year ended March 31, 2025**
	Weighted average	**Weighted average**
Expected volatility	30.62%	32.51%
Expected dividends	2.50%	2.50%
Expected term (in years)	3.00	3.83
Risk free rate	5.79%	6.75%
Exercise price (₹)	135.39	135.39
Market price (₹)	133.42	130.60
Fair value of the option at grant date (₹)	30.15	35.43

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

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 benefits expense were as follows:

	Year ended March 31, 2026	**Year ended March 31, 2025**
Employee stock option scheme (equity settled)	122.48	109.29
Total	**122.48**	**109.29**

B. Genisys Employee Stock Option Plan 2025

a) Employee stock option scheme (equity settled)

The subsidiary company has implemented the Genisys Employee Stock Option Plan 2025 ('ESOP 2025'), approved by its shareholders on July 25, 2025. The Plan authorises the subsidiary company to grant up to 44,715 ESOPs to eligible employees of the subsidiary company and its subsidiaries. Each option, upon vesting and exercise, entitles the holder to one equity share of face value ₹ 10. The ESOP 2025 is accounted as an equity-settled share-based payment plan in accordance with Ind AS 102 – Share-based Payment. Options vest over four years subject to continued employment and specified performance conditions, and are exercisable on the occurrence of a Liquidity Event (IPO/ Strategic Sale/ Investor Offer).

Date of vesting	**Vesting options**
1st Anniversary from the grant date	20% of the options granted
2nd Anniversary from the grant date	20% of the options granted
3rd Anniversary from the grant date	30% of the options granted
4th Anniversary from the grant date	30% of the options granted

(₹ in million)

Summary of options granted under the plan:

	Year ended March 31, 2026		Year ended March 31, 2025	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	-	-	-	-
Granted during the year	10.00	20,280	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	10.00	(3,350)	-	-
Lapsed/expired during the year	-	-	-	-
Closing balance	**10.00**	**16,930**	**-**	**-**
Vested and exercisable	-	-	-	-

Weighted average remaining contractual life of options outstanding at end of the year is 4.25 years (PY: Not applicable)

Fair value of options granted

The fair value of each option is determined at the grant date using the Black-Scholes option pricing model.
The model inputs for options granted during the year ended March 31, 2026 included:

Assumptions	Year ended March 31, 2026
	Weighted average
Expected volatility	43.37%
Expected dividends	-
Expected term (in years)	4.00
Risk free rate	5.78%
Exercise price (₹)	10.00
Market price (₹)	1,378.00
Fair value of the option at grant date (₹)	1,370.02

Since the scheme has been introduced during the year ended March 31, 2026, therefore details for the previous year ended March 31, 2025 have been excluded from the above table.

Note -

The expected price volatility is based on the historical volatility of comparable listed IT companies- peer proxy.
Risk free rate is based on 10 years government securities yield as on the valuation date

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 benefits expense were as follows:

	Year ended March 31, 2026	Year ended March 31, 2025
Employee stock option scheme (equity settled)	9.61	-
Total	**9.61**	**-**

59. Commitments, contingent liabilities and contingent assets

i) Commitments

	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances)	47.50	57.30
Uncalled liability on shares and other investments (partly-paid)	100.00	199.96
Others	37.50	-

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

ii) Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Claims not acknowledged as debt by the Group		
Claims, other than policies	-	67.74
In relation to claims against policies*	253.31	232.34
Statutory demand/ liabilities in dispute, to the extent not provided for		
Income tax matters	0.72	0.75
VAT, excise and service tax matters	95.48	95.48
Provident fund	28.62	28.62

* In respect of litigations, where the management assessment of financial outflow is probable, the group has made a provision of ₹258.00 (PY: ₹219.00).

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 consolidated financial statements during the year ended March 31, 2026 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 year.

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.

Details of Dividend distributions made by the Parent Company

	Interim dividend		Final dividend	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Year to which dividend relates	2025-26	2024-25	-	2023-24
Dividend paid per Equity share (%)	38.00%	40.50%	-	14.30%
Dividend paid per Equity share (₹)	₹ 3.80	₹ 4.05	-	₹ 1.43
Gross amount of dividend declared and paid	485.72	517.68	-	182.78

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 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 healthy solvency ratio.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

The solvency ratio has been summarised in the below table:

Solvency ratio (As per IGAAP)*	As at March 31, 2026	As at March 31, 2025
Available solvency margin (ASM)	3,285.68	5,132.50
Required solvency margin (RSM)	2,113.50	1,906.41
Solvency ratio (ASM/RSM)	1.55	2.69

