Bandhan AMC

Annual Report

2022 - 2023

BANDHAN AMC LIMITED

CIN	U65993MH1999PLC123191
DIRECTORS	Mr. Bhaskar Sen (Chairman) (w.e.f. January 31, 2023) Mr. Gurumoorthy Mahalingam (w.e.f. January 31, 2023) Mr. Ankit Singhal (w.e.f. January 31, 2023) Mr. Atanu Sen (w.e.f. January 31, 2023) Mr. Karni Singh Arha (w.e.f. January 31, 2023) Mr. Nitin Mittal (w.e.f. January 31, 2023) Mr. Pankaj Sood (w.e.f. January 31, 2023) Ms. Sharda Agarwal (upto February 24, 2023) Ms. Nandini Dias (w.e.f. May 01, 2023) Ms. Veena Vikas Mankar (Chairperson) (upto January 31, 2023) Ms. Anita Belani (upto January 31, 2023) Ms. Ritu Anand (upto January 31, 2023) Mr. Anand Krishna (upto January 31, 2023)
AUDITORS	Price Waterhouse & Co. Chartered Accountants LLP
PRINCIPAL BANKERS	IDFC FIRST Bank Limited and Standard Chartered Bank
REGISTERED OFFICE	One World Center, 6th Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400 013 Tel: +91 22 6628 9999 Fax: + 91 22 2421 5052 **Website:** www.bandhanamc.com

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*
BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Third Annual Report of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) (hereinafter referred as "the Company" or "Bandhan AMC" or "AMC") together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

PARTICULARS	STANDALONE (AMT IN ₹ MILLION)		CONSOLIDATED (AMT IN ₹ MILLION)	
	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
Total Income	3,747.99	4,222.38	3,752.91	4,210.02
Less: Total Expenses	2,569.74	1,886.53	2,570.21	1,886.67
Profit Before Tax	1,178.25	2,335.85	1,182.70	2,323.35
Less: Provision for Tax	299.13	575.97	299.13	575.97
Profit After Tax	**879.12**	**1,759.88**	**883.57**	**1,747.38**
Net profit/(loss) from discontinued operations	-	-	**(6.94)**	**10.58**
Other Comprehensive Income (net of tax)	16.64	8.70	16.64	8.70
Total Comprehensive income for the year	**895.76**	**1,768.58**	**893.27**	**1,766.66**

COMPANY'S AFFAIRS

The Company is an Investment Manager to the Schemes Bandhan Mutual Fund (erstwhile IDFC Mutual Fund) and Alternative Investments Fund. The Company is also registered as a Portfolio Manager with the Securities and Exchange Board of India.

CHANGE IN CONTROL OF THE COMPANY

To recall, in September 2021, IDFC Limited announced its intent to divest the AMC business for unlocking shareholders' value. In early April 2022, following a rigorous bidding and due diligence process, the Board of Directors of IDFC Limited ("IDFCL") and IDFC Financial Holding Company Limited ("IDFC FHCL"), at their respective meetings held on April 6, 2022, had, inter alia, considered binding bids received in connection with divestment of the AMC along with Bandhan Mutual Fund Trustee Limited (formerly known as "IDFC AMC Trustee Company Limited") ("Trustee Company") and had approved sale of the entire shareholding of the AMC and Trustee Company held by IDFC FHCL to a group of purchasers comprising of Bandhan Financial Holdings Limited ("BFHL"), Lathe Investment Pte. Ltd. ("Lathe"), Tangerine Investments Limited ("Tangerine") and Infinity Partners ("Infinity", together with Tangerine, "ChrysCapital Entities") (collectively referred to as the "Purchasers") subject to regulatory approvals and other closing conditions.

Board and Regulatory Approvals:

(i) The Board of Directors of the AMC and Trustee Company approved the above change in control at their respective meetings held on April 6, 2022.

(ii) **SEBI No-objection on the Proposed Transaction resulting in change in control of AMC:** SEBI vide its letter dated November 29, 2022 granted its No objection for the change in control of AMC and Trustee Company.

(iii) **RBI No-objection on the Proposed Transaction:** RBI vide its letter dated October 20, 2022 granted its final approval for acquisition of 60% of shareholding of AMC and 60% of shareholding of Trustee Company by BFHL wherein BFHL may acquire additional stake of up to 10% each in AMC and Trustee Company.

(iv) **Approval by Financial Services Commission (Mauritius):** In view of the proposed transaction resulting in a change of beneficial interest in India Multi-Avenues Fund Limited ("Mauritius Fund") and IDFC Investment Managers (Mauritius) Limited ("Mauritius Manager"), the Financial Services Commission (Mauritius) had approved the Proposed Transaction and the proposed change in the shareholding pattern of the Mauritius Fund and Mauritius Manager vide letters dated September 2, 2022.

(v) **Approval by Competition Commission of India ("CCI"):** CCI vide its letter dated August 1, 2022 granted its final approval for the proposed acquisition of 99.96% stake in AMC (on non-fully diluted basis) and 100% stake in Trustee Company by Purchasers.

Pursuant to the aforesaid Regulatory approvals, the Company had provided exit option to the unitholders of Bandhan Mutual Fund and its PMS client in terms of the SEBI (Mutual Funds) Regulations, 1996 and SEBI (Portfolio Managers) Regulations, 2020.

Subsequent to the aforesaid, the change in control of the Company was effected on January 31, 2023 and the Shares held by IDFC FHCL were transferred to the Purchasers.

Consequent to the change in control of the Company, the Promoter of the Company was changed from IDFC FHCL to BFHL and IDFC Mutual Fund was rebranded to Bandhan Mutual Fund. Followed up by the change of name from IDFC Asset Management Company Ltd. to Bandhan AMC Ltd. effective from April 19, 2023. The new logo of the AMC, Trustee Company and Mutual Fund are as follows:

The new brand identity was celebrated across the country with a rebranding campaign across major Print, TV, Digital, and Outdoor media. Within the branch offices, apart from signages at the reception, creatives, and visuals inside and outside the branch sported a fresh new look reflecting the new identity. Distribution Partners, through in-branch events across all our locations, experienced the new branding along with special elements like the Journey of AMC. Digital portals, along with product collaterals were rebranded in Bandhan colors.

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The financial year 2022-23 (FY23) was an unprecedented year in many respects. The Nifty 50 index declined by 0.6% during this period, while the broader Nifty 500 index contracted by 2.2%. This contrasts with the sharp gains the indices achieved in the past two financial years. Elevated inflation levels triggered by the Russia-Ukraine war was the biggest negative catalyst for the markets. Moreover, the COVID-19 lockdown in China caused supply chain constraints globally, which impacted economic activities in certain sectors. To tame the elevated inflation levels, central banks across the globe, including RBI, hiked interest rates. The higher prices and borrowing costs have raised recession fears in the U.S. and other major economies. This, in turn, has clouded the outlook for global growth as it could have a spillover effect on the Indian economy and other parts of the world. FPIs turned net sellers to the tune of ₹ 40,937 crores during the financial year, being wary of expensive valuations. However, strong domestic participation cushioned some losses as investors showed confidence in India's long-term growth story backed by the resilience shown by the Indian economy and India Inc.

FY23 was a momentous year for the organization as our erstwhile parent company IDFC Limited announced the transfer of its stake in the AMC to a consortium of Bandhan Financial Holdings Limited, GIC, and ChrysCapital. Usually, an upheaval of this nature means disruption to the business, leading to the AUM decrease by 5% in FY23 vs FY22 while the Industry was up by 5%. Despite the drop in AUM, we continue to grow our customer base with strong growth of over 19% while the industry customer base was up by 12%.

Despite the busy FY23, the organisation continued the emphasis on business as usual with several new launches and campaigns. On the active equity side, the company introduced two new funds, the Bandhan Midcap Fund (erstwhile IDFC Midcap Fund) and Bandhan Transportation and Logistics Fund (erstwhile IDFC Transportation and Logistics Fund). Meanwhile, the passive equity product range was expanded with the launch of the Bandhan Nifty200 Momentum 30 Index Fund (Erstwhile IDFC Nifty200 Momentum 30 Index Fund) and Bandhan Nifty100 Low Volatility 30 Index Fund (Erstwhile IDFC Nifty100 Low Volatility 30 Index Fund). The fund house also launched the Bandhan CRISIL IBX Gilt 2026 Index Fund (Erstwhile IDFC CRISIL IBX Gilt 2026 Index Fund), Bandhan CRISIL IBX Gilt April 2032 Index Fund (Erstwhile IDFC CRISIL IBX Gilt April 2032 Index Fund), and Bandhan SDL Plus Gilt - 2026 & 2032 funds (Erstwhile IDFC SDL Plus Gilt - 2026 & 2032 funds) on the passive fixed income side. In a first for the mutual fund industry in the country, the company introduced India's first US Bond passive fund, the Bandhan US Treasury Bond 0-1 year Fund of Fund (Erstwhile IDFC US Treasury Bond 0-1 year Fund of Fund). During the year we also expanded our on-ground presence, the company's total presence increased to over 60 locations across the country.

The company's marketing and investor awareness campaigns also went into overdrive in FY23. The #UndiscoveredValue campaign focused on Value Funds, while the #UnitedByInvestment campaign was launched on India's 75th Independence Day. Another innovative campaign was the Ready-To-Invest Fund, where we partnered with food delivery app Swiggy and the Indian Railways to distribute unique boxes to create buzz around Index Funds. The Company is also registered as a Portfolio Manager with the Securities and Exchange Board of India ("SEBI") to carry out Portfolio Management Services pursuant to SEBI (Portfolio Managers) Regulations, 2020, currently offering Bandhan NEO Equity Portfolio, a PMS portfolio that incorporates Artificial Intelligence and Machine Learning, with an objective to outperform the BSE 200 Index.

As a responsible corporate citizen, the Company believes that profitability must be complemented with a sense of responsibility towards all stakeholders and enriching the lives of the community at large. Through its CSR initiatives, the Company strives for material, visible and lasting impact on disadvantaged sections of society. Achieving inclusive and quality education for all is one of the most powerful mechanisms for contributing toward sustainable development. Hence, the primary area of intervention that we focus on is Promoting Education. In FY23, we supported Education focused NGOs across the country for supporting girl child education, improving school resources and infrastructure, upskilling teachers, creating financial awareness among parents, and skill-building for college students.

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 18B of the Notes forming part of the financial statements.

DIVIDEND

On January 23, 2023, the Board of Directors of the Company had declared interim dividend of 6,262% (₹ 62.62) per share on 2,76,47,010 equity shares of the Company, aggregating to ₹ 1,73,12,55,766.20 (Rupees One Hundred Seventy Three Crores Twelve Lac Fifty Five Thousand Seven Hundred Sixty Six and Paise Twenty only) from the profits of the Company.

The Board of Directors do not recommend any final dividend for financial year 2022-23.

SUBSIDIARY COMPANIES / ASSOCIATES / JOINT VENTURES

As on March 31, 2023, the Company had one subsidiary, namely IDFC Investment Managers (Mauritius) Limited ("IMML"). The Board of Directors of the Company reviews the affairs of its subsidiary companies regularly. Further, a statement containing the salient features of the financial statement and details of performance and financial positions of IMML in the format AOC-I is appended as Annexure I.

PARTICULARS OF EMPLOYEES

The Company had 347 employees as on March 31, 2023.

The Disclosure pertaining to the provisions of Section 197 of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (to the extent applicable) a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

SHAREHOLDERS INFORMATION

During the year, few employees of the Company exercised 8,44,890 options granted under ESOS 2017 and ESOS 2020. The Allotment and Share Transfer committee of the Company allotted 8,44,890 equity shares of ₹ 1 each to such employees. These shares shall rank pari passu with the existing equity shares of the Company. 51,500 equity shares were outstanding under ESOS 2020 as on March 31, 2023.

BONUS ISSUE:

On March 20, 2023, the Allotment and Share Transfer Committee accorded its approval for issue and allotment of 30,41,17,110 (Thirty Crore Forty One lakh Seventeen Thousand One Hundred and Ten) fully paid-up Equity Shares of ₹ 1 (Rupee One) each aggregating to INR 30,41,17,110 (Rupees Thirty Crore Forty One lakh Seventeen Thousand One Hundred and Ten only) as Bonus Shares to the shareholders of the Company in the ratio of 11 (Eleven) equity shares fully paid up for every 1 (One) equity share held as on the record date i.e. February 17, 2023, out of the Capital Redemption Reserves and Securities Premium Account.

Subsequently, the issued, subscribed and paid-up equity share capital of the Company was on March 31, 2023 was ₹ 33,17,64,120 /- (Rupees Thirty Three Crores Seventeen Lakhs Sixty Four Thousand One Hundred and Twenty Only) consisting of 33,17,64,120 equity shares of ₹ 1 (Rupee One).

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans or guarantee provided during the year under the provisions of Section 186 of the Companies Act, 2013. The details of investments are provided in the Financial statements.

FOREIGN EXCHANGE EXPENDITURE AND EARNING

Foreign exchange earnings: Nil (Previous year - Nil)

Foreign exchange outgo: ₹ 1.58 crores (Previous year – ₹ 0.87 crores)

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not undertake any manufacturing facility, the disclosure of information on matters required to be disclosed in terms of Section 134(3)(m) of the Act are not applicable and hence not given.

DIRECTORS

- On account of change in control the following Directors resigned from the Board of the Company with effect from close of business hours of January 31, 2023:

    i. Ms. Veena Mankar (Chairperson and Independent Director);

    ii. Ms. Anita Belani (Associate Director);

    iii. Ms. Ritu Anand (Associate Director);

    iv. Mr. Anand Krishna (Independent Director)

    During the year under review, the Board of Directors of the Company at their Meeting held on January 31, 2023 appointed the following as Directors of the Company which was also approved by the Members of the Company at their Extraordinary General Meeting held on January 31, 2023:

Full Name	Designation
Mr. Bhaskar Sen	Independent Director
Mr. Nitin Mittal	Independent Director
Mr. G Mahalingam	Independent Director
Mr. Karni Singh Arha	Associate Director
Mr. Atanu Sen	Associate Director
Mr. Pankaj Sood	Associate Director
Mr. Ankit Singhal	Associate Director
Ms. Sharda Agarwal	Independent Director

- The Independent Directors are appointed for a period of (3) three consecutive years from January 31, 2023.

- Ms. Sharda Agarwal ceased to be the Director of the Company with effect from February 24, 2023.

- Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Mr. Atanu Sen (DIN: 05339535) and Mr. Ankit Singhal (DIN: 09776472 will retire by rotation at the ensuing AGM to be held for Financial Year 2022-23 and being eligible, offers themselves for re- appointment.

- As on March 31, 2023, the Board of Directors of the Company comprises of the following:

Full Name	Designation
Mr. Bhaskar Sen	Chairman and Independent Director
Mr. Nitin Mittal	Independent Director
Mr. G Mahalingam	Independent Director
Mr. Karni Singh Arha	Associate Director
Mr. Atanu Sen	Associate Director
Mr. Pankaj Sood	Associate Director
Mr. Ankit Singhal	Associate Director

- During the year under review, the Board of Directors had subject to approval of the Members, appointed Ms. Nandini Dias (DIN - 08676716) as an Additional Director in the category of Independent Director with effect from May 1, 2023

    The Members are requested to regularize the appointment of Ms. Nandini Dias as the Director of the Company at the ensuing AGM.

KEY MANAGERIAL PERSONNEL

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at their Meeting held on March 20, 2023 appointed following officials as the Key Managerial Personnel in terms of the provisions of the Section 203 of the Companies Act, 2013:

- Mr. Vishal Kapoor, Chief Executive Officer

- Mr. Nirav Sanghavi, Company Secretary

- Mr. Piyush Anchliya, Chief Financial Officer

INDEPENDENT DIRECTORS

Pursuant to notification G.S.R. 804(E) dated October 22, 2019 issued by the Ministry of Corporate Affairs regarding introduction of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, all Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs at Manesar to include their name in the data bank of independent directors. The Independent Directors of the Company are in process of completing / applying for exemption for, as the case may be, online proficiency self-assessment test.

The Board is of the opinion that the Independent Directors of the Company hold high standards of integrity and possess requisite expertise and experience including the proficiency required to fulfill their duties as Independent Directors. Their contribution has immensely helped the Company to grow.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from Independent Directors, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

MEETINGS OF THE BOARD

During the year, seven Board meetings were held on April 6, 2022, May 9, 2022, July 26, 2022, October 19, 2022, January 31, 2023, February 17, 2023 and March 20, 2023. The gap between two consecutive meetings was within the limit of the period prescribed under the Act.

AUDIT COMMITTEE

During the year, four Audit Committee meetings were held on May 9, 2022, July 26, 2022, October 19, 2022 and February 17, 2023. The gap between two consecutive meetings was within the limit of the period prescribed under the Act.

As on March 31, 2023, the Audit Committee comprises of the following Directors:

- Mr. Gurumoorthy Mahalingam – Chairman and Independent Director
- Mr. Bhaskar Sen - Independent Director
- Mr. Nitin Mittal - Independent Director
- Mr. Karni Singh Arha – Associate Director
- Mr. Ankit Singhal – Associate Director

The terms of reference of the Audit Committee include the matters specified in Section 177 of the Act and the SEBI (Mutual Funds) Regulations, 1996.

RISK MANAGEMENT COMMITTEE

During the year, three Risk Management Committee meetings were held on July 26, 2022, October 19, 2022 and February 17, 2023.

As on March 31, 2023, the Risk Management Committee comprises of the following Directors:

- Mr. Gurumoorthy Mahalingam – Chairman and Independent Director
- Mr. Bhaskar Sen - Independent Director
- Mr. Nitin Mittal - Independent Director
- Mr. Atanu Sen – Associate Director
- Mr. Ankit Singhal – Associate Director

The terms of reference of the Risk Management Committee include the matters specified in Section 177 of the Act and the SEBI (Mutual Funds) Regulations, 1996.

NOMINATION AND REMUNERATION COMMITTEE

During the year, three meetings of NRC were held on May 9, 2022, December 15, 2022 and March 20, 2023. As on March 31, 2023, the Nomination and Remuneration Committee comprises of the following Directors:

- Mr. Karni Singh Arha – Chairman and Associate Director
- Mr. Bhaskar Sen - Independent Director

- Mr. Nitin Mittal - Independent Director
- Mr. Pankaj Sood - Associate Director
- Mr. Ankit Singhal - Associate Director

The terms of reference of the Nomination and Remuneration Committee include the matters specified in Section 178 of the Act.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, separate meetings of Independent Directors were held on March 20, 2023. All Independent Directors attended the said meeting.

ALLOTMENT AND SHARE TRANSFER COMMITTEE

As on March 31, 2023, the Allotment and Share Transfer Committee Comprises of the following Members:

- Mr. Atanu Sen – Chairman and Associate Director
- Mr. Gurumoorthy Mahalingam - Independent Director
- Mr. Bhaskar Sen - Independent Director

During the year, the Committee on January 11, 2023 approved allotment of equity shares to employees under Employees Stock Options Scheme 2017 ("ESOS 2017") and Employees Stock Options Scheme 2017 ("ESOS 2020").

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Directors evaluated the Board as a whole, its committee and Individual Directors including Chairman. The exercise of Board evaluation was carried out and completed effectively.

NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy ("Policy") for the Directors, Key Managerial Personnel, Senior Management and Other Employees which is line with the Section 178 of the Act and Rules made thereunder. The Policy is available on the website of the Company at www.bandhanamc.com

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company appointed M/s Kaushik Jhaveri & Co., Practicing Company Secretary, as Secretarial Auditors to undertake the Secretarial Audit of the Company for FY23.

There are no qualifications or observations or other remarks made by the Secretarial Auditors in their report.

The Secretarial Audit Report forms part of this Board's Report as Annexure II.

STATUTORY AUDITORS

At the AGM held on July 26, 2022, the Members of the Company appointed Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company for the 2nd term of Five years from the 22nd AGM of the Company till the conclusion of the 27th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of the Statutory Auditors is not required to be ratified at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report for the Financial Year ended March 31, 2023.

COST RECORDS

The Central Government has not mandated maintenance of cost records as required under section 148(1) of the Companies Act, 2013, in relation to the business operations of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. The Company has in place a Policy on Related Party Transactions and the same is uploaded on the website of the Company.

The Audit Committee reviews the details of related party transactions entered into by the Company on quarterly basis.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

INTERNAL CONTROL SYSTEMS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal audits of all the business units of the Company are regularly carried out to review the Internal Control Systems. The Audit Reports of Internal Auditors along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. The Internal Auditors verified the key Internal Financial Control by reviewing key controls impacting financial reporting and Enterprise risk management procedures of the Company and found the same satisfactory. It was placed before the Audit and Risk Management Committees of the Company.

RISK MANAGEMENT

The Risk Management Committee of the Company reviewed the risk at every meeting held during the year. The Members of the Risk Management Committee ensure the measurement and control of risk factors and advice on the same to the Management of the Company.

MATERIAL CHANGES / COMMITMENTS

As per Section 134(3)(l) of the Act, there have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2023 till the date of this report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL

There are no significant and material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

BORROWING

During the year under review, the Company has not raised any money through borrowing from banks and/or financial institutions. Further, there has been no instance of one-time settlement with Bank and hence, the disclosure regarding difference in valuation is not required.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY

During the year under review, the Company has not made any application nor any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23:

Particulars	Number of Complaints
Number of complaints received	NIL
Number of complaints disposed off	NIL

ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company – www.bandhanamc.com in compliance with the provisions of section 134(3)(a) read with section 92(3) of the Act and the Rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the year, one meeting of CSR Committee was held on May 9, 2022 where all members were present. The composition of CSR Committee is in compliance with the Companies Act, 2013. The disclosure of contents of CSR Policy as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure III.

As on March 31, 2023, the CSR Committee comprises of the following Directors:

- Mr. Gurumoorthy Mahalingam - Independent Director
- Mr. Karni Singh Arha – Associate Director
- Mr. Atanu Sen – Associate Director

EMPLOYEES STOCK OPTIONS SCHEMES

The Company has two Employee Stock Options Schemes viz, Employees Stock Options Scheme 2017 ("ESOS 2017") and Employees Stock Options Scheme 2017 ("ESOS 2020").

The details of Employee Stock Options are given as Annexure IV.

COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable secretarial standards issued by Institute of Company secretaries of India on Meeting of Board of Directors and General Meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

a) in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had 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 at March 31, 2023 and of the profit of the Company for that period;

c) the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

d) the Directors had prepared the annual financial statements on a going concern basis; and

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

The Board places on record its gratitude to the Securities and Exchange Board of India, Association of Mutual Funds of India, Ministry of Corporate Affairs, other regulatory authorities and institutions and Investors of the Mutual Fund schemes for their continued guidance and support and expresses its sincere appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Bhaskar Sen
Chairman
DIN- 03193003

Mumbai
May 10, 2023

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

ANNEXURE I

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014] Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	CIN	-
2.	Name of the subsidiary	IDFC Investment Managers (Mauritius) Limited
3.	Date since when subsidiary was acquired	September 13, 2010
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2022 to March 31, 2023
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR*
6.	Share capital (as on March 31, 2023)	4,98,99,074
7.	Reserves & surplus (as on March 31, 2023)	(4,52,96,889)
8.	Total assets (as on March 31, 2023)	**54,37,914**
9.	Total Liabilities (as on March 31, 2023)	8,35,729
10.	Investments	0
11.	Turnover	0
12.	Profit/(Loss) before taxation	**(58,58,588)**
13.	Provision for taxation	0
14.	Profit/(Loss) after taxation	**(58,58,588)**
15.	Proposed Dividend	0
16.	% of shareholding	100

*Exchange Rate:

Closing Rate: 1 USD = 82.2169

Average Rate: 1 USD = 80.59468

Note: There are no subsidiaries which are yet to commence operations.

No subsidiaries have been liquidated or sold during the year.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NOT APPLICABLE

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

ANNEXURE II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members,
Bandhan AMC Limited,
6th floor, Tower 1C, 841,
One World Center Jupiter Mill, Senapati Bapat Marg,
Elphinstone (West), Mumbai - 400013

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BANDHAN AMC LIMITED (Formerly known as IDFC ASSET MANAGEMENT COMPANY LIMITED)** having **CIN: U65993MH1999PLC123191** (hereinafter called **"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 31st March, 2023 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 **BANDHAN AMC LIMITED** for the financial year ended on 31st March, 2023 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;

(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 and Overseas Direct Investment and External Commercial Borrowings; wherever applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not applicable to the company during the audit period)***
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015- to the extent applicable;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ***(Not applicable to the company during the audit period)***
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- to the extent applicable;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***(Not applicable to the company during the audit period)***
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not applicable to the Company during the audit period)***
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not Applicable to the Company during the audit period)***

The list of Acts, other Laws and Regulations specifically applicable to the Company are given below:

- (i) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended;
- (ii) The Prevention of Money Laundering Act, 2002;
- (iii) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- (iv) The Securities and Exchange Board of India (Portfolio Manager) Regulations, 2020.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; ***(Not Applicable to the Company during the audit period)***

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards etc. as mentioned above to the extent applicable.

ANNEXURE II

FORM NO. MR-3

I further report that:

The Board of Directors of the Company was duly constituted with proper balance of Non-Executive Directors and Non-Associate/Independent Directors.

However, during the year, Ms. Sharda Agarwal (DIN: 00022814) who was an Independent cum Women Director on the Board of the Company ceased to be the Director effective from February 24, 2023. Therefore, consequent to the resignation and due to operation of law there was an[1] interim vacancy for the position and designation of[2] Non- Associate/[3 & 4] Independent Director and Women Director respectively which was duly filled by the appointment of[5] Ms. Nandini Dias (DIN: 08676716) as Independent cum Women Director with effect from May 1, 2023 in compliance with the applicable provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Companies Act, 2013.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever required on shorter period, 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.

During the period under review, the decisions were carried unanimously and no dissenting views were observed, while reviewing the minutes.

I further report that there are adequate systems and processes in the Company which 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 period under review, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs, except event as follows:-

1. There was a change in the control of the Company w.e.f. 31st January, 2023 in accordance with the Share Purchase Agreement ("SPA") dated 06th April, 2022 executed between IDFC Limited, IDFC Financial Holding Limited and Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd., Tangerine Investments Limited, Infinity Partners (collectively called as 'Partners') consequent to which the Company became subsidiary company of "Bandhan Financial Holding Limited" who is a majority Shareholder/Stakeholder.

2. There was Alteration in the "Name Clause" of the Company's Memorandum of Association ("MOA") via Special Resolution passed by Members in their Meeting held on 31st January, 2023, the name of the Company was changed from "IDFC Asset Management Company Limited" to "Bandhan AMC Limited" pursuant to provisions of Section 13 of the Companies Act, 2013.

3. The Company had issued and allotted 8,44,890 (Eight Lakhs Forty Four Thousand Eight Hundred Ninety) Equity Shares of ₹ 1 each on 11th January, 2023, in accordance with Employee Stock Option Scheme 2017 and 2020, to its Employees, which amounted to increase in the Paid up Share Capital of the Company by ₹ 8,44,890/- .

4. The Company had issued and allotted 30,41,17,110 Equity Shares of ₹1 each as Bonus Shares on 20th March, 2023 in accordance with provisions of section 63 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, in the ratio of 11:1, subsequently the Issued Capital and Paid Up Share Capital increased to 33,17,64,120 Equity Shares of face value of ₹1/- amounting to ₹ 33,17,64,120/-.

For **Kaushik M. Jhaveri & Co.,**

Kaushik M. Jhaveri
Practising Company Secretary
FCS No.: 4254
CP No.: 2592
UDIN: F004254E000276658

Date: 10th May, 2023
Place: Mumbai

This Report is to be read with my letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

[1] Pursuant to the provisions of the Rule 3 and 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 149 of the Companies Act, 2013, on interim vacancy the position shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later.

[2] Pursuant to the provisions of the sub-regulation (d) of the Regulation no. 21 of SEBI (Mutual Funds) Regulations, 1996 the Board of Directors of such asset management company shall have at least fifty per cent directors, who are not associate of, or associated in any manner with, the sponsor or any of its subsidiaries or the trustees.

[3] Pursuant to the SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/17 dated 09th February, 2022; Clause 4.2 provided that Audit Committee of AMC shall comprised of, At least two-third members of the Audit Committee shall be Independent Directors of AMC. If two-third of the total strength results into fraction, then higher number after rounding up shall be considered.

[4] Pursuant to the provisions of the Section 178 (1) of the Companies Act, 2013 the Nomination and Remuneration shall constitute Committee consisting of three or more non-executive directors out of which not less than one-half shall be Independent Directors.

[5] Ms.Nandini Dias (DIN: 08676716) was also appointed as member of Audit Committee, Nomination and Remuneration w.e.f. 03rd May, 2023.

ANNEXURE II

Annexure-A

To,
The Members,
Bandhan AMC Limited,
6th floor, Tower 1C, 841,
One World Center Jupiter Mill, Senapati Bapat Marg,
Elphinstone (West), Mumbai – 400013.

The 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 my 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 that I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I 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. My 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.

For **Kaushik M. Jhaveri & Co.,**

Kaushik M. Jhaveri
Practising Company Secretary
FCS No.: 4254
CP No.: 2592
UDIN: F004254E000276658

Date: 10th May, 2023
Place: Mumbai

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company**.

Bandhan AMC Limited believes that profitability must be complemented with a sense of responsibility towards all stakeholders and enriching the lives of the community at large. Through its CSR initiatives, the Company will strive for a material, visible and lasting impact on disadvantaged sections of the society, preferably in locations where the Company operates.

AREAS OF FOCUS

Achieving inclusive and quality education for all is one of the most powerful mechanisms for contributing to sustainable development. Hence, the primary area of intervention that Bandhan AMC focuses on is **'Education'** including, but not limited to –

- Support towards primary and secondary education of students from weaker sections of society by improving their ability to attend and stay in schools through financial assistance for students in need, avenues for nutrition supplementation, upgradation of school infrastructure including sports, access to technology (hardware and/ or software) for learning enablement, supplementing the school curriculum through additional learning initiatives, etc.
- Support primary and secondary education by enhancing teaching skills and involvement of learning enablers like teachers, local government officials, and parents to improve the quality of education for students.
- Support towards improving the employability of college students from weaker sections of society through skill development and vocational training.

Apart from education, we may also choose to contribute to other areas such as-

- Relief support in times of calamities, disasters, etc.
- Environmental sustainability
- Women empowerment

2. **Composition of CSR Committee:**

SI. NO.	NAME OF DIRECTOR	DESIGNATION/NATURE OF DIRECTORSHIP	NUMBER OF MEETINGS OF CSR COMMITTEE HELD DURING THE YEAR	NUMBER OF MEETINGS OF CSR COMMITTEE ATTENDED DURING THE YEAR
1	Ms. Ritu Anand	Non- Executive Director	1	1
2	Ms. Anita Belani	Non- Executive Director	1	1
3	Ms. Veena Mankar	Independent Director	1	1

Note: The Committee was re-constituted on January 31, 2023 and as on March 31, 2023, the Member of the Committees were as follows:

- Mr. Gurumoorthy Mahalingam
- Mr. Karni Singh Arha
- Mr. Atanu Sen

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.-**

https://bandhanamc.com/csr/

4. **Provide the executive summary along with web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

Not applicable, as the Company's average CSR obligation has not more than 10 Cr. in the three immediately preceding financial year as per Section 135 (5) of the Act.

5. **a) Average net profit of the company as per sub-section (5) of section 135 -** ₹ 197.74 Crore

   b) Two percent of average net profit of the company as per sub-section (5) of section 135. - ₹ 3.95 crores

   c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - Nil

   d) Amount required to be set-off for the financial year, if any. - Nil

   e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 3.95 crores

6. **(a) Amount spent of CSR Projects (both Ongoing Project and other than Ongoing Project).** ₹ 3.95 crores

   (b) Amount spent of Administrative Overheads. - Nil

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

(c) Amount spent of Impact Assessment, if applicable. - Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 3.95 crores

(e) CSR amount spent or unspent for the Financial Year:

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR. (IN ₹)	AMOUNT UNSPENT (IN ₹)				
	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SUB-SECTION (6) OF SECTION 135		AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SUB-SECTION (5) OF SECTION 135.		
	AMOUNT.	DATE OF TRANSFER.	NAME OF THE FUND	AMOUNT.	DATE OF TRANSFER.
3,95,48,100	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any: Not Applicable

SI. NO.	PARTICULAR	AMOUNT (IN ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. **(a) Details of Unspent Corporate Social Responsibility amount for the proceeding three financial years: Not Applicable**

SI. NO.	PRECEDING FINANCIAL YEAR(S)	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT UNDER SUB- SECTION (6) OF SECTION 135 (IN ₹)	BALANCE AMOUNT IN UNSPENT CSR ACCOUNT UNDER SUB- SECTION (6) OF SECTION 135 (IN ₹)	AMOUNT SPENT IN THE FINANCIAL YEAR (IN ₹).	AMOUNT TRANSFERRED TO A FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SUB-SECTION (5) OF SECTION 135, IF ANY.	AMOUNT REMAINING TO BE SPENT IN SUCCEEDING FINANCIAL YEARS. (IN ₹)	DEFICIENCY, IF ANY
			AMOUNT	SPENT	FUND SPECIFIED UNDER	REMAINING	IF ANY
	FY-1	Not Applicable					
	FY-2	Not Applicable					
	FY-3	Not Applicable					

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

No

If yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

SI. NO.	SHORT PARTICULARS OF PROPERTY OR ASSETS [INCLUDING COMPLETE ADDRESS AND LOCATION OF THE PROPERTY]	PINCODE OF THE PROPERTY OR ASSET(S)	DATE OF CREATION	AMOUNT OF CSR AMOUNT SPENT	DETAILS OF ENTITY / AUTHORITY / BENEFICIARY OF THE REGISTERED OWNER		
					CSR REGISTRATION NO., IF APPLICABLE	NAME	REGISTERED ADDRESS
Not Applicable							

9. **Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135. – Not Applicable**

For **Bandhan AMC Limited**

Vishal Kapoor
Chief Executive Officer
PAN: AAEPK6274A

Nandini Dias
Chairperson CSR Committee
DIN: 08676716

ANNEXURE IV

DETAILS OF EMPLOYEE STOCK OPTIONS

S. NO.	EMPLOYEE STOCK OPTION DETAILS	ESOS 2017		ESOS 2020	
		AS ON MARCH 31, 2022	AS ON MARCH 31, 2023	AS ON MARCH 31, 2022	AS ON MARCH 31, 2023
1	Options Granted	4,53,890	4,53,890	6,45,500	6,45,500
2	Options Vested	3,65,680	0	0	51,500
3	Options Exercised	11,670	3,69,060	0	4,87,500
4	The total number of shares arising as a result of exercise of option;	11,670	3,69,060	0	4,87,500
5	Options lapsed /Cancelled	76,540	84,830	43,500	1,06,500
6	The exercise price	964.69	964.69	1) 699.03 2) 1,186.06 3) 1,443.37	1) 699.03 2) 1,186.06 3) 1,443.37
7	Variation of terms of options	NA	NA	NA	NA
8	Money realized by exercise of options	₹ 1,12,57,932.3	₹ 35,60,28,491.4	0	₹ 34,07,77,125
9	Total number of options in force	3,65,680	0	6,02,000	51,500
10	Employee wise details of options granted to:				
	i. Key managerial personnel (Vishal)	75,330	75,330	82,000	82,000
	i. Key managerial personnel (Piyush)	0	0	15,000	15,000
	ii. Any other employee who receives a grant of options in any one year of option amounting to five percenWt or more of options granted during that year	NA	NA	• Shaji Abraham 2,500 • Sachin Relekar 15,000 • Gautam Kaul 10,000	NA
	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NA	NA	NA	NA

INDEPENDENT AUDITOR'S REPORT

To the Members of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited)

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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 control that we identify during our audit.

10. 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.

Report on other legal and regulatory requirements

11. 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note 29 to the financial statements.

        (ii) The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 7. The Company did not have any derivative contracts as at March 31, 2023.

(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, 2023.

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other person or entity 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 (Refer Note 39(vii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39(vii) to the financial statements); and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

13. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has neither paid remuneration to any managerial personnel nor is contractually required to make any provision in this regard.

14. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
UDIN: 23113522BGYCVJ4905

Place: Mumbai
Date: May 10, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) on the standalone financial statements for the year ended march 31, 2023

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) ("the Company") as of March 31, 2023 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
UDIN: 23113522BGYCVJ4905

Place: Mumbai
Date: May 10, 2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) on the Standalone Financial Statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the Management during the year as it was carried out in the preceding year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any, have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 9A to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) During the year, the Company has made investments in 28 Mutual Fund Schemes. The Company has not granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order to that extent are not applicable to the Company.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 or Section 186 of the Act and accordingly, the provisions of Clause 3(iv) of the said Order, to this extent, are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including goods and service tax, professional tax , provident fund, employees' state insurance, income tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of professional tax, provident fund, employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (₹ IN MILLIONS)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE THE DISPUTE IS PENDING	REMARKS IF ANY
The Finance Act, 1994	Service Tax	14.99	April 2009 to June 2017	The Commissioner (Service Tax)	Not Applicable
The Finance Act, 1994	Service Tax	157.66*	April 2009 to March 2015	Customs, Excise and Service Tax Appellate Tribunal	Not Applicable
Income Tax Act, 1961	Income Tax	76.77	Assessment Year 2018-19	Commissioner of Income Tax (Appeals)	Not Applicable
Income Tax Act, 1961	Income Tax	0.72	Assessment Year 2013-14	Assistant Commissioner of Income Tax	Response to the letter filed by the Company is awaited

*Out of this ₹ 2.66 million has been paid under protest.

viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account.

ix. (a) As the Company does not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) & (f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any associates and joint ventures during the year. Therefore, the reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order are not applicable to the Company to that extent.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) 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 the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has one CIC as part of the Group as detailed in Note 37 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 39(a) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135 (5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135 (5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
UDIN: 23113522BGYCVJ4905

Place: Mumbai
Date: May 10, 2023

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	17.54	12.59
Bank balances other than cash and cash equivalents above	4	50.92	35.22
Receivables			
(I) Trade receivables	5	195.12	133.49
Investments	6	2,177.42	2,569.81
Other financial assets	7	71.94	61.45
Non-financial assets			
Income tax assets (net)	8	186.73	158.52
Property, plant and equipment	9A	98.33	101.71
Intangible assets	10	12.37	19.14
Right-of-use assets	9B	314.60	279.89
Deferred tax assets (net)	16	27.03	13.33
Other non-financial assets	11	127.81	124.26
Total assets		**3,279.81**	3,509.41
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables	12A		
(i) total outstanding dues of micro enterprises and small enterprises		5.79	2.31
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		120.60	89.65
(II) Other payables	12B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		31.26	21.50
Lease liabilities	9B	369.37	319.46
Other financial liabilities	13	495.35	357.63
Non-financial liabilities			
Income tax liabilities (net)	14	129.55	188.61
Provisions	15	9.58	17.32
Other non-financial liabilities	17	91.01	329.94
EQUITY			
Equity share capital	18A	331.76	26.80
Other equity	18B	1,695.54	2,156.19
Total liabilities and equity		**3,279.81**	3,509.41

See accompanying notes to the standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522

Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE FROM OPERATIONS			
Management Fees		3,615.29	3,959.88
Portfolio Management Fees		13.03	18.37
Performance Fees		-	0.84
Total revenue from operations		**3,628.32**	3,979.09
Other income	19	119.67	243.29
Total income		**3,747.99**	4,222.38
EXPENSES			
Employee benefits expense	20	1,376.82	1,034.73
Impairment on financial instruments	21	0.65	(0.09)
Depreciation and amortisation expense	22	142.82	159.73
Other expenses	23	1,025.81	668.40
Finance cost	24	23.64	23.76
Total expenses		**2,569.74**	1,886.53
Profit before tax		**1,178.25**	2,335.85
INCOME TAX EXPENSE:	25		
- Current tax		312.83	603.57
- Deferred tax		(13.70)	(27.60)
Total tax expense		**299.13**	575.97
Profit for the year		**879.12**	1,759.88
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	26	22.24	11.63
- Income tax relating to the above		(5.60)	(2.93)
Other comprehensive income for the year, net of tax		**16.64**	8.70
Total comprehensive income for the year		**895.76**	1,768.58
EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹ 1 EACH):	28		
- Basic (₹)		**2.71**	5.47
- Diluted (₹)		**2.71**	5.28

See accompanying notes to the standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522

Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before tax :		1,178.25	2,335.85
Adjustments :			
Depreciation and amortisation	22	142.82	159.73
Net (gain) / loss on sale of property, plant and equipment	19 & 23	(1.38)	(0.47)
Impairment on financial instruments	21	0.65	(0.09)
Employee share based payment expense	36c)	18.14	21.95
Change in fair value of financials assets at FVTPL	19	101.97	57.07
Net (gain) / loss on sale of investments - FVTPL	19	(214.98)	(278.07)
Interest income on financial assets measured at amortised cost	19	(2.55)	(2.95)
Dividend income	19	(0.57)	(12.94)
Finance cost	24	23.64	23.76
Operating profit before working capital changes		**1,245.99**	2,303.84
ADJUSTMENTS FOR (INCREASE)/ DECREASE IN OPERATING ASSETS :			
Bank balances other than cash and cash equivalents	4	(15.70)	(9.79)
Trade receivables	5	(61.63)	(6.77)
Other financial assets	7	(10.62)	34.22
Other non-financial assets	11	(3.55)	(8.50)
Adjustments for increase/ (decrease) in operating liabilities :			
Trade payables	12A	34.43	(9.52)
Other payables	12B	9.76	(8.77)
Lease payment	9B	(77.95)	(97.81)
Other financial liabilities	13	137.72	34.93
Provisions	15	14.50	13.93
Other non-financial liabilities	17	(262.81)	264.63
Cash generated from operations		1,010.14	2,510.39
Less : Income taxes paid (net of refunds)		(405.69)	(557.89)
Net cash inflow / (outflow) from operating activities	**A**	**604.45**	1,952.50
CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of property, plant and equipment	9A	(41.23)	(28.99)
Proceeds from disposal of property, plant and equipments		1.53	3.81
Purchase of intangible assets	10	(14.66)	(1.23)
Purchase of investment measured at FVTPL		(4,563.07)	(3,331.04)
Proceeds from sale of investments		5,069.92	4,775.30
Investments in Subsidiary		(6.84)	-
Dividend received	19	0.57	12.94
Net cash inflow / (outflow) from investing activities	**B**	**446.22**	1,430.79

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from issuance of share capital		685.54	1.54
Dividend paid	32	(1,731.26)	(3,403.87)
Net cash inflow / (outflow) from financing activities	**C**	**(1,045.72)**	(3,402.33)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**A+B+C**	**4.95**	(19.04)
Add : Cash and cash equivalents at beginning of the year		12.59	31.63
Cash and cash equivalents at end of the year		**17.54**	12.59
Non-Cash financing and investing activities			
Addition to the right-of-use asset		111.64	83.75

Reconciliation of cash and cash equivalents as per the cash flow statements

Cash and cash equivalents as per above comprise of the following

	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents	17.54	12.59
Borrowings (other than Debt Securities)		
Balances as per statement of cash flows	**17.54**	12.59

Figures in brackets indicate cash outflow.

The above standalone statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

See accompanying notes to the standalone financial statements.

This is the standalone statement of cash flows referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522

Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

(₹ in million)

Particulars	Note	Number	Amount
As at April 01, 2021	**18A**	**26,800,520**	**26.80**
Issued during the year		1,600	#
As at March 31, 2022	**18A**	**26,802,120**	**26.80**
Issued during the year		844,890	0.84
Bonus issue of shares	18A	304,117,110	304.12
As at March 31, 2023	**18A**	**331,764,120**	**331.76**

#*The amount is below rounding off norms adopted by the Company.*

B. Other equity

(₹ in million)

Particulars	Note	Reserves and surplus: Securities Premium	Capital redemption reserve	General reserve	Surplus in the statement of profit and loss	Share options outstanding account	ESOP contribution from parent	Total other equity
As at April 01, 2021	18B	233.66	197.93	442.89	2,756.29	107.79	29.43	3,767.99
Profit for the year		-	-	-	1,759.88	-	-	1,759.88
Other comprehensive income		-	-	-	8.70	-	-	8.70
Total comprehensive income for the year		**233.66**	**197.93**	**442.89**	**4,524.87**	**107.79**	**29.43**	**5,536.57**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								
- Share based payments:								
i) Employee stock option expense for the year	36	-	-	-	-	21.95	-	21.95
ii) Vested options cancelled during the year		-	-	18.00	-	(4.22)	(13.78)	-
iii) Options exercised during the year		1.54	-	-	-	-	-	1.54
iv) Options lapsed during the year		-	-	-	-	-	-	-
- Transfer from Share option outstanding account to Securities Premium (towards option exercised)		0.33	-	-	-	(0.33)	-	-
- Dividends paid	32	-	-	-	(3,403.87)	-	-	(3,403.87)
- Dividend distribution tax	32	-	-	-	-	-	-	-
As at March 31, 2022	18B	235.53	197.93	460.89	1,121.00	125.19	15.65	2,156.19
Profit for the year		-	-	-	879.12	-	-	879.12
Other comprehensive income		-	-	-	16.64	-	-	16.64
Total comprehensive income for the year		**235.53**	**197.93**	**460.89**	**2,016.76**	**125.19**	**15.65**	**3,051.95**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								
- Share based payments:								
i) Employee stock option expense for the year	36	-	-	-	-	18.20	-	18.20
ii) Vested options cancelled during the year		-	-	19.07	-	(3.42)	(15.65)	-
iii) Options exercised during the year		684.70	-	-	-		-	684.70
iv) Options lapsed during the year		-	-	-	-	-	-	-
- Transfer from Share option outstanding account to Securities Premium (towards option exercised)		129.08	-	-	-	(129.08)	-	-
- Utilised for bonus issue of equity shares		(106.19)	(197.93)					(304.12)
- Cash Settled share based payment					(13.04)	(10.89)		(23.93)
- Dividends paid	32	-	-	-	(1,731.26)	-	-	(1,731.26)
- Dividend distribution tax	32	-	-	-	-	-	-	-
As at March 31, 2023	18B	943.12	-	479.96	272.46	-	-	1,695.54

See accompanying notes to the standalone financial statements.

This is the standalone statement of changes in equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522

Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

1A. Background

Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) ('the Company') is a public limited company, incorporated in India and regulated by The Securities Exchange Board of India ("SEBI"). The registered office of the Company is at One World Centre, 6th Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013.