* 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 enterprise 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, 2026

	Asset Management	Life Insurance	Investment	Information Technology	Total
Segment revenues	5,832.68	10,751.31	555.29	1,406.59	18,545.87
Less: Inter-segment revenue	-	-	-	-	-
Total Revenue from operations	**5,832.68**	**10,751.31**	**555.29**	**1,406.59**	**18,545.87**
Segment results before share of profit of associate, exceptional item and tax	**1,829.81**	**(2,988.71)**	**(354.36)**	**(29.27)**	**(1,542.53)**
Share of profit of associate accounted using equity method					3,188.52
Exceptional item					-
Profit before tax					**1,645.99**
Current tax					1,231.23
Deferred tax					(126.08)
Profit after tax					**540.84**
Segment assets	**7,354.66**	**56,455.98**	**8,327.51**	**1,006.76**	**73,144.91**
Goodwill	25,762.32	-	-	582.55	26,344.87
Investment accounted using equity method					1,23,171.41
Total assets					**2,22,661.19**
Segment liabilities	**1,882.65**	**54,723.08**	**175.76**	**426.96**	**57,208.45**
Deferred tax liability on carrying value of investment in associate					14,961.16
Total liabilities					**72,169.61**
Capital expenditure	203.82	31.50	4.39	0.38	**240.09**
Depreciation and amortisation	244.11	94.79	27.16	27.40	**393.46**
Interest income	5.33	2,975.37	555.29	2.35	**3,538.34**
Finance costs	32.20	4.19	9.06	10.85	**56.30**

Geographical information as at and for the year ended March 31, 2026

	India	Outside India	Total
Revenue from operations	17,872.31	673.56	18,545.87
Non-current assets (Refer note 53)*	1,51,126.72	0.06	1,51,126.78

* Does not include financial instruments, deferred tax assets (net) and post employment benefit plan asset.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

61.2 Segment information for the year ended March 31, 2025

	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/(loss) before tax					**(12,633.04)**
Current tax					618.20
Deferred tax					1,491.39
Profit/(loss) 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**

Geographical information as at and for the year ended March 31, 2025

	India	Outside India	Total
Revenue 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.

61.3 Information about major customers

Revenues from one customer of the Group's Asset Management segment is ₹ 5,770.26 (PY: ₹ 4,922.94) representing approximately 31.11% (PY: 34.05%) of the Group's total Revenues for the year ended March 31, 2026.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

62. Statement of net assets, profit and loss, other comprehensive income and total comprehensive income

As at and for the year ended March 31, 2026

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 profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent Company								
Bandhan Financial Services Limited	22.59%	33,520.73	159.39%	862.02	0.02%	(0.47)	(57.31%)	861.55
Indian subsidiary								
Bandhan Financial Holdings Limited	36.99%	54,881.54	610.69%	3,302.85	0.02%	(0.31)	(219.70%)	3,302.54
Bandhan AMC Limited	3.68%	5,455.14	242.93%	1,313.84	(2.00%)	40.85	(90.12%)	1,354.69
Bandhan Life Insurance Limited	1.17%	1,732.90	(552.61%)	(2,988.71)	96.36%	(1,969.64)	329.85%	(4,958.35)
Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited]	0.48%	705.04	1.35%	7.28	(0.13%)	2.71	(0.66%)	9.99
Bandhan Mutual Fund Trustee Limited*	0.01%	16.87	1.00%	5.41	-	-	(0.36%)	5.41
Foreign subsidiaries								
Bandhan Technologies Inc. USA (Formerly Genisys Software Limited, USA)	0.04%	63.26	(4.82%)	(26.08)	(0.34%)	7.04	1.27%	(19.04)
Bandhan Technologies Ltd, UK (Formerly Genisys Software Limited, UK)	0.02%	35.38	(3.84%)	(20.78)	(0.28%)	5.71	1.00%	(15.07)
Bandhan Investment Managers (Mauritius) Limited	-	-	(1.32%)	(7.15)	-	-	0.48%	(7.15)
Associate								
Bandhan Bank Limited	83.02%	1,23,171.41	612.00%	3,309.93	6.45%	(131.85)	(211.42%)	3,178.08
Less: Consolidation adjustments	(48.00%)	(71,212.62)	(964.77%)	(5,217.77)	(0.10%)	1.92	346.97%	(5,215.85)
Total	**100.00%**	**1,48,369.65**	**100.00%**	**540.84**	**100.00%**	**(2,044.04)**	**100.00%**	**(1,503.20)**

*Figures of OCI is below the rounding off norms.