The Company provides asset management services, portfolio management and investment advisory services. The Company is registered under SEBI (Portfolio Managers) Regulations, 1993 for providing portfolio management services. The Company is also providing investment management services to Alternative Investment Funds launched under SEBI (Alternative Investment Funds) Regulations, 2012.

During the year, Bandhan Financial Holdings Limited, Lathe Investments Pte. Ltd., Tangerine Investments Limited and Infinity Partners have acquired shares in Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) after receiving all necessary regulatory approvals. The transaction has been closed on January 31, 2023 end of business hours. The principal shareholder of the Company is Bandhan Financial Holdings Limited.

Pursuant to the approval from the Registrar of Companies, with effect from April 19, 2023, the name of the Company has been changed from IDFC Asset Management Company Limited to Bandhan AMC Limited.

These financial statements are authorised for issuance by the Board of Directors on May 10, 2023.

1B. Significant accounting policies

1) Basis of preparation

i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets which are measured at fair value:

- Certain financial assets - measured at fair value;
- Defined benefit plans assets– measured at fair value; and
- Share-based payments - measured at fair value.

iii) Recent accounting pronouncements

(i) New and amended standards adopted

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards, and are effective 1 April 2022

- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 109, Financial Instruments

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(iv) Consolidation

The following set of financial statements represents the standalone financial statements of the Company. Upto the previous year the exemption under para 4 (a) (iv) of Ind AS 110 has been applied and consolidated financial statements have not been prepared. However, from the current year consolidated financial statements are also prepared.

2) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company. The Chief Executive Officer is identified as the CODM. The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. Refer note 27 for segment information presented.

3) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency using the exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences are taken to other income/expense in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

4) Investment in subsidiaries

The Company has invested in certain financial instruments that qualify the definition of equity from the subsidiary's perspective. Such financial instruments are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

5) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchases and sales of financial assets are recognised on trade date, i.e. the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in statement of profit and loss.

Financial assets

i) Classification and subsequent measurement

The Company classifies its financial assets in the following measurement categories:

- Fair value through statement of profit and loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); and
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as mutual fund units, alternate investment funds, etc.

For investments in debt instruments, measurement will depend on the classification of debt instruments depending on:

- the Company's business model for managing the asset (Business model assessment); and
- the cash flow characteristics of the asset (Solely Payment of Principal and Interest ("SPPI" assessment).

Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. The business model determines whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL. The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- experience on how the cash flows for these assets were collected,
- how the asset's performance and the business model is evaluated and reported to key management personnel,
- the risks that affect the performance of the business model and how these risks are assessed and managed,
- how managers are compensated.

Solely Payment of Principal and Interest ("SPPI") Assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test').

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired.

Fair value through other comprehensive income:

Debt instruments that meet the following conditions are subsequently measured at FVOCI:

- the asset is held within a business model whose objective is achieved both, by collecting contractual cash flows and selling financial assets;
- the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; and
- that are not 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 amortised cost that are recognised in statement of profit and loss.

Fair value through profit/loss:

Assets that do not meet the criteria for amortised cost or FVOCI, are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented in the statement of profit and loss within 'net gain/(loss) on fair value changes' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. Company's investment in mutual fund units, alternate investment fund and equity instruments are classified as financial assets measured at FVTPL.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI which is not held for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as 'dividend income' when the Company's right to receive payments is established.

ii) Impairment

The Company assesses, on a forward-looking basis the expected credit losses ('ECL') associated with its financial instruments measured at amortised cost with the exposure arising from security deposit. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 35.2.

iii) Income recognition

Interest income

The Company calculates interest income by applying the effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets.

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts paid or received that are integral to the effective interest rate, such as origination fees, commitment fees, etc.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Dividend income

Dividend income is recognised in the Statement of Profit and Loss when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

iv) De-recognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either -

- the Company transfers substantially all the risks and rewards of ownership; or
- the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities

i) Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Incremental costs directly attributable to the issue of new shares or financial instruments classified as equity are deducted, net of tax, from the proceeds.

ii) Classification and subsequent measurement

Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability. The calculation includes transaction costs, premiums or discounts and fees and points paid that are integral to the effective interest rate, such as origination fees.

iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

6) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

7) Revenue recognition

Revenue is measured at transaction price of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. A new five-step process must be applied before revenue can be recognised:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

i) Management fees

Management fees from mutual funds and alternative investment funds are recognised on an accrual basis in accordance with terms of investment management agreement entered into by the Company with Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company 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 recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

ii) Portfolio Management fees

Portfolio management fees are recognised on an accrual basis in accordance with the respective terms of contract with counter parties. Revenue from portfolio management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

iii) Advisory fees

Advisory fees are recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

iv) Performance Fees

The Company receives performance fees or incentive allocations from certain actively managed alternative investment funds and certain separately managed accounts. The Company is entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets.

The Company records performance-based incentive fee when the contractual terms of the asset management fee arrangement have been satisfied such that the performance fee is no longer subject to significant reversal or contingency.

8) Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

i) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carried forward losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax and deferred tax 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.

9) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company has is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a indicative AAA equivalent borrowing rate.

Lease payment are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

10) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank, demand deposits with banks and other deposits with bank with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

11) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

12) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives prescribed. The estimated useful lives for the different type of assets held by the Company are as follows:

Name of Property, Plant and Equipment	Management estimate of useful life	Useful life as per Schedule II
Computers	3	3
Servers and Network	6	6
Furniture	10	10
Office Equipment	5	5
Vehicles*	4	8
Mobile Phones*	2	5
Leasehold Improvements	Extended lease terms or 5 years which ever is earlier	Over the period of lease

Depreciation on additions during the year is provided on a pro-rata basis.

* The useful lives have been determined based on internal assessment done by the management which are believed to best represent the period over which the assets are expected to be used. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the Statement of Profit and Loss.

13) Intangible Assets

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives.

The estimated useful life of the intangible assets is as follows:

Computer Software 3 years

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

14) Impairment of non-financial assets (including carrying value of equity investments in subsidiaries)

All non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets, or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

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 the risks specific to the asset. 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 corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

15) Employee benefits

i) Short term obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after reporting period end in which the employee render the related services are recognised in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligation in the balance sheet.

ii) Defined contribution plans

The contribution to provident fund, superannuation fund and pension fund are considered as defined contribution plans, and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made as and when services are rendered. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

iii) Defined benefit plan

The liability or asset recognised in the Balance Sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

iv) Share-based payments

Equity settled options:

The Company has constituted an Employee Stock Option Plan. The plan provides for grant of options to employees of the Company in a specific category to acquire equity shares of the Company that vest in a graded manner on meeting specified conditions and that are to be exercised within a specified period. The employees of the Company were also eligible for IDFC Limited (erstwhile Ultimate Holding Company) and IDFC First Bank share awards uptill January 31, 2023.

The above share awards are treated as an equity settled share based payment transaction. The fair value of options granted under the scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined with reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

Cash settled options:

The fair value of the amount payable to employees is recognised as employee benefit expenses' with a corresponding increase in liabilities. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

16) Trade and other payables

These amounts represent liabilities for services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

17) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation because of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and such amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at best estimate of the future expenditure required to settle the present obligation at the balance sheet date. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

18) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

19) Earnings per share

i) Basic earnings per share :

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

20) Brokerage Expenses

Distribution cost in form the of brokerage paid to third parties are recognised over the duration of the scheme or clawback period in case of portfolio management services.

21) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "million" as per the requirement of Schedule III, unless otherwise stated.

During the year, the Company has changed its rounding off decimal from "crore" to "million" due to change in the requirement from the Ultimate Holding Company. The same will be followed consistently in the subsequent years.

22) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

23) Interest in other entities

The Company acts as the fund manager for Bandhan Mutual Fund (formerly known as IDFC Mutual Fund), and through its rights as a manager, has a significant involvement in decision-making over the fund's operations and activities. However, fund manager are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by IND AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case. Accordingly, it is assessed that there is no significant influence exercised by the company as per IND AS 28 over Mutual Fund schemes that it manages.

2) Use of judgments, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates that, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Estimation for fair value of financial instruments
- Estimation of deferred tax expense
- Estimation of useful lives of property, plant and equipment
- Estimation of provisions and contingencies
- Estimation for fair value of share-based payments
- Estimation for lease term

Estimates and judgments are evaluated continually. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cheques on hand	-	-
Balances with banks:		
In current accounts	17.54	12.59
Total	17.54	12.59

4 Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In earmarked accounts		
- Investor Education Awareness on behalf of Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	49.43	30.83
- Other bank balances	1.49	4.39
Total	50.92	35.22

5 Trade receivables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - secured	-	-
Receivables considered good - unsecured	195.12	133.49
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
(Less): Impairment loss allowance	-	-
Total	195.12	133.49

Ageing of trade receivables: as at March 31, 2023

			Outstanding for following periods from the due date					
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	-	-	195.12	-	-	-	-	195.12
Disputed trade receivables	-	-	-	-	-	-	-	-

Ageing of trade receivables: as at March 31, 2022

			Outstanding for following periods from the due date					
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	-	-	133.49	-	-	-	-	133.49
Disputed trade receivables	-	-	-	-	-	-	-	-

6 Investments

(₹ in million)

Particulars	At fair value through Other Comprehensive Income	At fair value through Profit and loss	Others #	Total
As at March 31, 2023				
Mutual fund units	-	1,936.80	-	1,936.80
Alternate investment funds units*	-	-	-	-
Equity instruments	0.50	235.71	-	236.21
Subsidiaries	-	-	49.90	49.90
Total (A) - Gross	0.50	2,172.51	49.90	2,222.91
(Less): Impairment loss allowance	-	-	(45.49)	(45.49)
Total (A) - Net	0.50	2,172.51	4.41	2,177.42
Investments outside India	-	-	49.90	49.90
Investments in India	0.50	2,172.51	-	2,173.01
Total (B) - Gross	0.50	2,172.51	49.90	2,222.91
(Less): Impairment loss allowance	-	-	(45.49)	(45.49)
Total (B) - Net	**0.50**	**2,172.51**	**4.41**	**2,177.42**

* During the year, the Company being an asset manager of IDFC IEH Conservative Fund sought approvals from the investors of IDFC IEH Conservative Scheme (the 'Scheme') who have contributed in excess of 75% by value of the investments in the Scheme. Consent from majority of the investors was received and accordingly it was decided to wind up the scheme. The management of the AMC also intimated SEBI vide its letter dated September 5, 2022 of its intention to wind up the scheme. Accordingly, the scheme was wound up on October 6, 2022 and the realised loss on disposal of this investment was recorded in the Statement of Profit and Loss.

Investment in subsidiaries measured at cost as per Ind AS 27 are classified as Others.

IDFC Investment Managers (Mauritius) Limited is a wholly owned subsidiary of the Company. The subsidiary's networth has eroded significantly due to accumulated losses. Consequently, the Company has incrementally written down the value of investment by ₹ 5.39 million during the year ended March 31, 2023 (previous year ₹ 5.20 million) after considering its recoverable amount (value in use) as ₹ 4.41 million (previous year ₹ 2.97 million) against its carrying value of ₹ 49.90 million as at March 31, 2023 (previous year ₹ 43.06 million).

(₹ in million)

Particulars	At fair value through Other Comprehensive Income	At fair value through Profit and loss	Others #	Total
As at March 31, 2022				
Mutual fund units	-	2,058.89	-	2,058.89
Alternate investment funds units	-	300.82	-	300.82
Equity instruments	0.50	206.63	-	207.13
Subsidiaries	-	-	43.06	43.06
Total (A) - Gross	0.50	2,566.34	43.06	2,609.90
(Less): Impairment loss allowance	-	-	(40.09)	(40.09)
Total (A) - Net	0.50	2,566.34	2.97	2,569.81
Investments outside India	-	-	43.06	43.06
Investments in India	0.50	2,566.34	-	2,566.84
Total (B) - Gross	0.50	2,566.34	43.06	2,609.90
(Less): Impairment loss allowance	-	-	(40.09)	(40.09)
Total (B) - Net	0.50	2,566.34	2.97	2,569.81

More information regarding the valuation methodologies is disclosed in note 34.

7 Other financial assets

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Other receivables	1.33	0.22
Other deposit	36.50	3.25
Security deposit	40.30	68.91
(Less): Impairment loss allowance	(6.19)	(10.93)
Total	**71.94**	61.45

8 Income tax assets (net)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Fringe benefit tax	0.09	0.09
(net of provision for tax as of 2023: ₹ 13.10 million; 2022: ₹ 13.10 million)		
Advance tax	186.64	158.43
(net of provision for tax as of 2023: of ₹ 1,767.31 million; 2022: ₹ 1,448.88 million)		
Total	**186.73**	158.52

9A Property, plant and equipment

(₹ in million)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Computers	Total
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2021	62.28	13.34	26.59	31.75	133.30	267.26
Additions	13.29	1.00	4.99	4.21	5.50	28.99
Disposals and transfers	-	(1.45)	(5.18)	(4.74)	(3.56)	(14.93)
Closing gross carrying amount	75.57	12.89	26.40	31.22	135.24	281.32
Accumulated depreciation						
Opening accumulated depreciation	32.84	7.27	16.03	19.61	67.57	143.32
Depreciation charge during the year	14.13	1.07	3.69	5.25	23.74	47.88
Disposals and transfers	-	(1.25)	(2.65)	(4.36)	(3.33)	(11.59)
Closing accumulated depreciation	46.97	7.09	17.07	20.50	87.98	179.61
Net carrying amount as at March 31, 2022	28.60	5.80	9.33	10.72	47.26	101.71
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2022	75.57	12.89	26.40	31.22	135.24	281.32
Additions	10.52	1.33	7.48	3.78	18.12	41.23
Disposals and transfers	(0.89)	(0.11)	(4.63)	(0.32)	(3.82)	(9.77)
Closing gross carrying amount	**85.20**	**14.11**	**29.25**	**34.68**	**149.54**	**312.78**
Accumulated depreciation						
Opening accumulated depreciation	46.97	7.09	17.07	20.50	87.98	179.61
Depreciation charge during the year	10.98	1.10	4.96	4.39	23.02	44.45
Disposals and transfers	(0.89)	(0.11)	(4.50)	(0.31)	(3.80)	(9.61)
Closing accumulated depreciation	**57.06**	**8.08**	**17.53**	**24.58**	**107.20**	**214.45**
Net carrying amount as at March 31, 2023	**28.14**	**6.03**	**11.72**	**10.10**	**42.34**	**98.33**

i) Contractual obligations

Refer to note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

9B Leases

The Company leases various offices. Rental contracts are typically made for fixed periods of 11 months to 9 years, but may have extension options as described in (iii) below.

(i) Amount recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Buildings	314.60	279.89
Total	**314.60**	279.89

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	369.37	319.46
Total	**369.37**	319.46

Addition to the right-of-use assets during the current financial year is ₹ 111.64 million (previous year ₹ 83.75 million) which includes impact on account of lease modification amounting to ₹ 90.38 million (previous year ₹ 69.09 million).

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets		
Buildings (refer note 22)	76.94	84.26
Total	**76.94**	84.26

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expense (refer note 24)	23.64	23.76
Expense relating to short-term leases (refer note 23)	18.18	9.35
Total	**41.82**	33.11

The total cash outflow for leases for the year ended March 31, 2023 was ₹ 77.95 million (previous year ₹ 97.81 million).

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

(iv) Reconciliation of Lease Liability

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	319.46	312.65
New/modified leases	104.23	80.86
Interest expense	23.64	23.76
Cash flow	(77.95)	(97.81)
Outstanding at the end of the year	**369.37**	319.46

10 Intangible assets

(₹ in million)

Particulars	Computer software
YEAR ENDED MARCH 31, 2022	
Gross carrying amount	
Opening gross carrying amount as at April 1, 2021	134.61
Additions	1.23
Disposals and transfers	(0.67)
Closing gross carrying amount	135.17
Accumulated amortisation	
Opening accumulated amortisation	89.12
Amortisation during the year	27.58
Disposals and transfers	(0.67)
Closing accumulated depreciation	116.03
Net carrying amount as at March 31, 2022	19.14
YEAR ENDED MARCH 31, 2023	
Gross carrying amount	
Opening gross carrying amount as at April 1, 2022	135.17
Additions	14.66
Disposals and transfers	-
Closing gross carrying amount	**149.83**
Accumulated amortisation	
Opening accumulated amortisation	116.03
Amortisation during the year	21.43
Disposals and transfers	-
Closing accumulated depreciation	**137.46**
Net carrying amount as at March 31, 2023	**12.37**

i) Contractual obligations

Refer to note 30 for disclosure of contractual commitments for the acquisition of intangible assets.

11 Other non-financial assets

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses - Brokerage	-	0.93
Prepaid expenses - Others	66.16	80.27
Supplier advances	36.60	15.92
Advances to employees	0.73	0.71
Receivable in respect of gratuity	0.15	-
Balances with government authorities - cenvat credit available	15.02	15.02
Other advances	9.15	11.41
Total	127.81	124.26

12A Trade payables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises (refer note 31)	5.79	2.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises	120.60	89.65
Total	126.39	91.96

Ageing of trade payables: as at March 31, 2023

			Outstanding for following periods from the due date					
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables								
Micro enterprises and small enterprises	-	-	5.79	-	-	-	-	5.79
Others	89.15	-	31.05	0.04	0.09	0.13	0.14	120.60
Disputed trade payables	-	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total:	89.15	-	36.84	0.04	0.09	0.13	0.14	126.39

Ageing of trade payables: as at March 31, 2022

			Outstanding for following periods from the due date					
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables								
Micro enterprises and small enterprises	-	-	2.31	-	-	-	-	2.31
Others	66.55	-	18.50	0.12	2.49	1.95	0.04	89.65
Disputed trade payables	-	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total:	66.55	-	20.81	0.12	2.49	1.95	0.04	91.96

12B Other payables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	31.26	21.50
Total	31.26	21.50

13 Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	495.35	357.63
Total	495.35	357.63

14 Income tax liabilities (net)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance tax as of 2023: ₹ 2,844.69 million; 2022: ₹ 2,251.80 million)	129.55	188.61
Total	129.55	188.61

15 Provisions

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 26)	9.58	17.32
Total	9.58	17.32

16 Deferred tax liabilities/(assets)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value adjustments		
- Investments	17.04	24.35
- Security deposits	(3.86)	(2.70)
Right-of-use assets	79.19	70.45
Property, plant and equipment	(24.87)	(22.27)
Lease liabilities	(92.97)	(80.41)
Impairment on financial instruments-security deposits	(1.56)	(2.75)
Total	(27.03)	(13.33)

Movement in Deferred tax liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at April 1, 2021	Charged/ (credited) to profit and loss	As at March 31, 2022
Deferred tax liability:			
Fair valuation of investments	47.05	(22.70)	24.35
Right-of-use assets	70.58	(0.13)	70.45
	117.63	(22.83)	94.80
Deferred tax asset:			
Property, plant and equipment	17.68	4.59	22.27
Lease liabilities	78.70	1.71	80.41
Impairment on financial instruments-security deposits	4.08	(1.33)	2.75
Fair valuation of security deposits	2.90	(0.20)	2.70
	103.36	4.77	108.13
Net deferred tax (asset)/liability	14.27	(27.60)	(13.33)

Particulars	As at April 1, 2022	Charged/ (credited) to profit and loss	As at March 31, 2023
Deferred tax liability:			
Fair valuation of investments	24.35	(7.31)	17.04
Right-of-use assets	70.45	8.74	79.19
	94.80	1.43	96.23
Deferred tax asset:			
Property, plant and equipment	22.27	2.60	24.87
Lease liabilities	80.41	12.56	92.97
Impairment on financial instruments-security deposits	2.75	(1.19)	1.56
Fair valuation of security deposits	2.70	1.16	3.86
	108.13	15.13	123.26
Net deferred tax (asset)/liability	**(13.33)**	**(13.70)**	**(27.03)**

17 Other non-financial liabilities

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	67.13	329.94
Cash Settled share based payment (Refer note 36(ii))	23.88	-
Total	**91.01**	329.94

18A Equity share capital

(₹ in million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹ 1 each (previous year ₹ 1 each)	350,000,000	350.00	350,000,000	350.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 1 each (previous year ₹ 1 each)	331,764,120	331.76	26,802,120	26.80
Total	**331,764,120**	**331.76**	26,802,120	26.80

a) Movements in equity share capital

(₹ in million)

	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Outstanding at the beginning of the year	26,802,120	26.80	26,800,520	26.80
Stock options exercised under the ESOS	844,890	0.84	1,600	#
Bonus issue of shares	304,117,110	304.12	-	-
Outstanding at the end of the year	**331,764,120**	**331.76**	26,802,120	26.80

 # The amount is below rounding off norms adopted by the Company

The Allotment and Share transfer committee of the Company had, at its Extraordinary General Meeting (EGM) held on March 20, 2023, accorded its consent to the issue and allotment of 304,117,110 fully paid-up equity shares of face value of ₹ 1 each as Bonus Shares to the shareholders of the Company in the ratio Eleven equity shares for every One existing equity share held as on the record date i.e. February 17, 2023 out of Capital Redemption Reserve and Securities Premium.

b) Terms and rights attached to equity shares

i) The Company has only one class of equity shares having a par value of ₹ 1 per share (previous year ₹ 1 per share). Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 36.

d) Details of shares held by the holding company

(₹ in million)

	As at March 31, 2023		As at March 31, 2022	
Equity Shareholders	Number	Amount	Number	Amount
IDFC Financial Holding Company Limited (till January 31, 2023) (of which 6 shares are held jointly with nominees)	-	-	26,790,450	26.79
Bandhan Financial Holdings Limited (of which 36 shares are held jointly with nominees) (w.e.f. from close of business hours on January 31, 2023)	**198,985,968**	**198.99**	-	-

e) Details of shareholders holding more than 5% of the shares in the Company

(₹ in million)

	As at March 31, 2023		As at March 31, 2022	
Equity Shareholders	Number	% holding	Number	% holding
IDFC Financial Holding Company Limited (till January 31, 2023) (of which 6 shares are held jointly with nominees)	-	-	26,790,450	100%
Bandhan Financial Holdings Limited (of which 36 shares are held jointly with nominees) (w.e.f. from close of business hours on January 31, 2023)	**198,985,968**	**59.98%**	-	-
Lathe Investment Pte Ltd (w.e.f. from close of business hours on January 31, 2023)	**66,328,656**	**19.99%**	-	-
Tangerine Investments Limited (w.e.f. from close of business hours on January 31, 2023)	**55,285,704**	**16.66%**	-	-

f) Details of shareholding of promoters

(₹ in million)

Name of the Promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	Percentage of total no. of shares	Percentage of change during the year	Number of shares	Percentage of total no. of shares	Percentage of change during the year
IDFC Financial Holding Company Limited	-	-	100%	26,790,444	100%	0%
IDFC Financial Holding Company Limited jointly with Mahendra N Shah	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Bipin Gemani	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Shivangi Mistry	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Bimal Giri	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Anupama Mishra	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Prerana Porwal	-	-	100%	1	0%	0%
Bandhan Financial Holdings Limited	198,985,932	59.98%	100%	-	-	-
Sagar Ghosh (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Biplab Kumar Mani (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Kousik Basu (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Total	198,985,968	59.98%	-	**26,790,450**	**100%**	**-**

18B Reserves and surplus

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	943.12	235.53
Capital redemption reserve	-	197.93
General reserve	479.96	460.89
Surplus in the Statement of Profit and Loss	272.46	1,121.00
Share options outstanding account	-	125.19
ESOP contribution from parent	-	15.65
Total	**1,695.54**	2,156.19

a) Securities premium

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	235.53	233.66
Additions during the year	684.70	1.54
Transfer from Share Options Outstanding Account (towards options exercised)	129.08	0.33
Utilised for bonus issue of equity shares (refer note 18A(a)(ii))	(106.19)	-
Total	**943.12**	235.53

b) Capital redemption reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	197.93	197.93
Utilised for bonus issue of equity shares (refer note 18A(a)(ii))	(197.93)	-
Closing balance	-	197.93

c) General reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	460.89	442.89
Changes during the year	-	-
Transfer from Share options outstanding account (towards vested options cancelled)	3.42	4.22
Transfer from ESOP contribution from parent (towards vested options cancelled)	15.65	13.78
Closing balance	479.96	460.89

d) Surplus in the Statement of Profit and Loss

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,121.00	2,756.29
Net profit for the year	879.12	1,759.88
Appropriations during the year		
- Dividend on equity shares	(1,731.26)	(3,403.87)
Cash Settled share based payment	(13.04)	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligations, net of tax	16.64	8.70
Total	272.46	1,121.00

e) Share options outstanding account

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	125.19	107.79
Employee stock option expense	18.20	21.95
Options vested during the year	-	-
Vested options cancelled during the year	(3.42)	(4.22)
Transfer to Securities Premium (towards options exercised)	(129.08)	(0.33)
Cash Settled share based payment	(10.89)	-
Closing balance	-	125.19

f) ESOP contribution from parent

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	15.65	29.43
Employee stock option expense	-	-
Vested options cancelled during the year	(15.65)	(13.78)
Closing balance	-	15.65

18C Nature and purpose of reserve

a) Securities premium

It is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

b) Capital redemption reserve

When shares are bought back, the Company is required to transfer the funds equivalent to the face value of shares so bought back to an account called “Capital redemption reserve”. Funds in the reserve are non-distributable. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

Pursuant to the provisions of Companies Act, 1956, the Company had transferred a portion of the net profit of the Company before declaring dividend, to general reserve. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

d) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees by the Company under Employee Stock Option Scheme (ESOS) over the vesting period (refer note 36).

e) ESOP contribution from parent

The account is used to recognise the grant date fair value of options issued to the employees of the Company by IDFC Limited (erstwhile ultimate holding company) and IDFC FIRST Bank Limited (Formerly IDFC Bank Limited) under the group share based payment arrangement.

19 Other income

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain/(loss) on fair value changes of instruments measured at FVTPL		
- Realised	214.98	278.07
- Unrealised	(101.97)	(57.07)
Profit on sale of property, plant and equipment (net)	1.38	0.47
Interest income on financial assets measured at amortised cost	2.55	2.95
Dividend income	0.57	12.94
Miscellaneous income	2.16	5.93
Total	**119.67**	243.29

20 Employee benefit expense

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus (refer note (i) below)	1,239.72	922.70
Contribution to provident and other funds (refer note 26)	39.42	36.93
Contribution to gratuity (refer note 26)	31.82	28.95
Share based payment expense (refer note 36)	18.14	21.95
Staff insurance, training and welfare expense	47.72	24.20
Total	**1,376.82**	1,034.73

i) Based on the leave rules of the Company, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

21 Impairment of financial instruments

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On Financial instruments measured at amortised Cost:		
Security deposit	(4.74)	(5.29)
On Financial instruments measured at cost:		
Subsidiaries	5.39	5.20
Total	**0.65**	(0.09)

22 Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	44.45	47.89
Depreciation on right-of-use assets	76.94	84.26
Amortisation of intangible assets	21.43	27.58
Total	**142.82**	159.73

23 Other expenses

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	19.78	10.83
Rates and taxes	7.47	1.23
Electricity	13.12	9.82
Repairs and maintenance		
- Equipments	17.54	10.09
- Others	63.28	54.25
Insurance charges	2.90	3.14
Travelling and conveyance	28.24	6.49
Printing and stationery	8.44	6.82
Communication costs	25.31	20.74
Advertising, publicity and promotion	321.04	137.91
Listing and rating Fees	3.06	1.84
Professional fees	173.07	91.21
Directors' sitting fees	2.73	1.65
Membership and subscription	86.12	75.01
Computer software expenses	135.29	108.54
Scheme issue expenses (refer note (i) below)	16.10	27.24
Operational cost	47.52	58.18
Contribution for corporate social responsibility (CSR) (refer note (b) below)	39.55	29.16
Auditors remuneration [refer note (a) below]	6.46	4.11
Shared service costs paid (net) (refer note (ii) below)	-	1.60
Miscellaneous expenses	8.79	8.54
Total	**1,025.81**	668.40

i) Scheme issue expenses are the expenses incurred by the Company towards launching of schemes and plans of Bandhan Mutual Fund (formerly known as IDFC Mutual Fund) during the year.

ii) Shared service costs includes amount paid to the related parties ₹ Nil (previous year ₹ 1.60 million) and amount recovered from the related parties ₹ Nil (previous year ₹ Nil) towards a Service Level Agreement (refer note 37).

a) Breakup of Auditors' remuneration

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	3.21	3.30
Tax audit fees	0.40	0.31
Other Services	2.82	0.50
Out-of-pocket expenses	0.03	#
Total	6.46	4.11

#The amount is below rounding off norms adopted by the Company.

b) Contribution for corporate social responsibility (CSR)

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per Section 135 of the Act	39.55	29.16
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	39.55	29.16
Total	39.55	29.16

(₹ in million)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Amount required to be spent by the company during the year	39.55	29.16
(b)	Amount of expenditure incurred	39.55	29.16
(c)	Shortfall at the end of the year	Not applicable	Not applicable
(d)	Total of previous year's shortfall	Not applicable	Not applicable
(e)	Reason for shortfall	Not applicable	Not applicable
(f)	Nature of CSR activities	Refer (i) below	Refer (i) below
(g)	Details of related party transactions	Not applicable	Not applicable
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be	Not applicable	Not applicable

(i)

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR Expenditure:		
K C Mahindra Education Trust - A/c Nanhi Kali	9.30	6.48
School and Teachers Innovating for Results (India)	5.00	4.60
TNS India Foundation	5.00	1.60
Protsahan India Foundation	4.44	1.79
Human Capital for Third Sector	4.42	-
Saajha	3.55	3.68
National Association for the Blind	2.50	0.90
Govandi Education Society	2.45	2.01
Ishita Sharma Foundation	0.54	-
Zariya Welfare Foundation	0.50	0.50
I-Saksham Education and Learning Foundation	0.50	-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR Expenditure: (Contd.)		
Society for Public Education Cultural Training and Rural Action (SPECTRA)	0.50	-
Lotus Petal Charitable Foundation	0.50	-
Masoom	0.35	-
United Way of Mumbai	-	3.00
Give Foundation	-	1.99
Sphoorti Foundation	-	0.50
Primavera India	-	1.11
United Way of Mumbai (TMM)	-	1.00
Total	39.55	29.16

The Company does not have any amount remaining unspent under section 135(5) of the Act.

24 Finance cost

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liability	23.64	23.76
Total	23.64	23.76

25 Income tax

a) The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	312.83	603.57
Deferred tax	(13.70)	(27.60)
Prior period tax	-	-
Total	299.13	575.97

b) Reconciliation of the total tax charge

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	1,178.25	2,335.85
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	**296.57**	**587.93**
Tax effect of the amount which are not taxable in calculating taxable income :		
- Income taxed at differential rate	(5.02)	(35.28)
- Expense not deductible for tax purposes	11.34	8.80
- Permanent difference:	-	
- ESOP	4.57	5.52
- Scheme issue expenses	0.46	3.43
- Others	(8.79)	5.57
Income tax expense at effective tax rate	299.13	575.97
Effective tax rate	25.39%	24.66%

26 Employee benefit obligations

a) Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit and Loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	33.98	31.72
Pension fund	5.23	4.34
Labour welfare fund	0.01	0.01
Superannuation fund	0.20	0.87
Total	**39.42**	36.94

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in million)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2021	173.01	157.99	15.02
Current service cost	28.42	-	28.42
Interest expense/(income)	11.64	11.11	0.53
Return on plan assets	-	(0.08)	0.08
Actuarial loss / (gain) arising from change in financial assumptions	1.89	-	1.89
Actuarial loss / (gain) arising from change in demographic assumptions	0.50	-	0.50
Actuarial loss / (gain) arising on account of experience changes	(14.10)	-	(14.10)
Reversal of the liability	-	-	-
Employer contributions	-	15.02	(15.02)
Benefit payments	(14.82)	(14.82)	-
Past Service Cost	-	-	-
As at March 31, 2022	186.54	169.22	17.32
Current service cost	31.14	-	31.14
Interest expense/(income)	12.45	11.77	0.68
Return on plan assets	-	(0.26)	0.26
Actuarial loss / (gain) arising from change in financial assumptions	(10.62)	-	(10.62)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(11.88)	-	(11.88)
Reversal of the liability	-	-	-
Employer contributions	-	17.32	(17.32)
Benefit payments	(16.41)	(16.41)	-
Past Service Cost	-	-	-
As at March 31, 2023	**191.22**	**181.64**	**9.58**

 # The amount is below rounding off norms adopted by the Company.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	191.22	186.54
Fair value of plan assets	181.64	169.22
Plan liability net of plan assets	**9.58**	17.32

ii) Statement of profit and loss

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefit expense		
Current service cost	31.14	28.42
Total	**31.14**	28.42
Finance costs	0.68	0.53
Past Service Cost	-	-
(Gains)/Losses on settlement	-	-
Net impact on the profit before tax	**31.82**	28.95

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurements of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	0.26	0.08
Actuarial gains/(losses) arising from changes in demographic assumptions	-	0.50
Actuarial gains/(losses) arising from changes in financial assumptions	(10.62)	1.89
Actuarial gains/(losses) arising from changes in experience	(11.88)	(14.10)
Net impact on the other comprehensive income before tax	**(22.24)**	(11.63)

iii) Defined benefit plan assets

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
Insurer managed funds		
- Government securities	51.27	55.45
- Deposit and money market securities	6.06	2.69
- Debentures / bonds	42.67	41.86
- Equity shares	-	-
Total	**100.00**	100.00

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45	6.90
Salary escalation rate*	10.00	10.00

* takes into account inflation, seniority, promotions and other relevant factors.

v) Demographic assumptions

Mortality in Service :

Particulars	As at March 31, 2023	As at March 31, 2022
Age (Years)	Rates (p.a.)	
18	0.0008740	0.0008740
23	0.0009360	0.0009360
28	0.0009420	0.0009420
33	0.0010860	0.0010860
38	0.0014530	0.0014530
43	0.0021440	0.0021440
48	0.0035360	0.0035360
53	0.0061740	0.0061740
58	0.0096510	0.0096510

vi) Sensitivity

(₹ in million)

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase to	Decrease to
Discount rate	50 bps	182.27	200.84
Salary escalation rate	50 bps	200.57	182.43

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase to	Decrease to
Discount rate	50 bps	177.37	196.43
Salary escalation rate	50 bps	196.10	177.58

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.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	11.27	12.36
Between 2 and 5 years	46.67	36.75
Between 6 and 9 years	83.48	48.12
Between 10 and above	272.24	285.30
Total expected payments	413.66	382.53

The weighted average duration of the defined benefit obligation is 9.70 years (previous year - 10.20 years).

27 Segment information

The Company is engaged in the business of providing asset management services to Bandhan Mutual Fund (formerly known as IDFC Mutual Fund), investment advisory and portfolio management services which contributes a single reportable business segment. During the year ended March 31, 2023, the Company was engaged in only one business segment and as such there are no separate reportable segments, as required by Ind AS 108 on 'Segment Reporting'. The Company's revenue is primarily from services rendered in India.

a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue		
- India	3,628.32	3,979.09
- Outside India	-	-
Total	3,628.32	3,979.09

* There is one single party who individually contributes more than 10% of total operating revenue of the Company which aggregates to ₹ 3,613.27 million (previous year ₹ 3,955.56 million) .

b) Segment assets and segment liabilities revenue

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Segment assets - India	3,279.81	3,509.41
Total asset as per balance sheet	3,279.81	3,509.41
Segment liabilities - India	1,252.51	1,326.42
Total liability as per balance sheet	1,252.51	1,326.42

28 Earnings per share (EPS)

a) The basic earnings per share has been calculated based on the following:

(₹ in million except equity share data)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax available for equity shareholders	879.12	1,759.88
Weighted average number of equity shares (face value of ₹ 1 each)	323,846,392	321,615,919

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic earnings per share (face value of ₹ 1 each)	2.71	5.47
Effect of outstanding stock options	(0.00)	(0.19)
Diluted earnings per share (face value of ₹ 1 each)	2.71	5.28

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of shares for computation of Basic EPS (face value of ₹ 1 each)	323,846,392	321,615,919
Dilutive effect of outstanding stock options	378,045	11,413,679
Weighted average number of shares for computation of Diluted EPS (face value of ₹ 1 each)	324,224,437	333,029,598

29 Contingent liabilities

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts in respect of:		
- Reversal of Cenvat credit under protest	15.02	15.02
- Income tax demand	0.72	0.72
Total	15.74	15.74

30 Capital commitments

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	7.93	5.34
Total	7.93	5.34

31 Trade Payables

Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The below information regarding micro, small and medium enterprises have been determined on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows (refer note 12A):

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	5.79	2.31
Interest due to suppliers registered under MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

32 Capital management

The capital structure of the Company 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 Company'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 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.

The management monitors the return on capital as well as the level of dividends to the shareholders. The Company's goal is to continue to be able to provide return to the shareholders by continuing to distribute dividends in future period.

Dividend paid and proposed during the year

(₹ in million)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Declared and paid during the year**		
	Interim dividend for 2023: ₹ 62.62 per share (2022: ₹ 127.00 per share)	1,731.26	3,403.87
	Dividend Distribution Tax on interim dividend	-	-
	Total dividends paid including DDT	**1,731.26**	3,403.87

33 Maturity analysis of assets and liabilities

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

(₹ in million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
FINANCIAL ASSETS						
Cash and cash equivalents	17.54	-	17.54	12.59	-	12.59
Bank balances other than cash and cash equivalents above	50.92	-	50.92	35.22	-	35.22
Trade receivables	195.12	-	195.12	133.49	-	133.49
Investments	1,202.60	974.82	2,177.42	1,789.80	780.01	2,569.81
Other financial assets	38.98	32.96	71.94	25.94	35.51	61.45
NON-FINANCIAL ASSETS						
Income tax assets (net)	-	186.73	186.73	-	158.52	158.52
Property, plant and equipment	-	98.33	98.33	-	101.71	101.71
Intangible assets	-	12.37	12.37	-	19.14	19.14
Right-of-use assets	-	314.60	314.60	-	279.89	279.89
Deferred tax asset (net)	-	27.03	27.03	-	13.33	13.33
Other non-financial assets	122.43	5.38	127.81	123.66	0.60	124.26
Total assets	**1,627.59**	**1,652.22**	**3,279.81**	2,120.70	1,388.71	3,509.41
FINANCIAL LIABILITIES						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	5.79	-	5.79	2.31	-	2.31
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	120.60	-	120.60	89.65	-	89.65
(II) Other payables		-	-		-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	31.26	-	31.26	21.50	-	21.50
Lease liabilities	70.39	298.98	369.37	73.60	245.86	319.46
Other financial liabilities	495.35	-	495.35	357.63	-	357.63
NON-FINANCIAL LIABILITIES						
Income tax liabilities (net)	129.55	-	129.55	188.61	-	188.61
Provisions	9.58	-	9.58	17.32	-	17.32
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	91.01	-	91.01	329.94	-	329.94
Total liabilities	**953.53**	**298.98**	**1,252.51**	1,080.56	245.86	1,326.42
Net	**674.06**	**1,353.24**	**2,027.30**	1,040.14	1,142.85	2,182.99

34 Fair value measurement

a) Financial instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes to the financial statements.

(₹ in million)

	As at March 31, 2023		
Particulars	FVTPL	FVOCI	Amortised cost
Financial Assets:			
Cash and cash equivalents	-	-	17.54
Bank Balances other than cash and cash equivalents	-	-	50.92
Trade receivables	-	-	195.12
Investments:			
- Mutual fund units	1,936.80	-	-
- Alternate investment funds units	-	-	-
- Equity instruments	235.71	0.50	-
Other financial assets	-	-	71.94
Total Financial Assets	**2,172.51**	**0.50**	**335.52**
Financial Liabilities:			
Trade and other payables	-	-	157.65
Other financial liabilities	-	-	495.35
Total Financial Liabilities	**-**	**-**	**653.00**

(₹ in million)

	As at March 31, 2022		
Particulars	FVTPL	FVOCI	Amortised cost
Financial Assets:			
Cash and cash equivalents	-	-	12.59
Bank Balances other than cash and cash equivalents	-	-	35.22
Trade receivables	-	-	133.49
Investments:			
- Mutual fund units	2,058.89	-	-
- Alternate investment funds units	300.82	-	-
- Equity instruments	206.63	0.50	-
Other financial assets	-	-	61.45
Total Financial Assets	2,566.34	0.50	242.75
Financial Liabilities:			
Trade and other payables	-	-	113.46
Other financial liabilities	-	-	357.63
Total Financial Liabilities	-	-	471.09

The Equity instruments in subsidiaries is measured at cost and not included in the above table.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value through Profit and Loss (b) recognised and measured at fair value through other comprehensive income and (c) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2023

(₹ in million)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	1,936.80	-	1,936.80
- Equity instruments		47.35	85.72	102.64	235.71
Financial Investments at FVOCI					
- Equity instruments		-	0.50	-	0.50
Total financial assets		**47.35**	**2,023.02**	**102.64**	**2,173.01**

As at March 31, 2022

(₹ in million)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	2,058.89	-	2,058.89
- Alternate investment funds units		-	300.82	-	300.82
- Equity instruments		44.70	59.49	102.44	206.63
Financial Investments at FVOCI					
- Equity instruments		-	0.50	-	0.50
Total financial assets		44.70	2,419.70	102.44	2,566.84

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. However, there are no transfers between levels 1, 2 and 3 during the year.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (such as mutual fund units and alternate investment fund units) is determined using observable market data and not the entity specific estimates. These investments are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors. Since all significant inputs required to fair value an instrument are observable, the investments are included in Level 2.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in level 3.

c) Valuation technique used to determine fair value

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.

Specific valuation techniques used to value financial instruments include:

- The fair value of mutual fund units and alternate investment fund units is determined using observable NAV representing repurchase price issued by the mutual fund and alternate investment funds. However, the Company 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.

- The investment in Mutual Fund utility (MFU) participation shares (classified under FVOCI) entitles access to MFU a transaction aggregating portal that enables free access to investors for NAV and other scheme related content across mutual funds. The Association of Mutual Funds in India mandates this investment for all the asset management companies in proportion of their assets under management (AUM) to access MFU. These units do not carry any participation in the net assets of MFU and will be redeemed at their face value when the AMC exits the platform. Accordingly the face value of the units is considered as a reasonable approximation of its fair value being the actual amount recoverable on exit from the platform.
- The fair value of Gandhar Oil Refinery (India) Ltd (GORL) shares has been determined using a combination of DCF and market multiples methods, both equally weighted. DCF Method expresses the present value of a business as a function of its future cash earning capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flows stream, discounted to the present times at an appropriate discount rate. It recognizes that money has a time value by discounting future cash flows at an appropriate discount factor. The DCF methodology depends on projecting future cash flows and selecting an appropriate discount factor. A comparable market multiples method is a process used to evaluate the value of a company using the metrics of other businesses of similar size in the same industry. The market multiple method operates under the assumption that similar companies will have similar valuation multiples.
- 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. This valuation method carries more weight with respect to companies which are in the initial stages of starting operations. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

d) Fair value measurments using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2023 and March 31, 2022.

(₹ in million)

	Unlisted equity securities
As at April 1, 2021	-
Acquisitions	102.44
Gains/(losses) recognised in Statement of Profit and Loss	-
As at March 31, 2022	102.44
Acquisitions	-
Gains/(losses) recognised in Statement of Profit and Loss	0.20
As at March 31, 2023	**102.64**

e) Valuation Inputs and relationships to fair value

The following table summariese the quantitative information about the significant unobservable input used in level 3 fair value measurements.

(₹ in million)

Particulars	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Significant unobservable inputs	Sensitivity
Unquoted equity shares	102.64	102.44	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 1.02 million. Decrease in net asset value by 1% would decrease value by ₹ 1.02 million

f) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, trade and other receivables, trade and other payables.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and financial liabilities measured at amortised cost, the carrying amounts are equal to the amortised cost.

35 Financial risk management

35.1 Introduction

Risk management is an integral part of the business practices of the Company. 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 Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The financial instruments held by the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. In addition, the Company 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 (formerly known as IDFC Mutual Fund). The Company uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

35.2 Credit risk

Credit risk is the risk of financial loss to the Company 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 Company in accordance with its policies and procedures. The Company 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 Company has no significant concentration of credit risk.

The Company'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 Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfill its obligations.

The Company has placed security deposit with lessors for premises leased by the Company aggregating to ₹ 40.30 million as at March 31, 2023 (previous year ₹ 68.91 million). Where the Company perceives any significant decline in credit risk of the lessors and the amount of security deposit is material the Company 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 Company expects to be owed at the time of default, over the next 12 months (12M EAD).
- The Probability of default (PD) represents the likelihood of a counterparty defaulting on its financial obligation over the next 12 months (12M PD).
- Loss given default (LGD) represents the Company'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 Company's maximum exposure to credit risk on these assets.

As at March 31, 2023

Particulars	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	15.94	26.92%	45.00%	1.93
		Others	24.35	26.92%	65.00%	4.26
	Total		**40.29**			**6.19**

As at March 31, 2022

Particulars	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	20.91	26.92%	45.00%	2.53
		Others	47.97	26.92%	65.00%	8.40
	Total		68.88			10.93

Reconciliation of impairment allowance on security deposit

Impairment allowance measured as per general approach	₹ in million
Impairment allowance as at April 1, 2021	16.22
Add/(less): changes during the year	(5.29)
Impairment allowance as at March 31, 2022	10.93
Add/(less): changes during the year	(4.74)
Impairment allowance as at March 31, 2023	**6.19**

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

The Company's exposure to credit risk is limited to the carrying amount of the following assets recognised at the reporting date, as summarised below:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	2,177.42	2,569.81
Receivables	195.12	133.49
Cash and cash equivalents	17.54	12.59
Bank balances other than cash and cash equivalents above	50.92	35.22
Other financial assets	71.94	61.45

35.3 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 current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since 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 undiscounted cash flows as at the balance sheet date:

(₹ in million)

As at March 31, 2023	Note	Less than 12 months	More than 12 months	Total
Trade and other payables	12A and 12B	157.65	-	**157.65**
Lease Liability	9B	70.39	298.98	**369.37**
Other financial liabilities	13	495.35	-	**495.35**
Total		**723.39**	**298.98**	**1,022.37**

(₹ in million)

As at March 31, 2022	Note	Less than 12 months	More than 12 months	Total
Trade and other payables	12A and 12B	113.46	-	113.46
Lease Liability	9B	73.60	245.86	319.46
Other financial liabilities	13	357.63	-	357.63
Total		544.69	245.86	790.55

35.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments.

i) 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 variable rate borrowings. There are some investments in fixed rate debt securities measured at fair value through profit or loss.