Notes to Consolidated Financial Statements as at and for the Year ended March 31, 2026

(₹ in million)

As at and for the year ended March 31, 2025

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 profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	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)
Bandhan Technologies Private Limited [Formerly 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								
Bandhan Technologies Inc. USA (Formerly Genisys Software Limited, USA)	0.05%	82.30	0.05%	(6.79)	0.76%	1.36	0.04%	(5.43)
Bandhan Technologies Ltd, UK (Formerly 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)**

63(a). Compliance of IRDAI (Expenses of Management including Commission, of Insurers) Regulations, 2024

Pursuant to the IRDAI (Expenses of Management including Commission, of Insurers) Regulations, 2024 ("EOM Regulations 2024"), in case of an insurer having actual expenses of management more than the allowable expenses of management, the IRDAI, having regard to the business model of the insurer, may grant forbearance subject to the confirmation by its Board that it shall bring its actual expenses within the limits, within a period of 2 years, i.e., by the end of financial year 2025-26.

For the previous year 2024-25, the IRDAI has issued a show cause notice ("SCN") towards the non-compliance of EOM Regulations 2024 in January 2026. Bandhan Life Insurance Limited ('BLIL') has responded to the said SCN with the reasons for non-compliance, the corrective action plan, and the progress made in this regard. The request for the forbearance towards the non-compliance of EOM limits of the financial year 2024-25 is pending with the IRDAI.

Bandhan Group

The EOM ratio for the financial year 2025-26 stands at 122%, which is above the prescribed limit of 100% as per the EOM Regulations 2024. BLIL has submitted a request for forbearance towards this non-compliance of the EOM Regulations for the financial year 2025-26 to the IRDAI through the Life Insurance Council on March 5, 2026. BLIL awaits further response from the IRDAI in this matter.

Further, the segment-wise excess of expenses above 100% of allowable expenses of management amounting to ₹ 1,319.80 (PY: ₹ 1,625.10) has been charged to the Profit and Loss Account (Shareholders Non-Technical Account) to ensure compliance with the prescribed limits under the EOM Regulations 2024.

63(b). On August 26, 2025, on November 6, 2025 and on February 16, 2026, Bandhan Financial Holdings Limited (BFHL) applied for a right issue of 100 million, 100 million and 62 million equity shares, respectively, of ₹ 10 each, fully paid-up of Bandhan Life Insurance Limited by paying ₹ 1,000.00, ₹ 1,000.00 and ₹ 620.00 respectively, and the same was allotted to BFHL on August 26, 2025, November 6, 2025 and February 16, 2026 respectively, at the end of business hour.
As a result, equity holding of BFHL in its subsidiary Bandhan Life Insurance Limited has increased to 97.16% with effect from February 16, 2026, post business hours.

64. The Group has carried out an annual assessment of impairment in the carrying amount of its investment in an Associate, in accordance with the requirements of Ind AS 28, "Investments in Associates and Joint Ventures". Based on the valuation report obtained from an independent valuer and on a prudent basis, no impairment loss has been recognised in the consolidated financial statements for the year ended March 31, 2026 (PY: ₹ 21,963.24). The impairment recognised in the previous year was disclosed under "Exceptional item".

65. a) Previous year's figures are not comparable with those of the current year's figures due to the following:

i) Acquisition of Bandhan Technologies Private Limited [Formerly Genisys Information Systems (India) Private Limited] with effect from September 4, 2024.

ii) Acquisition of Bandhan Technologies Inc. USA [Formerly Genisys Software Limited, USA] and Bandhan Technologies Ltd, UK [Formerly Genisys Software Limited, UK] with effect from October 23, 2024.

b) Previous year's figures have been regrouped/reclassified, where necessary, to conform to current year's classification.

For **LODHA & CO LLP**
Chartered Accountants
Firm's ICAI Registration No. 301051E/ E300284

Indranil Chaudhuri
Partner
Membership No. 058940

Place: Kolkata
Date: June 24, 2026

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

Chandra Shekhar Ghosh
Executive Chairman
DIN: 00342477

Arvind Agrawal
Managing Director
DIN: 02268683

Roshan Agarwal
Chief Financial Officer

Biplab Kumar Mani
Company Secretary
(Membership No. A19883)

Bandhan Group

Bandhan
Financial Services Ltd.

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