The Company 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

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund units (Debt)	1,255.95	1,673.82

(₹ in million)

Particulars	Impact on profit after tax and equity March 31, 2023	March 31, 2022
Increase 100 basis points (bps) (previous year 100 bps)*	9.38	10.87
Decrease 100 basis points (bps) (previous year 100 bps)*	(9.38)	(10.87)

*Company 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.

ii) Foreign currency risk:

The Company does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the Statement of Profit and Loss due to change in foreign currency exchange rates.

iii) Price risk:

Price risk is the risk that the financial assets at fair value may fluctuate as a result of changes in market prices.

The Company 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 Company manages and the alternate investment funds. To manage its price risk arising from investments, the Company diversifies its portfolio. Diversification is done in accordance with the limits set by the risk management policies of the Company.

Exposure

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund units (equity-oriented)	680.85	385.07
Investment in alternate investment fund units	-	300.82
Investment in equity instruments	235.71	206.63
Total	916.56	892.52

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 Company's equity and profit for the year.

(₹ in million)

Particulars	Impact on profit after tax*	
	Year ended March 31, 2023	Year ended March 31, 2022
Investment in mutual fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	4.44	2.94
- Decrease 100 basis points (bps) (previous year 100 bps)	(4.44)	(2.94)
Investment in alternate investment fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	-	3.42
- Decrease 100 basis points (bps) (previous year 100 bps)	-	(3.42)

*Company 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.

Investment in equity instruments

The majority of the Company's investments in equity instruments through IDFC NEO Equity Portfolio are publicly traded and are included in the BSE 200 Index. The table below summarises the impact of increase/decrease of the benchmark index on the Company's equity and profit for the year. The analysis is based on the assumption that the equity index had increased by 15% (previous year 15%) or decreased by 15% (previous year 15%) with all other variables held constant, and that all the Company's equity instruments moved in line with the benchmark index BSE 200.

(₹ in million)

Particulars	Impact on profit after tax*	
	Year ended March 31, 2023	Year ended March 31, 2022
BSE 200		
- Increase by 15% (previous year 15%)	2.31	1.78
- Decrease by 15% (previous year 15%)	(2.31)	(1.78)

*The sensitivity analysis represents movement as at the March 31, 2023 and March 31, 2022 and does not represent movement during the year.

36 Employee share based payments

a) Employee stock option scheme (equity settled)

I Company has constituted an IDFC AMC Employee Stock Option Scheme, 2020 ("ESOS 2020") which provides for grant of equity shares to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOS – 2020 was formulated by NRC at its meeting held on December 23, 2019 and the same was approved by the Board of Directors on December 23, 2019 and subsequently by the Shareholders of the Company vide special resolution at their Extra-Ordinary General Meeting held on December 24, 2019.

The maximum aggregate number of employee stock options that may be awarded under this scheme and the previous scheme ESOS 2017 combined are 5% of issued equity shares outstanding (excluding warrants and conversions) of the Company.

The options granted under ESOS - 2020 would vest on completion of three years from the date of grant. The vesting of options would be a function of continued employment with the Company (vesting condition) and on achievement of performance criteria (performance condition) as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting.

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. The performance conditions specified are not based upon market conditions and therefore at every reporting date entity revises its estimate of the number of options expected to vest in order to determine the share based payment charge for the year.

Summary of options granted under the plan:

	Year ended March 31, 2023		Year ended March 31, 2022	
Particulars	Average exercise price (₹)*	Number of options*	Average exercise price (₹)*	Number of options*
Opening balance	60.46	7,224,000	58.25	7,248,000
Granted during the year			106.64	330,000
Exercised during the year	58.25	(5,850,000)	-	-
Forfeited during the year	58.25	(756,000)	58.25	(354,000)
Lapsed/expired during the year			-	-
Closing balance	**60.46**	**618,000**	60.46	7,224,000
Transferred to Cash settled (Refer note 36 a(ii))	**84.09**	**618,000**	-	-

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 1,625.00 (previous year ₹ Nil).

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, 2023	Outstanding as at March 31, 2022*
January 01, 2020	January 01, 2028	58.25	-	66,66,000
April 1, 2020	April 1, 2028	58.25	-	90,000
October 1, 2020	October 1, 2028	58.25	-	1,38,000
September 1, 2021	September 1, 2028	98.84	-	2,10,000
December 1, 2021	December 1, 2028	120.28	-	1,20,000
Total			**-**	72,24,000
Weighted average remaining contractual life of options outstanding at end of period			-	5.86

**Adjusted for the 11:1 bonus shares (refer note 18A).*

i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition and performance condition as specified in the scheme in a graded manner. Vested options are exercisable for a period of five years after vesting.

The model inputs for options granted during the year ended March 31, 2023 included:

	Year ended March 31, 2023	Year ended March 31, 2022	
Assumptions		Grant 1	Grant 2
Expected - Weighted average volatility	-	30.71%	30.77%
Expected dividends	-	5.46%	4.68%
Expected term (In years)	-	5.51	5.51
Risk free rate	-	5.80%	5.83%
Exercise price (₹)*	-	98.84	120.28
Market price (₹)*	-	98.84	120.28
Fair value of the option at grant date (₹)*	-	21.09	28.35

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

**Adjusted for the 11:1 bonus shares (refer note 18A).*

ii) Cash Settled share based payment

In the event of change of control of the Company, the options granted were fully vested subject to the minimum time for vesting prescribed under the SEBI Regulations. For the outstanding options under the ESOS - 2020 scheme, the Company has, after applying the guidance under Ind AS 102, classified them as "Cash settled share based payments" in the financial statements. The fair value of the amount payable to employees is recognised as employee benefit expenses' with a corresponding increase in liabilities. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

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, 2023*	Outstanding as at March 31, 2022
January 01, 2020	January 01, 2028	58.25	60,000	-
April 1, 2020	April 1, 2028	58.25	90,000	-
October 1, 2020	October 1, 2028	58.25	138,000	-
September 1, 2021	September 1, 2028	98.84	210,000	-
December 1, 2021	December 1, 2028	120.28	120,000	-
Total			**618,000**	**-**
Weighted average remaining contractual life of options outstanding at end of period			5.90	-

**Adjusted for the 11:1 bonus shares (refer note 18A).*

II Company has constituted an Employee Stock Option Scheme-2017 ("ESOSAMC-2017") which provides for grant of equity shares to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOSAMC – 2017 was formulated by NRC at its meeting held on August 9, 2017 and the same was approved by the Board of Directors on August 9, 2017 and subsequently by the Shareholders of the Company vide special resolution at their Extra-Ordinary General Meeting held on September 7, 2017.

The maximum aggregate number of employee stock options that may be awarded under this scheme are 2% of issued equity shares outstanding (excluding warrants and conversions) of the Company.

The options granted under ESOSAMC-2017 would vest on completion of three years from the date of the grant. The vesting of options would be a function of continued employment with the Company (vesting condition) and on achievement of performance criteria (performance condition) as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting.

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. The performance conditions specified are not based upon market conditions and therefore at every reporting date entity revises its estimate of the number of options expected to vest in order to determine the share based payment charge for the year.

Summary of options granted under the plan:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Average exercise price (₹)*	Number of options*	Average exercise price (₹)*	Number of options*
Opening balance	80.39	4,388,160	80.39	4,655,520
Granted during the year			-	-
Exercised during the year	80.39	(4,288,680)	80.39	(19,200)
Forfeited during the year	80.39	(99,480)	80.39	(248,160)
Lapsed/expired during the year			-	-
Closing balance	**-**	**-**	80.39	4,388,160
Vested and exercisable	-	-	80.39	4,388,160

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 1,625.00 (previous year ₹ 1,186.06).

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, 2023	Outstanding as at March 31, 2022*
September 9, 2017	September 9, 2025	80.39	-	41,55,120
November 6, 2017	November 6, 2025	80.39	-	1,13,040
April 11, 2018	April 11, 2026	80.39	-	1,20,000
Total			-	43,88,160
Weighted average remaining contractual life of options outstanding at end of period			-	3.47

**Adjusted for the 11:1 bonus shares (refer note 18A).*

i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition and performance condition as specified in the scheme in a graded manner. Vested options are exercisable for a period of five years after vesting.

The model inputs for options granted during the year ended March 31, 2023 included:

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Expected - Weighted average volatility	-	-
Expected dividends	-	-
Expected term (In years)	-	-
Risk free rate	-	-
Exercise price (₹)	-	-
Market price (₹)	-	-
Fair value of the option at grant date (₹)	-	-

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

b) Group share based payment scheme (equity settled)

IDFC Limited (erstwhile ultimate holding company) had introduced IDFC Employee Stock Option Scheme, 2016 (“IDFC ESOS - 2016”) to enable the employees of the group companies to participate in the future growth and financial success of the IDFC Group. The scheme was in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provided for grant of stock options to employees of the Company to acquire equity shares of the IDFC Limited, that vested in a graded manner and that were to be exercised within a specified period.

Options granted under the plan to the employees of the Company were without any consideration and carried no dividend or voting rights. When exercisable, each option was convertible into one equity share of IDFC Limited. Since the Company did not have an obligation to settle the award granted to its employees, the award was treated as an equity-settled share-based payment in the Company’s accounts.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2023		Year ended March 31, 2022	
Particulars	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	55.22	882,066	55.22	1,216,704
Granted during the year	-	-	-	-
Exercised during the year	53	(631,814)	-	-
Forfeited during the year	60.35	(28,966)	60.35	(16,674)
Lapsed/expired during the year	59.22	(221,286)	54.92	(317,964)
Closing balance	-	-	55.22	882,066
Vested and exercisable	-	-	55.22	882,066

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 53.25 (previous year ₹ Nil).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Expiry date	Expiry date	Expiry date			
Grant date	Vest 1	Vest 2	Vest 3	Exercise price (₹)*	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
October 5, 2015	October 5, 2021	October 5, 2022	October 5, 2023	60.35	-	529,466
February 5, 2016	February 5, 2022	February 5, 2023	February 5, 2024	41.15	-	210,000
September 14, 2016	September 14, 2022	September 14, 2023	September 14, 2024	59.20	-	100,000
March 14, 2017	March 14, 2023	March 14, 2024	March 14, 2025	51.85	-	42,600
Total					-	882,066
Weighted average remaining contractual life of options outstanding at end of period					-	1.93

i) Fair value of options granted

There were no options granted during the year ended March 31, 2023 and March 31, 2022.

c) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the Statement of Profit and Loss as part of employee benefit expense were as follows:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee stock option scheme (equity settled)	18.20	21.95
Employee stock option scheme (cash settled)	(0.06)	-
Group share based payment scheme (equity settled)	-	-
Total	18.14	21.95

37 Related party transactions

a) Ultimate holding company

IDFC Limited (upto January 31, 2023)

Bandhan Financial Services Limited (w.e.f. close of business hours on January 31, 2023)

b) Holding company

IDFC Financial Holding Company Limited (upto January 31, 2023)

Bandhan Financial Holdings Limited (w.e.f. close of business hours on January 31, 2023)

The list of related parties with whom transactions have taken place during the year:

c) **Subsidiaries/Controlled Funds**

Direct:

IDFC Investment Managers (Mauritius) Limited

IDFC IEH Conservative Fund (upto October 06, 2022)

Through subsidiaries:

India Multi Avenues Fund Limited

d) **Fellow subsidiaries**

Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company Limited)

IDFC Foundation (upto January 31, 2023)

e) **Indirect associate**

IDFC First Bank Limited (Formerly IDFC Bank Limited) (upto January 31, 2023)

Bandhan Bank Limited (wef February 1, 2023)

f) **Key management personnel**

Mr. Vishal Kapoor - Chief Executive Officer

Mr. Vinod Rai - Chairman Non-executive Director (ceased to be the Director of the Company wef September 22, 2021)

Mr. Sunil Kakar - Director* (ceased to be the Director of the Company wef June 10, 2021)

Ms. Anita Ramachandran - Independent Director (ceased to be the Director of the Company wef June 3, 2021)

Ms. Anita Belani - Associate Director (Independent Director wef August 13, 2019, re-designated as Associate Director wef November 9, 2021 upto January 31, 2023)

Ms. Veena Mankar - Independent Director (wef June 10, 2021 upto January 31, 2023)

Ms. Ritu Anand - Associate Director (wef June 10, 2021 upto January 31, 2023)

Mr. Anand Krishan - Independent Director (Additional Director) (wef January 1, 2022 upto January 31, 2023)

Ms. Shradha Agarwal - (date of appointment: January 31, 2023; ceased to be the Director of the Company wef February 24, 2023)*

Mr. Karni Singh Arha - Associate Director (date of appointment: January 31, 2023)*

Mr. Bhaskar Sen - Independent Director (date of appointment: January 31, 2023)

Mr. Nitin Mittal - Independent Director (date of appointment: January 31, 2023)

Mr. G Mahalingam - Independent Director (date of appointment: January 31, 2023)

Mr. Atanu Sen - Associate Director (date of appointment: January 31, 2023)

Mr. Pankaj Sood - Associate Director (date of appointment: January 31, 2023)*

Mr. Ankit Singhal - Associate Director (date of appointment: January 31, 2023)*

Sitting fees paid to the directors has been disclosed as "Directors' Sitting Fees" under "other expenses" in note 23. There is no other benefit paid to the directors.

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefit	212.89	58.80
Long-term employee benefit	4.16	3.90
Total	**217.05**	62.70

**No transaction during the year*

g) Transactions with related parties

(₹ in million)

Particulars	Transactions	Year ended March 31, 2023	Year ended March 31, 2022
IDFC Limited (upto January 31, 2023)	Reimbursement of expenses	0.09	0.10
	Recovery of expenses	0.93	1.54
IDFC Financial Holding Company Limited (upto January 31, 2023)	Payment of Dividend	1,730.63	3,402.39
IDFC Investment Managers (Mauritius) Limited	Purchase of Equity shares	6.84	-
IDFC IEH Conservative Fund (upto October 6, 2022)	Revenue from management fees	2.02	4.32
	Recovery of other expenses (net)	0.36	0.97
Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company Limited)	Recovery of expenses	0.29	0.02
IDFC Foundation (upto January 31, 2023)	Recovery of expenses	-	0.12
IDFC First Bank Limited (Formerly IDFC Bank Limited) (upto January 31, 2023)*	Shared service cost paid	-	1.60

h) Outstanding balances

(₹ in million)

Particulars	Transactions	Year ended March 31, 2023	Year ended March 31, 2022
IDFC Investment Managers (Mauritius) Limited	Outstanding investments as at year end (net of impairment)	4.41	2.97
IDFC IEH Conservative Fund (upto October 6, 2022)	Outstanding receivable as at year end	-	0.56
	Outstanding investments as at year end	-	300.00
IDFC First Bank Limited (Formerly IDFC Bank Limited)* (upto January 31, 2023)	Current account balance	-	1.81
	Current account balance (Investor Education and Awareness)	-	28.94

*The Company has day to day transactions with IDFC FIRST Bank Limited, being the bank, used for payments and receipts in the normal course of business which have not been considered for the purpose of reporting under this note.

The Ultimate Holding company, Bandhan Financial Services Limited, is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India ("RBI"), which is required to obtain Certificate of Registration from the RBI. It has obtained such registration and it continues to fulfil the criteria of a CIC.

38 Investment in unconsolidated structured entities

The Company acts as the fund manager for Bandhan Mutual Fund (formerly known as IDFC Mutual Fund), and through its rights as a manager, has a significant involvement in decision-making over the fund's operations and activities. However, fund manager are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by IND AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.

The following table shows the income and carrying amount of the Company's recorded interest in the structured entities as well as the maximum exposure to risk due to these exposures in the unconsolidated structured entities and asset management activities.

(₹ in million)

	Asset Under Management of the scheme	
Particulars	As at March 31, 2023	As at March 31, 2022
Financial instruments classified as FVTPL		
Bandhan S&P BSE Sensex ETF	8.77	14.76

The following table sets out an analysis of the carrying amount of interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Bandhan S&P BSE Sensex ETF	2.32	2.29
Management fees receivable	0.02	0.01
Total:	**2.34**	2.30

39 Additional regulatory information required by Schedule III

i) Details of benami property held

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

ii) Borrowing secured against current assets

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

iii) Wilful defaulter

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

iv) Relationship with struck off companies

The Company has not entered into any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 other than those stated below:

Name of the struck off Company	Nature of transactions with struck-off Company	Relationship with the struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Parikh Inn Private Limited	Advertising, publicity and promotion	Service provider/Vendor	-	-

v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

vi) 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.

vii) 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 Company (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

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

x) Valuation of PP&E, intangible asset and investment property

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

xi) The Company does not hold any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xiii) There are no borrowings obtained by the Company from banks and financial institutions.

a) Financial ratios

Ratio	Numerator	Denominator	March 31, 2023 (a)	March 31, 2022 (b)	Variance (a-b)	Variance unit	Variance %
Current Ratio	Current assets	Current liabilities	1.71	1.96	-0.25	turns	-13%
Return on equity ratio	Net profit after tax reduced by preference dividend (if any)	Average shareholders equity	35.48%	45.64%	-10.16%	percentage points	-22%
Trade receivables turnover ratio	Total sales	Closing trade receivable	18.60	29.81	-11.21	turns	-38%
Trade payables turnover ratio	Total purchases	Closing trade payable	8.12	7.27	0.85	turns	12%
Net capital turnover ratio	Sales	Working capital	5.38	3.83	1.55	turns	40%
Net profit ratio	Net profit after tax	Sales	24.23%	44.23%	-20.00%	percentage points	-45%
Return on capital employed	Earnings before interest and tax	Average Capital employed	43.26%	57.46%	-14.20%	percentage points	-25%
Return on investment	Earnings before interest and tax	Average total assets	35.41%	56.82%	-21.41%	percentage points	-38%
Debt-equity Ratio	Total debt	Total Equity	NA	NA	-	Not applicable	-
Debt Service Coverage Ratio	Net profit after tax plus depreciation and interest	Total debt	NA	NA	-	Not applicable	-
Inventory Turnover Ratio	COGS	Average Inventory	NA	NA	-	Not applicable	-

Reason for variance for more than 25%

i) Trade receivable turnover ratio: Decrease is due to significant increase in the closing trade receivables on account of change in collection process. Total sales in FY23 were also lower as compared to FY22.

ii) Net capital turnover ratio: Increase is mainly due to decline in working capital due to decrease in current investments. Total sales in FY23 were also lower as compared to FY22.

iii) Net Profit ratio: Net profit after tax decreased due to increase in one off employee cost and higher marketing/other expenses due to transition. Total sales in FY23 were also lower as compared to FY22.

iv) Return on capital employed: Decrease is due to decline in earning before interest and tax on account of increase in one off employee cost and higher other expenses due to transition. The average capital employed during was lower as compared to previous year due to decrease in retained earnings after payment of dividend.

v) Return on investment: Decrease is due to decline in earning before interest and tax on account of increase in one off employee cost and higher marketing/other expenses due to transition. The average total assets also declined due to dividend payment.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522

Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 202

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

INDEPENDENT AUDITOR'S REPORT

To the Members of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 39 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and 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 significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's 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 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 sub-paragraph 14 and 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to the following emphasis of matter paragraph as included in the audit report on Special Purpose Financial Statement of IDFC India Equity Hedge Fund (a subsidiary of the Company), issued by their auditors vide report dated May 10, 2023:

   "We draw our attention to Note 2(i) to the Financial Statements, which indicates that the Fund has wound up on October 06, 2022. This condition indicates that the Fund is not considered to be a going concern and financial statements have been prepared on liquidation basis.

   Our opinion is not modified in respect of this matter."

   Note 2(i) as mentioned above corresponds to Note 1A of the Consolidated Financial Statements.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the consolidated financial statements and our auditor's report thereon.

   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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Holding Company, as aforesaid.

7. 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. 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 auditor's 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.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 control.
    - 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 Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.
    - 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.

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

12. 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 Matter

13. We have not audited the corresponding figures as of and for the year ended March 31, 2022 included in the consolidated financial statements for the year ended March 31, 2023 including 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 for the year then ended, and notes and other explanatory information to the consolidated financial statements. As set out in Note 1B 1) (iv) to the consolidated financial statements, these numbers are furnished by the Management.

14. We did not audit the financial statements of one subsidiary whose financial statements reflect total revenue of ₹ (5.14) million, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (8.93) million and net cash flows amounting to ₹ (38.43) million for the period from April 01, 2022 to October 06, 2022 as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

15. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 5.44 million and net assets of ₹ 4.60 million as at balance sheet date, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (5.86) million and net cash flows amounting to ₹ (5.90) million for the year then ended have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 reports issued in respect of the standalone financial statements of the company which is included in these Consolidated Financial Statements. In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary companies included in these Consolidated Financial Statements.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (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 and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) Clause (i) of Section 143(3) of the Act on internal financial controls with respect to financial statements is not applicable to one subsidiary incorporated in India namely IDFC IEH Conservative Fund and one subsidiary incorporated outside India namely IDFC Investment Managers (Mauritius) Limited. With respect to the Holding Company to whom clause (i) of Section 143(3) of the Act is applicable, we have audited the standalone financial statements and issued unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to the standalone financial statements, vide our report dated May 10, 2023.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 29 to the consolidated financial statements.

        ii. Provision has been made in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2023– Refer Note 7 to the consolidated financial statements in respect of such items as it relates to the Group. The subsidiary company did not have any long-term contracts as at March 31, 2023. The Group did not have any derivative contracts as at March 31, 2023.

        iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

        iv. (a) The respective Managements of the Company and its subsidiary which is incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 42(vii) to the consolidated financial statements);

(b) The respective Managements of the Company and its subsidiary which is incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 42(vii) to the consolidated financial statements);

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. The provisions of Section 197 read with Schedule V to the Act are applicable to the company. However, the Group has neither paid remuneration to any managerial personnel nor is contractually required to make any provision in this regard.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
UDIN: 23113522BGYCVH9123

Place: Mumbai
Date: May 10, 2023

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(₹ in million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	22.57	16.05
Bank balances other than cash and cash equivalents above	4	50.92	35.22
Receivables			
(I) Trade receivables	5	195.12	132.93
Investments	6	2,173.01	2,266.02
Other financial assets	7	71.94	61.45
Non-financial assets			
Income tax assets (net)	8	186.73	158.52
Property, plant and equipment	9A	98.33	101.71
Intangible assets	10	12.37	19.14
Right-of-use assets	9B	314.60	279.89
Deferred tax assets (net)	16	27.03	13.33
Other non-financial assets	11	128.22	124.38
Assets directly associated with disposal group classified as held for sale		-	429.33
Total assets		3,280.84	3,637.97
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables	12A		
(i) total outstanding dues of micro enterprises and small enterprises		5.79	2.31
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		121.44	90.14
(II) Other payables	12B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		31.26	21.50
Lease liabilities	9B	369.37	319.46
Other financial liabilities	13	495.35	357.63
Non-financial liabilities			
Income tax liabilities (net)	14	129.55	188.61
Provisions	15	9.58	17.32
Other non-financial liabilities	17	91.01	329.94
Liabilities directly associated with disposal group classified as held for sale		-	134.07
EQUITY			
Equity share capital	18A	331.76	26.80
Other equity	18B	1,695.73	2,150.19
Total liabilities and equity		3,280.84	3,637.97

See accompanying notes to the financial statements.

This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 2023

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE FROM OPERATIONS			
Management fees		3,613.27	3,955.56
Portfolio management fees		13.03	18.37
Performance Fees		-	0.84
Total revenue from operations		3,626.30	3,974.77
Other income	19	126.61	235.25
Total income		3,752.91	4,210.02
EXPENSES			
Employee benefits expense	20	1,376.82	1,034.73
Impairment on financial instruments	21	(4.74)	(5.29)
Depreciation and amortisation expense	22	142.82	159.73
Other expenses	23	1,031.67	673.74
Finance cost	24	23.64	23.76
Total expenses		2,570.21	1,886.67
Profit before tax		1,182.70	2,323.35
INCOME TAX EXPENSE:	25		
- Current tax		312.83	603.57
- Deferred tax		(13.70)	(27.60)
Total tax expense		299.13	575.97
Profit for the year		883.57	1,747.38
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations		(6.94)	9.35
Income tax expense of discontinued operations		-	1.23
Net profit/(loss) from discontinued operation		(6.94)	10.58
Profit/(loss) for the year		876.63	1,757.96
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	26	22.24	11.63
- Income tax relating to the above		(5.60)	(2.93)
Other comprehensive income for the year, net of tax		16.64	8.70
Total comprehensive income for the year		893.27	1,766.66
Net Profit/(Loss) is attributable to:			
- Owners		876.63	1,754.74
- Non-controlling interests		-	3.22
Other comprehensive income is attributable to:			
- Owners		16.64	8.70
- Non-controlling interests		-	-
Total comprehensive income is attributable to:			
- Owners		893.27	1,763.44
- Non-controlling interests		-	3.22
Total comprehensive income attributable to owners:			
- Continuing operations		900.21	1,756.08
- Discontinued operations		(6.94)	7.36
Earnings per equity share (for continuing operations) (face value of Rs.1 each):	28		
- Basic (Rs.)		2.73	5.43
- Diluted (Rs.)		2.73	5.25
Earnings per equity share (for discontinued operations): (face value of Rs.1 each):			
- Basic (Rs.)		(0.02)	0.03
- Diluted (Rs.)		(0.02)	0.03
Earnings per equity share (for continuing and discontinued operations): (face value of Rs.1 each):			
- Basic (Rs.)		2.71	5.47
- Diluted (Rs.)		2.71	5.28

See accompanying notes to the financial statements.

This is the statement of profit and loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountant LLP

Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
Place: Mumbai
Date: May 10, 2023

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Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 2023

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before tax :			
- Continuing operations		1,182.70	2,323.35
- Discontinued operations		(6.94)	9.35
Profit/(Loss) before tax including discontinued operations		1,175.76	2,332.70
Adjustments :			
Depreciation and amortisation	22	142.82	159.73
Net (gain) / loss on sale of property, plant and equipment	19 & 23	(1.38)	(0.47)
Impairment on financial instruments	21	(4.74)	(5.29)
Employee share based payment expense	36c)	18.14	21.95
Net exchange differences		0.54	0.16
Change in fair value of financials assets at FVTPL	19	101.97	65.11
Net (gain) / loss on sale of investments	19	(221.92)	(278.07)
Interest income on financial assets measured at amortised cost	19	(2.55)	(2.95)
Dividend income received	19	(0.57)	(12.94)
Finance cost	24	23.64	23.76
Operating profit before working capital changes		**1,231.71**	2,303.69
Adjustments for (increase)/ decrease in operating assets :			
Bank balances other than cash and cash equivalents	4	(15.70)	(9.79)
Trade receivables	5	(62.19)	(6.66)
Other financial assets	7	(10.63)	34.22
Other non-financial assets	11	(3.84)	(8.51)
Adjustments for increase/ (decrease) in operating liabilities :			
Trade payables	12A	34.78	(9.48)
Other payables	12B	9.76	(8.77)
Lease payment	9B	(77.95)	(97.81)
Other financial liabilities	13	137.72	34.93
Provisions	15	14.50	13.93
Other non-financial liabilities	17	(262.81)	264.63
Cash generated from operations		995.35	2,510.38
Less : Income taxes paid (net of refunds)		(405.69)	(557.89)
Net cash inflow / (outflow) from operating activities	A	**589.66**	1,952.49
CASH FLOW FROM INVESTING ACTIVITIES :			
Assets directly associated with disposal group classified as held for sale		302.59	(5.15)
Purchase of property, plant and equipment	9A	(41.23)	(28.99)
Proceeds from disposal of property, plant and equipments		1.53	3.81
Purchase of intangible assets	10	(14.66)	(1.23)
Purchase of investment measured at FVTPL		(4,563.07)	(3,331.04)
Proceeds from sale of investments		4,776.85	4,775.30
Dividend received	19	0.57	12.94

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Net cash inflow / (outflow) from investing activities	B	**462.58**	**1,425.64**
CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from issuance of share capital		685.54	1.54
Dividend paid	32	(1,731.26)	(3,403.87)
Net cash inflow / (outflow) from financing activities	C	**(1,045.72)**	**(3,402.33)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C	6.52	(24.20)
Add : Cash and cash equivalents at beginning of the year		16.05	40.25
Cash and cash equivalents at end of the year		**22.57**	**16.05**
Non-Cash financing and investing activities			
Addition to the right-of-use asset		111.64	83.75
Reconciliation of cash and cash equivalents as per the cash flow statement			
Cash and cash equivalents as per above comprise of the following			

	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents	22.57	16.05
Borrowings (other than Debt Securities)	-	-
Balances as per statement of cash flows	**22.57**	**16.05**

Figures in brackets indicate cash outflow.

The above consolidated cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

See accompanying notes to the consolidated financial statements.

This is the consolidated statement of cash flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
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CIN No.U65993MH1999PLC123191

Karni Singh Arha
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DIN: 09279368
Place: Mumbai
Date: May 10, 2023

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Director
DIN: 03193003
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Company Secretary
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Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 2023

BANDHAN AMC LIMITED *(formerly known as IDFC Asset Management Company Limited)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

(₹ in million)

Particulars	Note	Number	Amount
As at April 01, 2021	18A	26,800,520	26.80
Issued during the year		1,600	#
As at March 31, 2022	18A	26,802,120	26.80
Issued during the year		844,890	0.84
Bonus issue of shares	18A	304,117,110	304.12
As at March 31, 2023	18A	**331,764,120**	**331.76**

#The amount is below the rounding off norms adopted by the Company.

B. Other equity

(₹ in million)

Particulars	Note	Reserves and surplus: Securities Premium	Capital redemption reserve	General reserve	Surplus in the statement of profit and loss	Share options outstanding account	ESOP contribution from parent	Other Comprehensive Income: Foreign currency translation reserve	Total other equity
As at April 01, 2021	18B	233.66	197.93	442.89	2,755.00	107.79	29.43	0.27	3,766.97
Profit for the year		-	-	-	1,754.74	-	-	-	1,754.74
Other comprehensive income		-	-	-	8.70	-	-	-	8.70
Total comprehensive income for the year		**233.66**	**197.93**	**442.89**	**4,518.44**	**107.79**	**29.43**	**0.27**	**5,530.41**
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	36	-	-	-	-	21.95	-		21.95
ii) Vested options cancelled during the year		-	-	18.00	-	(4.22)	(13.78)		-
iii) Options exercised during the year		1.54	-	-	-	-	-		1.54
iv) Options lapsed during the year		-	-	-	-	-	-		-
- Transfer from Share option outstanding account to Securities Premium (towards option exercised)		0.33	-	-	-	(0.33)	-		-
- Change during the year								0.16	0.16
- Reserves of disposal group classified as held for sale									-
- Dividends paid	32	-	-	-	(3,403.87)	-	-		(3,403.87)
- Dividend distribution tax	32	-	-	-	-	-	-		-
As at March 31, 2022	**18B**	**235.53**	**197.93**	**460.89**	**1,114.57**	**125.19**	**15.65**	**0.43**	**2,150.19**
Profit for the year		-	-	-	876.63	-	-	-	876.63
Other comprehensive income		-	-	-	16.64	-	-	-	16.64
Total comprehensive income for the year		**235.53**	**197.93**	**460.89**	**2,007.84**	**125.19**	**15.65**	**0.43**	**3,043.46**
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	36	-	-	-	-	18.20	-	-	18.20
ii) Vested options cancelled during the year		-	-	19.07	-	(3.42)	(15.65)	-	(0.00)
iii) Options exercised during the year		684.70	-	-	-		-	-	684.70
iv) Options lapsed during the year		-	-	-	-	-	-	-	-
- Transfer from Share option outstanding account to Securities Premium (towards option exercised)		129.08	-	-	-	(129.08)	-	-	-
- Utilised for bonus issue of equity shares		(106.19)	(197.93)					-	(304.12)
- Modification to Cash Settled share based payment					(13.04)	(10.89)		-	(23.93)
- Change during the year								0.54	0.54
- Reserves of disposal group classified as held for sale					8.14				8.14
- Dividends paid	32	-	-	-	(1,731.26)	-	-	-	(1,731.26)
- Dividend distribution tax	32	-	-	-	-	-	-	-	-
As at March 31, 2023	18B	**943.12**	**-**	**479.96**	**271.68**	**-**	**-**	**0.97**	**1,695.73**

See accompanying notes to the consolidated financial statements.
This is the consolidated statement of changes in equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
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Date: May 10, 2023

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Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 2023

1A. BACKGROUND

Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) ('the Company') is a public limited company, incorporated in India and regulated by The Securities Exchange Board of India ("SEBI"). The registered office of the Company is at One World Centre, 6th Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013.

The Company provides asset management services, portfolio management and investment advisory services. The Company is registered under SEBI (Portfolio Managers) Regulations, 1993 for providing portfolio management services. The Company is also providing investment management services Alternative Investment Funds launched under SEBI (Alternative Investment Funds) Regulations, 2012.

During the year, Bandhan Financial Holdings Limited, Lathe Investments Pte. Ltd., Tangerine Investments Limited and Infinity Partners have acquired shares in Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) after receiving all necessary regulatory approvals. The transaction has been closed on January 31, 2023 end of business hours. The principal shareholder of the Company is Bandhan Financial Holdings Limited.

Pursuant to the approval from the Registrar of Companies, with effect from April 19, 2023, the name of the Company has been changed from IDFC Asset Management Company Limited to Bandhan AMC Limited.

These financial statements are for the group consisting the Company and its subsidiaries viz., IDFC Investment Manager (Mauritius) Limited and IDFC IEH Conservative Fund. Refer note 39.

During the year, the Company being an asset manager of its subsidiary - IDFC IEH Conservative Fund had sought approvals from the investors of IDFC IEH Conservative Scheme (the 'Scheme') who had contributed in excess of 75% by value of the investments in the Scheme. Consent from majority of the investors had been received and accordingly it was decided to wind up the scheme. The management of the AMC had also intimated SEBI vide its letter dated September 5, 2022 of its intention to wind up the scheme. Accordingly, the scheme was wound up on October 6, 2022. Accordingly, the financial statements of IDFC IEH Conservative Fund are prepared on liquidation basis.

These consolidated financial statements are authorised for issuance by the Board of Directors on May 10, 2023.

1B. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation

i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended)] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets which are measured at fair value:

- Certain financial assets - measured at fair value;
- Defined benefit plans assets– measured at fair value; and
- Share-based payments - measured at fair value.

iii) Recent accounting pronouncements

(i) New and amended standards adopted

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards, and are effective 1 April 2022

- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 109, Financial Instruments

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards)

Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

iv) Consolidation

The following set of financial statements represents the consolidated financial statements of the Group. Upto the previous year the exemption under para 4 (a) (iv) of Ind AS 110 has been applied and consolidated financial statements have not been prepared. However, from the current year consolidated financial statements are also prepared.

a) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM's function is to allocate the resources of the Group and assess the performance of the operating segments of the Group. The Chief Executive Officer is identified as the CODM. The board of directors of the Group assesses the financial performance and position of the Group and makes strategic decisions. Refer note 27 for segment information presented.

3) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency using the exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences are taken to other income/expense in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- 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
- All resulting exchange differences are recognised in other comprehensive income.

4) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular purchases and sales of financial assets are recognised on trade date, i.e. the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in statement of profit and loss.

Financial assets

i) ***Classification and subsequent measurement***

The Group classifies its financial assets in the following measurement categories:

- Fair value through statement of profit and loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); and
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as mutual fund units, alternate investment funds, etc.

For investments in debt instruments, measurement will depend on the classification of debt instruments depending on:

- the Group's business model for managing the asset (Business model assessment); and
- the cash flow characteristics of the asset (Solely Payment of Principal and Interest ("SPPI" assessment).

Business model assessment

The business model reflects how the Group manages the assets in order to generate cash flows. The business model determines whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

The Group determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- experience on how the cash flows for these assets were collected,
- how the asset's performance and the business model is evaluated and reported to key management personnel,
- the risks that affect the performance of the business model and how these risks are assessed and managed,
- how managers are compensated.

Solely Payment of Principal and Interest ("SPPI") Assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test').

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired.

Fair value through other comprehensive income:

Debt instruments that meet the following conditions are subsequently measured at FVOCI:

- the asset is held within a business model whose objective is achieved both, by collecting contractual cash flows and selling financial assets;
- the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; and
- that are not 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 amortised cost that are recognised in statement of profit and loss.

Fair value through profit/loss:

Assets that do not meet the criteria for amortised cost or FVOCI, are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented in the statement of profit and loss within 'net gain/(loss) on fair value changes' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. Group's investment in mutual fund units, alternate investment fund and equity instruments are classified as financial assets measured at FVTPL.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI which is not held for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as 'dividend income' when the Group's right to receive payments is established.

Portfolio investments

Portfolio investments are carried at Fair Value through Profit & 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.

ii) Impairment

The Group assesses, on a forward-looking basis the expected credit losses ('ECL') associated with its financial instruments measured at amortised cost with the exposure arising from security deposit. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- the time value of money; and
- and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 35.2.

iii) Income recognition

Interest income

The Group calculates interest income by applying the effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets.

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts paid or received that are integral to the effective interest rate, such as origination fees, commitment fees, etc.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Dividend income

Dividend income is recognised in the Statement of Profit and Loss when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

iv) *De-recognition of financial assets*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either -

- the Group transfers substantially all the risks and rewards of ownership; or
- the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities

i) ***Classification as debt or 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 an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received. Incremental costs directly attributable to the issue of new shares or financial instruments classified as equity are deducted, net of tax, from the proceeds.

ii) ***Classification and subsequent measurement***

Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability. The calculation includes transaction costs, premiums or discounts and fees and points paid that are integral to the effective interest rate, such as origination fees.

iii) ***De-recognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

5) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

6) Revenue recognition

Revenue is measured at transaction price of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. A new five-step process must be applied before revenue can be recognised:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

i) Management fees

Management fees from mutual funds and alternative investment funds are recognised on an accrual basis in accordance with terms of investment management agreement entered into by the Bandhan AMC Limited (formerly known as IDFC Asset Management Company Limited) with Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company 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 recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group.

ii) Portfolio Management fees

Portfolio management fees are recognised on an accrual basis in accordance with the respective terms of contract with counter parties. Revenue from portfolio management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group.

iii) Advisory fees

Advisory fees are recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Group.

iv) Performance Fees

The Group receives performance fees or incentive allocations from certain actively managed alternative investment funds and certain separately managed accounts. The Group is entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets.

The Group records performance-based incentive fee when the contractual terms of the asset management fee arrangement have been satisfied such that the performance fee is no longer subject to significant reversal or contingency.

v) Redemption Fee

Redemptions shall be subject to an early redemption fee of up to 1% of NAV, or such other rate as may be prescribed by the Trustee on the recommendation of the Investment Manager, shall be charged to a Unit Holder in case where the Unit Holder is desirous of and has requested for redemptions of the units held by it prior to the expiry of one year from the dealing date of subscription of such units.

7) Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

i) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carried forward losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax and deferred tax 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.

8) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Group as a lessee

From April 1, 2019, leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group has is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions .

To determine the incremental borrowing rate, the Group uses a indicative AAA equivalent borrowing rate.

Lease payment are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

9) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank, demand deposits with banks and other deposits with bank with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

11) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives prescribed. The estimated useful lives for the different type of assets held by the Group are as follows:

Name of Property, Plant and Equipment	Management estimate of useful life	Useful life as per Schedule II
Computers	3	3
Servers and Network	6	6
Furniture	10	10
Office Equipment	5	5
Vehicles*	4	8
Mobile Phones*	2	5
Leasehold Improvements	Extended lease terms or 5 years which ever is earlier	Over the period of lease

Depreciation on additions during the year is provided on a pro-rata basis.

* The useful lives have been determined based on internal assessment done by the management which are believed to best represent the period over which the assets are expected to be used. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the Statement of Profit and Loss.

12) Intangible Assets

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives.

The estimated useful life of the intangible assets is as follows:

Computer Software 3 years

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

13) Impairment of non-financial assets

All non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets, or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

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 the risks specific to the asset. 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 corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

14) Employee benefits

i) Short term obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after reporting period end in which the employee render the related services are recognised in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligation in the balance sheet.

ii) Defined contribution plans

The contribution to provident fund, superannuation fund and pension fund are considered as defined contribution plans, and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made as and when services are rendered. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

iii) Defined benefit plan

The liability or asset recognised in the Balance Sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

iv) Share-based payments

Equity settled options:

The Company has constituted an Employee Stock Option Plan. The plan provides for grant of options to employees of the Company in a specific category to acquire equity shares of the Company that vest in a graded manner on meeting specified conditions and that are to be exercised within a specified period.

The above share awards are treated as an equity settled share based payment transaction. The fair value of options granted under the scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined with reference to the fair value of the options granted excluding the impact of any service conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

Cash settled options:

The fair value of the amount payable to employees is recognised as employee benefit expenses' with a corresponding increase in liabilities. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

15) Trade and other payables

These amounts represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

16) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation because of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and such amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at best estimate of the future expenditure required to settle the present obligation at the balance sheet date. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

17) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

18) Earnings per share

i) Basic earnings per share :

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

19) Brokerage Expenses

Distribution cost in form the of brokerage paid to third parties are recognised over the duration of the scheme or clawback period in case of portfolio management services.

20) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest “million” as per the requirement of Schedule III, unless otherwise stated.

During the year, the Group has changed its rounding off decimal from "crore" to "million" due to change in the requirement from the Ultimate Holding Company. The same will be followed consistently in the subsequent years.

21) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

22) Unit Capital

The redeemable units have been classified as equity based on the recognition principles under IND-AS 32. The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity.

2) Use of judgments, estimates and assumptions

The preparation of Group's consolidated financial statements requires the use of accounting estimates that, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Estimation for fair value of financial instruments
- Estimation of deferred tax expense
- Estimation of consolidation decision
- Estimation of useful lives of property, plant and equipment
- Estimation of provisions and contingencies
- Estimation for fair value of share-based payments
- Estimation for lease term

Estimates and judgments are evaluated continually. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3 Cash And Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cheques on hand	-	-
Balances with banks:		
In current accounts	22.57	16.05
Total	22.57	16.05

4 Bank Balances Other Than Cash And Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In earmarked accounts		
- Investor Education Awareness on behalf of Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	49.43	30.83
- Other bank balances	1.49	4.39
Total	50.92	35.22

5 Trade Receivables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - secured	-	-
Receivables considered good - unsecured	195.12	132.93
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
(Less): Impairment loss allowance	-	-
Total	195.12	132.93

6 Investments

(₹ in million)

Particulars	At fair value through Other Comprehensive Income	At fair value through Profit and loss	Total
As at March 31, 2023			
Mutual fund units	-	1,936.80	1,936.80
Equity instruments	0.50	235.71	236.21
Subsidiaries	-	-	-
Total (A) - Gross	0.50	2,172.51	2,173.01
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	0.50	2,172.51	2,173.01
Investments outside India	-	-	-
Investments in India	0.50	2,172.51	2,173.01
Total (B) - Gross	0.50	2,172.51	2,173.01
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	**0.50**	**2,172.51**	**2,173.01**

6 Investments (contd.)

(₹ in million)

Particulars	At fair value through Other Comprehensive Income	At fair value through Profit and loss	Total
As at March 31, 2022			
Mutual fund units	-	2,058.89	2,058.89
Equity instruments	0.50	206.63	207.13
Subsidiaries	-	-	-
Total (A) - Gross	0.50	2,265.52	2,266.02
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	0.50	2,265.52	2,266.02
Investments outside India	-	-	-
Investments in India	0.50	2,265.52	2,266.02
Total (B) - Gross	0.50	2,265.52	2,266.02
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	0.50	2,265.52	2,266.02

7 Other Financial Assets

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Other receivables	1.33	0.22
Other deposit	36.50	3.25
Security deposit	40.30	68.91
(Less): Impairment loss allowance	(6.19)	(10.93)
Total	71.94	61.45

8 Income Tax Assets (Net)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Fringe benefit tax	0.09	0.09
(net of provision for tax as of 2023: ₹ 13.10 million; 2022: ₹ 13.10 million)		
Advance tax	186.64	158.43
(net of provision for tax as of 2023: of ₹ 1,767.31 million; 2022: ₹ 1,448.88 million)		
Total	186.73	158.52

9a Property, Plant and Equipment

(₹ in million)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Computers	Total
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2021	62.28	13.34	26.59	31.75	133.30	267.26
Additions	13.29	1.00	4.99	4.21	5.50	28.99
Disposals and transfers	-	(1.45)	(5.18)	(4.74)	(3.56)	(14.93)
Closing gross carrying amount	75.57	12.89	26.40	31.22	135.24	281.32
Accumulated depreciation						
Opening accumulated depreciation	32.84	7.27	16.03	19.61	67.57	143.32
Depreciation charge during the year	14.13	1.07	3.69	5.25	23.74	47.88
Disposals and transfers	-	(1.25)	(2.65)	(4.36)	(3.33)	(11.59)
Closing accumulated depreciation	46.97	7.09	17.07	20.50	87.98	179.61
Net carrying amount as at March 31, 2022	28.60	5.80	9.33	10.72	47.26	101.71
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2022	75.57	12.89	26.40	31.22	135.24	281.32
Additions	10.52	1.33	7.48	3.78	18.12	41.23
Disposals and transfers	(0.89)	(0.11)	(4.63)	(0.32)	(3.82)	(9.77)
Closing gross carrying amount	**85.20**	**14.11**	**29.25**	**34.68**	**149.54**	**312.78**
Accumulated depreciation						
Opening accumulated depreciation	46.97	7.09	17.07	20.50	87.98	179.61
Depreciation charge during the year	10.98	1.10	4.96	4.39	23.02	44.45
Disposals and transfers	(0.89)	(0.11)	(4.50)	(0.31)	(3.80)	(9.61)
Closing accumulated depreciation	57.06	8.08	17.53	24.58	107.20	214.45
Net carrying amount as at March 31, 2023	28.14	6.03	11.72	10.10	42.34	98.33

i) Contractual obligations

Refer to note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

9B Leases

The Group leases various offices. Rental contracts are typically made for fixed periods of 11 months to 9 years, but may have extension options as described in (iii) below.

(i) Amount recognised in balance sheet

The balance sheet shows the following amounts relating to leases: (₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Buildings	314.60	279.89
Total	314.60	279.89

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	369.37	319.46
Total	369.37	319.46

Addition to the right-of-use assets during the current financial year is ₹ 111.64 million (previous year ₹ 83.75 million) which includes impact on account of lease modification amounting to ₹ 90.38 million (previous year ₹ 69.09 million).

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets		
Buildings (refer note 22)	76.94	84.26
Total	**76.94**	84.26

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expense (refer note 24)	23.64	23.76
Expense relating to short-term leases (refer note 23)	18.18	9.35
Total	**41.82**	33.11

The total cash outflow for leases for the year ended March 31, 2023 was ₹ 77.95 million (previous year ₹ 97.81 million).

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment 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.

(iv) Reconciliation of Lease Liability

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	319.46	312.65
New/modified leases	104.23	80.86
Interest expense	23.64	23.76
Cash flow	(77.95)	(97.81)
Outstanding at the end of the year	369.37	319.46

10 Intangible Assets

(₹ in million)

Particulars	Computer software
YEAR ENDED MARCH 31, 2022	
Gross carrying amount	
Opening gross carrying amount as at April 1, 2021	134.61
Additions	1.23
Disposals and transfers	(0.67)
Closing gross carrying amount	135.17
Accumulated Amortisation	
Opening Accumulated Amortisation	89.12
Amortisation during the year	27.58
Disposals and transfers	(0.67)
Closing accumulated depreciation	116.03
Net carrying amount as at March 31, 2022	19.14

(₹ in million)

Particulars	Computer software
YEAR ENDED MARCH 31, 2023	
Gross carrying amount	
Opening gross carrying amount as at April 1, 2022	135.17
Additions	14.66
Disposals and transfers	-
Closing gross carrying amount	**149.83**
Accumulated Amortisation	
Opening accumulated amortisation	116.03
Amortisation during the year	21.43
Disposals and transfers	-
Closing accumulated depreciation	**137.46**
Net carrying amount as at March 31, 2023	**12.37**

i) Contractual obligations

Refer to note 30 for disclosure of contractual commitments for the acquisition of intangible assets.

11 Other Non-Financial Assets

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses - Brokerage	-	0.93
Prepaid expenses - Others	66.57	80.39
Supplier advances	36.60	15.92
Advances to employees	0.73	0.71
Receivable in respect of gratuity	0.15	-
Balances with government authorities - cenvat credit available	15.02	15.02
Other advances	9.15	11.41
Total	**128.22**	124.38

12A Trade Payables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises (refer note 31)	5.79	2.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises	121.44	90.14
Total	**127.23**	92.45

12B Other Payables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	31.26	21.50
Total	**31.26**	21.50

13 Other Financial Liabilities

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	495.35	357.63
Total	**495.35**	357.63

14 Income tax liabilities (net)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance tax as of 2023: ₹ 2,844.69 million; 2022: ₹ 2,251.80 million)	129.55	188.61
Total	**129.55**	188.61

15 Provisions

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 26)	9.58	17.32
Total	**9.58**	17.32

16 Deferred tax liabilities/(assets)

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value adjustments		
- Investments	17.04	24.35
- Security deposits	(3.86)	(2.70)
Right-of-use assets	79.19	70.45
Property, plant and equipment	(24.87)	(22.27)
Lease liabilities	(92.97)	(80.41)
Impairment on financial instruments-security deposits	(1.56)	(2.75)
Total	**(27.03)**	(13.33)

Movement in Deferred tax liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at April 1, 2021	Charged/ (credited) to profit and loss	As at March 31, 2022
Deferred Tax Liability:			
Fair valuation of investments	47.05	(22.70)	24.35
Right-of-use assets	70.58	(0.13)	70.45
	117.63	(22.83)	94.80
Deferred Tax Asset:			
Property, plant and equipment	17.68	4.59	22.27
Lease liabilities	78.70	1.71	80.41
Impairment on financial instruments-security deposits	4.08	(1.33)	2.75
Fair valuation of security deposits	2.90	(0.20)	2.70
	103.36	4.77	108.13
Net deferred tax (asset)/liability	14.27	(27.60)	(13.33)

Particulars	As at April 1, 2022	Charged/ (credited) to profit and loss	As at March 31, 2023
Deferred Tax Liability:			
Fair valuation of investments	24.35	(7.31)	17.04
Right-of-use assets	70.45	8.74	79.19
	94.80	**1.43**	**96.23**
Deferred Tax Asset:			
Property, plant and equipment	22.27	2.60	24.87
Lease liabilities	80.41	12.56	92.97
Impairment on financial instruments-security deposits	2.75	(1.19)	1.56
Fair valuation of security deposits	2.70	1.16	3.86
	108.13	**15.13**	**123.26**
Net deferred tax (asset)/liability	**(13.33)**	**(13.70)**	**(27.03)**

17 Trade payables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	67.13	329.94
Cash Settled share based payment (Refer note 36(ii))	23.88	-
Total	**91.01**	**329.94**

18A Equity share capital

(₹ in million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹1 each (previous year ₹1 each)	350,000,000	350.00	350,000,000	350.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹1 each (previous year ₹1 each)	331,764,120	331.76	26,802,120	26.80
Total	**331,764,120**	**331.76**	26,802,120	26.80

a) Movements in equity share capital

(₹ in million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹	Number	₹
Outstanding at the beginning of the year	26,802,120	26.80	26,800,520	26.80
Stock options exercised under the ESOS	844,890	0.84	1,600	#
Bonus issue of shares	304,117,110	304.12	-	-
Outstanding at the end of the year	**331,764,120**	**331.76**		

#The amount is below rounding off norms adopted by the Group

The Allotment and Share transfer committee of the Bandhan AMC Limited had, at its Extraordinary General Meeting (EGM) held on March 20, 2023, accorded its consent to the issue and allotment of 304,117,110 fully paid-up equity shares of face value of ₹ 1 each as Bonus Shares to the shareholders of the Company in the ratio Eleven equity shares for every One existing equity share held as on the record date i.e. February 17, 2023.

b) Terms and rights attached to equity shares

i) The Group has only one class of equity shares having a par value of ₹1 per share (previous year ₹1 per share). Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the Employee Stock Option Scheme (ESOS), including details regrading options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 36.

d) Details of shares held by the holding company

(₹ in million)

	As at March 31, 2023		As at March 31, 2022	
Equity Shareholders	Number	Amount	Number	Amount
IDFC Financial Holding Company Limited (till January 31, 2023) (of which 6 shares are held jointly with nominees)	-	-	26,790,450	26.79
Bandhan Financial Holdings Limited (of which 36 shares are held jointly with nominees) (w.e.f. from close of business hours on January 31, 2023)	198,985,968	198.99	-	-

e) Details of shareholders holding more than 5% of the shares in the Company

(₹ in million)

	As at March 31, 2023		As at March 31, 2022	
Equity Shareholders	Number	% holding	Number	% holding
IDFC Financial Holding Company Limited (till January 31, 2023) (of which 6 shares are held jointly with nominees)	-	-	26,790,450	100%
Bandhan Financial Holdings Limited (of which 36 shares are held jointly with nominees) (w.e.f. from close of business hours on January 31, 2023)	198,985,968	59.98%	-	-
Lathe Investment Pte Ltd	66,328,656	19.99%	-	-
Tangerine Investments Limited	55,285,704	16.66%	-	-

f) Details of shareholding of promoters

(₹ in million)

	As at March 31, 2023			As at March 31, 2022		
Name of the Promoter	Number of shares	Percentage of total no. of shares	Percentage of change during the year	Number of shares	Percentage of total no. of shares	Percentage of change during the year
IDFC Financial Holding Company Limited	-	-	100%	26,790,444	100%	0%
IDFC Financial Holding Company Limited jointly with Mahendra N Shah	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Bipin Gemani	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Shivangi Mistry	-	-	100%	1	0%	0%
IDFC Financial Holding Company Limited jointly with Bimal Giri	-	-	100%	1	0%	0%

Details of shareholding of promoters (Contd.)

(₹ in million)

Name of the Promoter	As at March 31, 2023 Number of shares	Percentage of total no. of shares	Percentage of change during the year	As at March 31, 2022 Number of shares	Percentage of total no. of shares	Percentage of change during the year
Bandhan Financial Holdings Limited	198,985,932	59.98%	100%	-	-	-
Sagar Ghosh (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Biplab Kumar Mani (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Kousik Basu (jointly with Bandhan Financial Holdings Limited)	12	0%	100%	-	-	-
Total	198,985,968	59.98%	-	26,790,450	100%	-

18B Reserves and surplus

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	943.12	235.53
Capital redemption reserve	-	197.93
General reserve	479.96	460.89
Surplus in the Statement of Profit and Loss	271.68	1,114.57
Share options outstanding account	-	125.19
ESOP contribution from parent	-	15.65
Foreign Translation reserve	0.97	0.43
Total	**1,695.73**	2,150.19

a) Securities premium

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	235.53	233.66
Additions during the year	684.70	1.54
Transfer from Share Options Outstanding Account (towards options exercised)	129.08	0.33
Utilised for bonus issue of equity shares (refer note 18A(a)(ii))	(106.19)	-
Closing balance	**943.12**	235.53

b) Capital redemption reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	197.93	197.93
Utilised for bonus issue of equity shares (refer note 18A(a)(ii))	(197.93)	-
Closing balance	**-**	197.93

c) General reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	460.89	442.89
Changes during the year	-	-
Transfer from Share options outstanding account (towards vested options cancelled)	3.42	4.22
Transfer from ESOP contribution from parent (towards vested options cancelled)	15.65	13.78
Closing balance	**479.96**	460.89

d) Surplus in the Statement of Profit and Loss

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,114.57	2,755.00
Net profit for the year	876.63	1,754.74
Other comprehensive income / (loss)	16.64	8.70
Reserves of disposal group classified as held for sale	8.14	-
Appropriations during the year		
- Dividend on equity shares	(1,731.26)	(3,403.87)
Cash Settled share based payment	(13.04)	-
Closing balance	**271.68**	1,114.57

e) Share options outstanding account

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	125.19	107.79
Employee stock option expense	18.20	21.95
Options vested during the year	-	-
Vested options cancelled during the year	(3.42)	(4.22)
Transfer to Securities Premium (towards options exercised)	(129.08)	(0.33)
Cash Settled share based payment	(10.89)	-
Closing balance	**-**	125.19

f) ESOP contribution from parent

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	15.65	29.43
Employee stock option expense	-	-
Vested options cancelled during the year	(15.65)	(13.78)
Closing balance	**-**	15.65

g) Foreign Currency Translation reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.43	0.27
Change during the year	0.54	0.16
Closing balance	**0.97**	0.43

18C Nature and purpose of reserve

a) Securities premium

It is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

b) Capital redemption reserve

When shares are bought back, the Group is required to transfer the funds equivalent to the face value of shares so bought back to an account called "Capital redemption reserve". Funds in the reserve are non-distributable. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

Pursuant to the provisions of Companies Act, 1956, the Group had transferred a portion of the net profit of the Group before declaring dividend, to general reserve. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

d) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees by the Group under Employee Stock Option Scheme (ESOS) over the vesting period (refer note 36).

e) ESOP contribution from parent

The account is used to recognise the grant date fair value of options issued to the employees of the Group by IDFC Limited (erstwhile ultimate holding company) and IDFC FIRST Bank Limited (Formerly IDFC Bank Limited) under the group share based payment arrangement.

f) Foreign currency translation reserve

Exchange difference arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy are accumulated in special reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

19 Other income

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain/(loss) on fair value changes of instruments measured at FVTPL		
- Realised	221.92	278.07
- Unrealised	(101.97)	(65.11)
Profit on sale of property, plant and equipment (net)	1.38	0.47
Interest income on financial assets measured at amortised cost	2.55	2.95
Dividend income	0.57	12.94
Miscellaneous income	2.16	5.93
Total	**126.61**	235.25

20 Employee benefit expense

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus (refer note (i) below)	1,239.72	922.70
Contribution to provident and other funds (refer note 26)	39.42	36.93
Contribution to gratuity (refer note 26)	31.82	28.95
Share based payment expense (refer note 36)	18.14	21.95
Staff insurance, training and welfare expense	47.72	24.20
Total	**1,376.82**	1,034.73

i) Based on the leave rules of the Company, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

21 Impairment of financial instruments

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On Financial instruments measured at amortised Cost:		
Security deposit	(4.74)	(5.29)
On Financial instruments measured at cost:		
Subsidiaries	-	-
Total	**(4.74)**	(5.29)

22 Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	44.45	47.89
Depreciation on right-of-use assets	76.94	84.26
Amortisation of intangible assets	21.43	27.58
Total	**142.82**	159.73

23 Other expenses

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	19.78	10.83
Rates and taxes	7.49	1.58
Electricity	13.12	9.82
Repairs and maintenance		
- Equipments	17.54	10.09
- Others	63.28	54.25
Insurance charges	2.90	3.17
Travelling and conveyance	28.24	6.49
Printing and stationery	8.44	6.82
Communication costs	25.31	20.74
Advertising, publicity and promotion	321.04	137.91
Listing and rating Fees	3.06	1.84
Professional fees	175.26	92.58
Directors' sitting fees	3.37	2.25
Membership and subscription	86.12	75.01
Computer software expenses	135.29	108.54
Scheme issue expenses (refer note (i) below)	16.10	27.24
Operational cost	47.52	58.18
Contribution for corporate social responsibility (CSR) (refer note (b) below)	39.55	29.16
Auditors remuneration [refer note (a) below]	6.46	4.11
Shared service costs paid (net) (refer note (ii) below)	-	1.60
Miscellaneous expenses	11.80	11.53
Total	**1,031.67**	673.74

i) Scheme issue expenses are the expenses incurred by the Bandhan AMC Limited towards launching of schemes and plans of Bandhan Mutual Fund (formerly known as IDFC Mutual Fund) during the year.

ii) Shared service costs includes amount paid to the related parties ₹ Nil (previous year ₹ 1.60 million) and amount recovered from the related parties ₹ Nil (previous year ₹ Nil) towards a Service Level Agreement (refer note 37).

a) Breakup of Auditors' Remuneration

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	3.21	3.30
Tax audit fees	0.40	0.31
Other Services	2.82	0.50
Out-of-pocket expenses	0.03	#
Total	6.46	4.11

#The amount is below rounding off norms adopted by the Group

b) Contribution for Corporate Social Responsibility (CSR)

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per Section 135 of the Act	39.55	29.16
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	39.55	29.16
Total	39.55	29.16

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Amount required to be spent by the company during the year	39.55	29.16
(b) Amount of expenditure incurred	39.55	29.16
(c) Shortfall at the end of the year	Not applicable	Not applicable
(d) Total of previous year's shortfall	Not applicable	Not applicable
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities	Refer (i) below	Refer (i) below
(g) Details of related party transactions	Not applicable	Not applicable
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be	Not applicable	Not applicable

(i)

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR Expenditure:		
K C Mahindra Education Trust - A/c Nanhi Kali	9.30	6.48
School and Teachers Innovating for Results (India)	5.00	4.60
TNS India Foundation	5.00	1.60
Protsahan India Foundation	4.44	1.79
Human Capital for Third Sector	4.42	-
Saajha	3.55	3.68
National Association for the Blind	2.50	0.90
Govandi Education Society	2.45	2.01
Ishita Sharma Foundation	0.54	-
Zariya Welfare Foundation	0.50	0.50
I-Saksham Education and Learning Foundation	0.50	-

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR Expenditure: (Contd.)		
Society for Public Education Cultural Training and Rural Action (SPECTRA)	0.50	-
Lotus Petal Charitable Foundation	0.50	-
Masoom	0.35	-
United Way of Mumbai	-	3.00
Give Foundation	-	1.99
Sphoorti Foundation	-	0.50
Primavera India	-	1.11
United Way of Mumbai (TMM)	-	1.00
Total	**39.55**	29.16

The Group does not have any amount remaining unspent under section 135(5) of the Act.

24 Finance Cost

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liability	23.64	23.76
Total	**23.64**	23.76

25 Income Tax

a) The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	312.83	603.57
Deferred tax	(13.70)	(27.60)
Prior period tax	-	-
Total	**299.13**	575.97

b) Reconciliation of the total tax charge

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	1,182.70	2,323.35
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	**297.69**	584.79
Tax Effect of the Amount which are Not Taxable in Calculating Taxable Income :		
- Income taxed at differential rate	(5.02)	(35.28)
- Expense not deductible for tax purposes	9.99	7.49
- Permanent difference:	-	
- ESOP	4.57	5.52
- Scheme issue expenses	0.46	3.43
- Others	(8.56)	10.02
Income tax expense at effective tax rate	**299.13**	575.97
Effective tax rate	**25.29%**	24.79%

26 Employee benefit obligations

a) Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit and Loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	33.98	31.72
Pension fund	5.23	4.34
Labour welfare fund	0.01	0.01
Superannuation fund	0.20	0.87
Total	**39.42**	36.94

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance sheet

(₹ in million)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2021	173.01	157.99	15.02
Current service cost	28.42	-	28.42
Interest expense/(income)	11.64	11.11	0.53
Return on plan assets	-	(0.08)	0.08
Actuarial loss / (gain) arising from change in financial assumptions	1.89	-	1.89
Actuarial loss / (gain) arising from change in demographic assumptions	0.50	-	0.50
Actuarial loss / (gain) arising on account of experience changes	(14.10)	-	(14.10)
Reversal of the liability	-	-	-
Employer contributions	-	15.02	(15.02)
Benefit payments	(14.82)	(14.82)	-
Past Service Cost	-	-	-
As at March 31, 2022	186.54	169.22	17.32
Current service cost	31.14	-	31.14
Interest expense/(income)	12.45	11.77	0.68
Return on plan assets	-	(0.26)	0.26
Actuarial loss / (gain) arising from change in financial assumptions	(10.62)	-	(10.62)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(11.88)	-	(11.88)
Reversal of the liability	-	-	-
Employer contributions	-	17.32	(17.32)
Benefit payments	(16.41)	(16.41)	-
Past Service Cost	-	-	-
As at March 31, 2023	**191.22**	**181.64**	**9.58**

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	191.22	186.54
Fair value of plan assets	181.64	169.22
Plan liability net of plan assets	9.58	17.32

ii) Statement of profit and loss

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefit expense		
Current service cost	31.14	28.42
Total	31.14	28.42
Finance costs	0.68	0.53
Past Service Cost	-	-
(Gains)/Losses on settlement	-	-
Net impact on the profit before tax	31.82	28.95

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurements of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	0.26	0.08
Actuarial gains/(losses) arising from changes in demographic assumptions	-	0.50
Actuarial gains/(losses) arising from changes in financial assumptions	(10.62)	1.89
Actuarial gains/(losses) arising from changes in experience	(11.88)	(14.10)
Net impact on the other comprehensive income before tax	(22.24)	(11.63)

iii) Defined benefit plan assets

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
Insurer managed funds		
- Government securities	51.27	55.45
- Deposit and money market securities	6.06	2.69
- Debentures / bonds	42.67	41.86
- Equity shares	-	-
Total	100.00	100.00

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45	6.90
Salary escalation rate*	10.00	10.00

* takes into account inflation, seniority, promotions and other relevant factors.

v) Demographic assumptions

Mortality in Service

	As at March 31, 2023	As at March 31, 2022
Age (Years)	Rates (p.a.)	
18	0.0008740	0.0008740
23	0.0009360	0.0009360
28	0.0009420	0.0009420
33	0.0010860	0.0010860
38	0.0014530	0.0014530
43	0.0021440	0.0021440
48	0.0035360	0.0035360
53	0.0061740	0.0061740
58	0.0096510	0.0096510

vi) Sensitivity

(₹ in million)

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase to	Decrease to
Discount rate	50 bps	182.27	200.84
Salary escalation rate	50 bps	200.57	182.43

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase to	Decrease to
Discount rate	50 bps	177.37	196.43
Salary escalation rate	50 bps	196.10	177.58

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.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in million)

Category of assets (% allocation)	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	11.27	12.36
Between 2 and 5 years	46.67	36.75
Between 6 and 9 years	83.48	48.12
Between 10 and above	272.24	285.30
Total expected payments	413.66	382.53

The weighted average duration of the defined benefit obligation is 9.70 years (previous year - 10.20 years).

27 Segment information

The Company is engaged in the business of providing asset management services to Bandhan Mutual Fund (formerly known as IDFC Mutual Fund), investment advisory and portfolio management services which contributes a single reportable business segment. During the year ended March 31, 2023, the Company was engaged in only one business segment and as such there are no separate reportable segments, as required by Ind AS 108 on 'Segment Reporting'. The Company's revenue is primarily from services rendered in India.

a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

(₹ in million)

	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue		
- India	3,626.30	3,974.77
- Outside India	-	-
Total	**3,626.30**	3,974.77

* There is one single party who individually contributes more than 10% of total operating revenue of the Company which aggregates to ₹ 3,613.27 million (previous year ₹ 3,955.56 million) .

b) Segment assets and segment liabilities revenue

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Segment assets		
- India	3,275.40	3,205.06
- Outside India	5.44	3.58
Total Segment assets	**3,280.84**	3,208.64
Unallocated:		
Discontinued operations	-	429.33
Total asset as per balance sheet	**3,280.84**	3,637.97
Segment liabilities		
- India	1,252.51	1,460.48
- Outside India	0.84	0.50
Total Segment liabilities	1,253.35	1,460.98
Unallocated:		
Discontinued operations	-	-
Total liability as per balance sheet	1,253.35	1,460.98

28 Earnings per share (EPS)

a) Basic earnings per share

(₹ in million except equity share data)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
From continuing operations attributable to the equity holders of the group	2.73	5.43
From discontinued operation	(0.02)	0.03
Total basic earnings per share attributable to the equity holders of the group	**2.71**	5.47

b) Diluted earnings per share

(₹ in million except equity share data)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
From continuing operations attributable to the equity holders of the group	2.73	5.25
From discontinued operation	(0.02)	0.03
Total diluted earnings per share attributable to the equity holders of the group	2.71	5.28

c) Reconciliations of earnings used in calculating earnings per share:

(₹ in million except equity share data)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic earnings per share (face value of ₹1 each)		
Profit from continuing operations as presented in the statement of profit or loss	883.57	1,747.38
Less: Profit from continuing operations attributable to non-controlling interests	-	-
Profit from continuing operations attributable to the equity holders of the group	883.57	1,747.38
Profit from discontinued operation	(6.94)	10.58
Profit attributable to the equity holders of the group used in calculating basic earnings per share	876.63	1,757.96
Diluted earnings per share (face value of ₹1 each)		
Profit from continuing operations as presented in the statement of profit or loss	883.57	1,747.38
Less: Profit from continuing operations attributable to non-controlling interests	-	-
Profit from continuing operations attributable to the equity holders of the group	883.57	1,747.38
Profit from discontinued operation	(6.94)	10.58
Profit attributable to the equity holders of the group used in calculating basic earnings per share	876.63	1,757.96

d) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	323,846,392	321,615,919
Adjustments for calculation of diluted earnings per share:		
Options	-	11,413,329
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	323,846,392	333,029,248

29 Contingent liabilities

1) (₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts in respect of:		
- Reversal of Cenvat credit under protest	15.02	15.02
- Income tax demand	0.72	0.72
Total	15.74	15.74

30 Capital commitments

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	7.93	5.34
Total	7.93	5.34

31 Trade Payables

Dues to micro and small enterprises

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The below information regarding micro, small and medium enterprises have been determined on the basis of information available with the Group. The disclosures pursuant to the said MSMED Act are as follows (refer note 12A):

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	5.79	2.31
Interest due to suppliers registered under MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

32 Capital management

The capital structure of the Group is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Management considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a stable and adequate capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and continue as a going concern entity.

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

The management monitors the return on capital as well as the level of dividends to the shareholders. The Group's goal is to continue to be able to provide return to the shareholders by continuing to distribute dividends in future period.

33 Maturity analysis of assets and liabilities

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

(₹ in million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	22.57	-	22.57	16.05	-	16.05
Bank balances other than cash and cash equivalents above	50.92	-	50.92	35.22	-	35.22
Trade receivables	195.12	-	195.12	132.93	-	132.93
Investments	1,202.60	970.41	2,173.01	1,789.80	476.22	2,266.02
Other financial assets	38.98	32.96	71.94	25.94	35.51	61.45
Non-Financial Assets						
Income tax assets (net)	-	186.73	186.73	-	158.52	158.52
Property, plant and equipment	-	98.33	98.33	-	101.71	101.71
Intangible assets	-	12.37	12.37	-	19.14	19.14
Right-of-use assets	-	314.60	314.60	-	279.89	279.89
Deferred tax asset (net)	-	27.03	27.03	-	13.33	13.33
Other non-financial assets	122.84	5.38	128.22	123.78	0.60	124.38
Total assets	**1,633.03**	**1,647.81**	**3,280.84**	2,123.72	1,084.92	3,208.64

(₹ in million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	5.79	-	5.79	2.31	-	2.31
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	121.44	-	121.44	90.14	-	90.14
(II) Other payables		-	-		-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	31.26	-	31.26	21.50	-	21.50
Lease liabilities	70.39	298.98	369.37	73.60	245.86	319.46
Other financial liabilities	495.35	-	495.35	357.63	-	357.63
Non-Financial Liabilities						
Income tax liabilities (net)	129.55	-	129.55	188.61	-	188.61
Provisions	9.58	-	9.58	17.32	-	17.32
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	91.01	-	91.01	329.94	-	329.94
Total liabilities	**954.37**	**298.98**	**1,253.35**	1,081.05	245.86	1,326.91
Net	**678.66**	**1,348.83**	**2,027.49**	1,042.67	839.06	1,881.73

34 Fair Value Measurement

a) Financial instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes to the financial statements.

(₹ in million)

Particulars	As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost
Financial Assets:			
Cash and cash equivalents	-	-	22.57
Bank Balances other than cash and cash equivalents	-	-	50.92
Trade receivables	-	-	195.12
Investments:			
- Mutual fund units	1,936.80	-	-
- Alternate investment funds units	-	-	-
- Equity instruments	235.71	0.50	-
Other financial assets	-	-	71.94
Total Financial Assets	**2,172.51**	**0.50**	**340.55**
Financial Liabilities:			
Trade and other payables	-	-	158.49
Other financial liabilities	-	-	495.35
Total Financial Liabilities	**-**	**-**	**653.84**

(₹ in million)

Particulars	As at March 31, 2022 FVTPL	FVOCI	Amortised cost
Financial Assets:			
Cash and cash equivalents	-	-	16.05
Bank Balances other than cash and cash equivalents	-	-	35.22
Trade receivables	-	-	132.93
Investments:			
- Mutual fund units	2,058.89	-	-
- Alternate investment funds units	-	-	-
- Equity instruments	206.63	0.50	-
Other financial assets	-	-	61.45
Total Financial Assets	2,265.52	0.50	245.65
Financial Liabilities:			
Trade and other payables	-	-	113.95
Other financial liabilities	-	-	357.63
Total Financial Liabilities	-	-	471.58

The Equity instruments in subsidiaries is measured at cost and not included in the above table.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value through Profit and Loss (b) recognised and measured at fair value through other comprehensive income and (c) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2023

(₹ in million)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	1,936.80	-	1,936.80
- Equity instruments		47.35	85.72	102.64	235.71
Financial Investments at FVOCI					
- Equity instruments		-	0.50	-	0.50
Total financial assets		**47.35**	**2,023.02**	**102.64**	**2,173.01**

As at March 31, 2022

(₹ in million)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	2,058.89	-	2,058.89
- Equity instruments		44.70	59.49	102.44	206.63
Financial Investments at FVOCI					
- Equity instruments		-	0.50	-	0.50
Total financial assets		44.70	2,118.88	102.44	2,266.02

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. However, there are no transfers between levels 1, 2 and 3 during the year.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (such as mutual fund units and alternate investment fund units) is determined using observable market data and not the entity specific estimates. These investments are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors. Since all significant inputs required to fair value an instrument are observable, the investments are included in Level 2.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in level 3.

c) Valuation technique used to determine fair value

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.

Specific valuation techniques used to value financial instruments include:

- the fair value of mutual fund units and alternate investment fund units is determined using observable NAV representing repurchase price issued by the mutual fund and 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.

- The investment in Mutual Fund utility (MFU) participation shares (classified under FVOCI) entitles access to MFU a transaction aggregating portal that enables free access to investors for NAV and other scheme related content across mutual funds. The Association of Mutual Funds in India mandates this investment for all the asset management companies in proportion of their assets under management (AUM) to access MFU. These units do not carry any participation in the net assets of MFU and will be redeemed at their face value when the AMC exits the platform. Accordingly the face value of the units is considered as a reasonable approximation of its fair value being the actual amount recoverable on exit from the platform.

- The fair value of Gandhar Oil Refinery (India) Ltd (GORL) shares has been determined using a combination of DCF and market multiples methods, both equally weighted. DCF Method expresses the present value of a business as a function of its future cash earning capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flows stream, discounted to the present times at an appropriate discount rate. It recognizes that money has a time value by discounting future cash flows at an appropriate discount factor. The DCF methodology depends on projecting future cash flows and selecting an appropriate discount factor. A comparable market multiples method is a process used to evaluate the value of a company using the metrics of other businesses of similar size in the same industry. The market multiple method operates under the assumption that similar companies will have similar valuation multiples.

- 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. This valuation method carries more weight with respect to companies which are in the initial stages of starting operations. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

d) Fair value measurments using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2023 and March 31, 2022.

(₹ in million)

	Unlisted equity securities
As at April 1, 2021	-
Acquisitions	102.44
Gains/(losses) recognised in Statement of Profit and Loss	-
As at March 31, 2022	102.44
Acquisitions	-
Gains/(losses) recognised in Statement of Profit and Loss	0.20
As at March 31, 2023	**102.64**

e) Valuation Inputs and relationships to fair value

The following table summariese the quantitative information about the significant unobservable input used in level 3 fair value measurements.

(₹ in million)

Particulars	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Significant unobservable inputs	Sensitivity
Unquoted equity shares	102.64	102.44	Net Asset Value	Increase in net asset value by 1% would increase value by ₹ 1.02 million. Decrease in net asset value by 1% would decrease value by ₹ 1.02 million

f) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, trade and other receivables, trade and other payables.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and financial liabilities measured at amortised cost, the carrying amounts are equal to the amortised cost.

35 Financial risk management

35.1 Introduction

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial instruments held by the Group expose it to a variety of financial risks: market risk, credit risk and liquidity risk. In addition, the Group is indirectly exposed to market risk through management fee income which is determined by the assets under management of the schemes of Bandhan Mutual Fund (formerly known as IDFC Mutual Fund). The Group uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

35.2 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from its investment transactions.

Credit risk is monitored on an ongoing basis by the Group in accordance with its policies and procedures. The Group is exposed to credit risk from investments held in units of the funds it manages. These investments are measured at fair value through profit or loss. The Group has no significant concentration of credit risk.

The Group's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, deposits with banks, security deposits, trade receivables and other receivables.

Trade receivables and other receivables have been considered to have a low credit risk as they meet the following criteria:

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 fulfill its obligations."

The Group has placed security deposit with lessors for premises leased by the Group aggregating to ₹ 40.30 million as at March 31, 2023 (previous year ₹ 68.91 million). Where the Group perceives any significant decline in credit risk of the lessors and the amount of security deposit is material the Group has provided for expected credit losses on such security deposits.

The exposure to security deposit is considered in stage 1 and accordingly impairment loss is charged considering 12 months expected credit loss model. The ECL computation is done based on the formula Exposure at default (EAD)*Probability of default (PD)*Loss given default (LGD) where:

- Exposure at default (EAD) is based on the amount that the Group expects to be owed at the time of default, over the next 12 months (12M EAD).
- The Probability of default (PD) represents the likelihood of a counterparty defaulting on its financial obligation over the next 12 months (12M PD).
- Loss given default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty.

The following table contains an analysis of the credit risk exposure of security deposits for which an ECL allowance is recognised. The gross carrying amount of security deposit below also represents the Group's maximum exposure to credit risk on these assets.

As at March 31, 2023

Particulars	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	15.94	26.92%	45.00%	1.93
		Others	24.35	26.92%	65.00%	4.26
	Total		**40.29**			**6.19**

As at March 31, 2022

Particulars	Risk rating	Lessor type	Exposure at default (₹ in million)	Probability of default	Loss given default	Expected credit loss (₹ in million)
Security Deposit	Stage 1 (12 month ECL)	Corporate	20.91	26.92%	45.00%	2.53
		Others	47.97	26.92%	65.00%	8.40
	Total		68.88			10.93

Reconciliation of impairment allowance on security deposit

Impairment allowance measured as per general approach	₹ in million
Impairment allowance as at April 1, 2021	16.22
Add/(less): changes during the year	(5.29)
Impairment allowance as at March 31, 2022	10.93
Add/(less): changes during the year	(4.74)
Impairment allowance as at March 31, 2023	**6.19**

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:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	2,173.01	2,266.02
Receivables	195.12	132.93
Cash and cash equivalents	22.57	16.05
Bank balances other than cash and cash equivalents above	50.92	35.22
Other financial assets	71.94	61.45

35.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Group believes that current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Group has no external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in million)

As at March 31, 2023	Note	Less than 12 months	More than 12 months	Total
Trade and other payables	12A and 12B	158.49	-	**158.49**
Lease Liability	9B	70.39	298.98	**369.37**
Other financial liabilities	13	495.35	-	**495.35**
Total		**724.23**	**298.98**	**1,023.21**

(₹ in million)

As at March 31, 2022	Note	Less than 12 months	More than 12 months	Total
Trade and other payables	12A and 12B	113.95	-	113.95
Lease Liability	9B	73.60	245.86	319.46
Other financial liabilities	13	357.63	-	357.63
Total		545.18	245.86	791.04

35.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments.

i) Interest rate risk:

Interest rate risk is where the Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

The Group does not have any variable rate borrowings. There are some investments in fixed rate debt securities measured at fair value through profit or loss.

The Group is exposed to interest rate risk from investments held in debt oriented units of the schemes of the mutual fund it manages. The exposure of debt oriented fund units to interest rate risk is measured using the sensitivity analysis as follows:

Exposure

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund units (Debt)	1,255.95	1,673.82

Particulars	Impact on profit after tax and equity	
	As at March 31, 2023	As at March 31, 2022
Increase 100 basis points (bps) (previous year 100 bps)*	9.38	10.87
Decrease 100 basis points (bps) (previous year 100 bps)*	(9.38)	(10.87)

*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.

ii) Foreign currency risk:

The Group does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date that will result in net currency gains or losses in the Statement of Profit and Loss due to change in foreign currency exchange rates.

iii) Price risk:

Price risk is the risk that the financial assets at fair value may fluctuate as a result of changes in market prices.

The Group is mainly exposed to price risk due to its investment in equity oriented mutual fund units, alternate investment fund units and equity instruments classified as fair value through profit and loss / fair value through other comprehensive income. Price risk arises due to uncertainties in the prices of the underlying securities in the schemes of the mutual fund which the Group manages, the alternate investment funds and venture capital funds. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification is done in accordance with the limits set by the risk management policies of the Group.

Exposure

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund units (equity-oriented)	680.85	385.07
Investment in alternate investment fund units	-	-
Investment in equity instruments	235.71	206.63
Total	**916.56**	591.70

Sensitivity

Investment in mutual fund units and alternate investment fund units

The table summarises the impact of the increase/decrease in NAV of mutual fund units and alternate investment fund units on the Group's equity and profit for the year.

(₹ in million)

Particulars	Impact on profit after tax*	
	Year ended March 31, 2023	Year ended March 31, 2022
Investment in mutual fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	4.44	2.94
- Decrease 100 basis points (bps) (previous year 100 bps)	(4.44)	(2.94)
Investment in alternate investment fund units		
- Increase 100 basis points (bps) (previous year 100 bps)	-	3.42
- Decrease 100 basis points (bps) (previous year 100 bps)	-	(3.42)

*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.

Investment in equity instruments

The majority of the Group's investments in equity instruments through IDFC NEO Equity Portfolio are publicly traded and are included in the BSE 200 Index. The table below summarises the impact of increase/decrease of the benchmark index on the Group's equity and profit for the year. The analysis is based on the assumption that the equity index had increased by 15% (previous year 15%) or decreased by 15% (previous year 15%) with all other variables held constant, and that all the Group's equity instruments moved in line with the benchmark index BSE 200.

(₹ in million)

Particulars	Impact on profit after tax*	
	Year ended March 31, 2023	Year ended March 31, 2022
BSE 200		
- Increase by 15% (previous year 15%)	2.31	1.78
- Decrease by 15% (previous year 15%)	(2.31)	(1.78)

*The sensitivity analysis represents movement as at the March 31, 2023 and March 31, 2022 and does not represent movement during the year.

36 Employee share based payments

a) Employee stock option scheme (equity settled)

I The Company has constituted an IDFC AMC Employee Stock Option Scheme, 2020 ("ESOS 2020") which provides for grant of equity shares to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOS – 2020 was formulated by NRC at its meeting held on December 23, 2019 and the same was approved by the Board of Directors on December 23, 2019 and subsequently by the Shareholders of the Company vide special resolution at their Extra-Ordinary General Meeting held on December 24, 2019.

The maximum aggregate number of employee stock options that may be awarded under this scheme and the previous scheme ESOS 2017 combined are 5% of issued equity shares outstanding (excluding warrants and conversions) of the Company.

The options granted under ESOS - 2020 would vest on completion of three years from the date of grant. The vesting of options would be a function of continued employment with the Company (vesting condition) and on achievement of performance criteria (performance condition) as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting.

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. The performance conditions specified are not based upon market conditions and therefore at every reporting date entity revises its estimate of the number of options expected to vest in order to determine the share based payment charge for the year.

Summary of options granted under the plan:

	Year ended March 31, 2023		Year ended March 31, 2022	
Particulars	Average exercise price (₹)*	Number of options*	Average exercise price (₹)*	Number of options*
Opening balance	60.46	7,224,000	58.25	7,248,000
Granted during the year			106.64	330,000
Exercised during the year	58.25	(5,850,000)	-	-
Forfeited during the year	58.25	(756,000)	58.25	(354,000)
Lapsed/expired during the year			-	-
Closing balance	**60.46**	**618,000**	60.46	7,224,000
Vested and exercisable	**84.09**	**618,000**	-	-

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 1,625.00 (previous year ₹ Nil).

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, 2023	Outstanding as at March 31, 2022*
January 01, 2020	January 01, 2028	58.25	-	6,666,000
April 1, 2020	April 1, 2028	58.25	-	90,000
October 1, 2020	October 1, 2028	58.25	-	138,000
September 1, 2021	September 1, 2028	98.84	-	210,000
December 1, 2021	December 1, 2028	120.28	-	120,000
Total			**-**	**7,224,000**
Weighted average remaining contractual life of options outstanding at end of period			-	5.86

**Adjusted for the 11:1 bonus shares (refer note 18A).*

i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition and performance condition as specified in the scheme in a graded manner. Vested options are exercisable for a period of five years after vesting.

The model inputs for options granted during the year ended March 31, 2023 included:

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022	
		Grant 1	Grant 2
Expected - Weighted average volatility	-	30.71%	30.77%
Expected dividends	-	5.46%	4.68%
Expected term (In years)	-	5.51	5.51
Risk free rate	-	5.80%	5.83%
Exercise price (₹)*	-	98.84	120.28
Market price (₹)*	-	98.84	120.28
Fair value of the option at grant date (₹)*	-	21.09	28.35

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

**Adjusted for the 11:1 bonus shares (refer note 18A).*

ii) Cash Settled share based payment

In the event of change of control of the Company, the options granted were fully vested subject to the minimum time for vesting prescribed under the SEBI Regulations. For the outstanding options under the ESOS - 2020 scheme, the Company has, after applying the guidance under Ind AS 102, classified them as "Cash settled share based payments" in the financial statements. The fair value of the amount payable to employees is recognised as employee benefit expenses' with a corresponding increase in liabilities. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

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, 2023*	Outstanding as at March 31, 2022
January 01, 2020	January 01, 2028	58.25	60,000	-
April 1, 2020	April 1, 2028	58.25	90,000	-
October 1, 2020	October 1, 2028	58.25	138,000	-
September 1, 2021	September 1, 2028	98.84	210,000	-
December 1, 2021	December 1, 2028	120.28	120,000	-
Total			**618,000**	**-**
Weighted average remaining contractual life of options outstanding at end of period			5.90	-

**Adjusted for the 11:1 bonus shares (refer note 18A).*

II The Company has constituted an Employee Stock Option Scheme-2017 ("ESOSAMC-2017") which provides for grant of equity shares to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOSAMC – 2017 was formulated by NRC at its meeting held on August 9, 2017 and the same was approved by the Board of Directors on August 9, 2017 and subsequently by the Shareholders of the Company vide special resolution at their Extra-Ordinary General Meeting held on September 7, 2017.

The maximum aggregate number of employee stock options that may be awarded under this scheme are 2% of issued equity shares outstanding (excluding warrants and conversions) of the Company.

The options granted under ESOSAMC-2017 would vest on completion of three years from the date of the grant. The vesting of options would be a function of continued employment with the Company (vesting condition) and on achievement of performance criteria (performance condition) as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting.

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. The performance conditions specified are not based upon market conditions and therefore at every reporting date entity revises its estimate of the number of options expected to vest in order to determine the share based payment charge for the year.

Summary of options granted under the plan:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Average exercise price (₹)*	Number of options*	Average exercise price (₹)*	Number of options*
Opening balance	80.39	4,388,160	80.39	4,655,520
Granted during the year			-	-
Exercised during the year	80.39	(4,288,680)	80.39	(19,200)
Forfeited during the year	80.39	(99,480)	80.39	(248,160)
Lapsed/expired during the year			-	-
Closing balance	-	-	80.39	4,388,160
Vested and exercisable	-	-	80.39	4,388,160

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 1,625.00 (previous year ₹ 1,186.06).

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, 2023	Outstanding as at March 31, 2022*
September 9, 2017	September 9, 2025	80.39	-	4,155,120
November 6, 2017	November 6, 2025	80.39	-	113,040
April 11, 2018	April 11, 2026	80.39	-	120,000
Total			-	4,388,160
Weighted average remaining contractual life of options outstanding at end of period			-	3.47

**Adjusted for the 11:1 bonus shares (refer note 18A).*

i) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and will vest upon the completion of service condition and performance condition as specified in the scheme in a graded manner. Vested options are exercisable for a period of five years after vesting.

The model inputs for options granted during the year ended March 31, 2023 included:

Assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Expected - Weighted average volatility	-	-
Expected dividends	-	-
Expected term (In years)	-	-
Risk free rate	-	-
Exercise price (₹)	-	-
Market price (₹)	-	-
Fair value of the option at grant date (₹)	**-**	**-**

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

b) Group share based payment scheme (equity settled)

IDFC Limited (erstwhile ultimate holding company) has introduced IDFC Employee Stock Option Scheme, 2016 ("IDFC ESOS - 2016") to enable the employees of the group companies to participate in the future growth and financial success of the IDFC Group. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees of the Company to acquire equity shares of the IDFC Limited, that will vest in a graded manner and that are to be exercised within a specified period.

Options granted under the plan to the employees of the Company are without any consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share of IDFC Limited. Since the Company does not have an obligation to settle the award granted to its employees, the award is treated as an equity-settled share-based payment in the Company's accounts.

Set out below is a summary of options granted under the plan:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	55.22	882,066	55.22	1,216,704
Granted during the year	-	-	-	-
Exercised during the year	53	(631,814)	-	-
Forfeited during the year	60.35	(28,966)	60.35	(16,674)
Lapsed/expired during the year	59.22	(221,286)	54.92	(317,964)
Closing balance	-	-	55.22	882,066
Vested and exercisable	-	-	55.22	882,066

The weighted average share price at the date on which options were exercised during the year ended March 31, 2023 was ₹ 53.25 (previous year ₹ Nil).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date Vest 1	Expiry date Vest 2	Expiry date Vest 3	Exercise price (₹)*	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
October 5, 2015	October 5, 2021	October 5, 2022	October 5, 2023	60.35	-	529,466
February 5, 2016	February 5, 2022	February 5, 2023	February 5, 2024	41.15	-	210,000
September 14, 2016	September 14, 2022	September 14, 2023	September 14, 2024	59.20	-	100,000
March 14, 2017	March 14, 2023	March 14, 2024	March 14, 2025	51.85	-	42,600
Total					-	882,066
Weighted average remaining contractual life of options outstanding at end of period					-	1.93

i) Fair value of options granted

There were no options granted during the year ended March 31, 2023 and March 31, 2022.

c) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the Statement of Profit and Loss as part of employee benefit expense were as follows:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee stock option scheme (equity settled)	18.20	21.95
Employee stock option scheme (cash settled)	(0.06)	-
Group share based payment scheme (equity settled)	-	-
Total	18.14	21.95

37 Related party transactions

a) Ultimate holding company

IDFC Limited (upto January 31, 2023)

Bandhan Financial Services Limited (w.e.f. close of business hours on January 31, 2023)

b) Holding company

IDFC Financial Holding Company Limited (upto January 31, 2023)

Bandhan Financial Holdings Limited (w.e.f. close of business hours on January 31, 2023)

The list of related parties with whom transactions have taken place during the year:

c) Subsidiaries/Controlled Funds

Direct:

IDFC Investment Managers (Mauritius) Limited

IDFC IEH Conservative Fund (upto October 06, 2022)

Through subsidiaries:

India Multi Avenues Fund Limited

d) Fellow subsidiaries

Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company Limited)

IDFC Foundation (upto January 31, 2023)

e) Indirect associate

IDFC First Bank Limited (Formerly IDFC Bank Limited) (upto January 31, 2023)

Bandhan Bank Limited (wef February 1, 2023)

f) Key management personnel

Mr. Vishal Kapoor - Chief Executive Officer

Mr. Vinod Rai - Chairman Non-executive Director (ceased to be the Director of the Company wef September 22, 2021)

Mr. Sunil Kakar - Director* (ceased to be the Director of the Company wef June 10, 2021)

Ms. Anita Ramachandran - Independent Director (ceased to be the Director of the Company wef June 3, 2021)

Ms. Anita Belani - Associate Director (Independent Director wef August 13, 2019, re-designated as Associate Director wef November 9, 2021 upto January 31, 2023)

Ms. Veena Mankar - Independent Director (wef June 10, 2021 upto January 31, 2023)

Ms. Ritu Anand - Associate Director (wef June 10, 2021 upto January 31, 2023)

Mr. Anand Krishan - Independent Director (Additional Director) (wef January 1, 2022 upto January 31, 2023)

Ms. Shradha Agarwal - (date of appointment: January 31, 2023; ceased to be the Director of the Company wef February 24, 2023)*

Mr. Karni Singh Arha - Associate Director (date of appointment: January 31, 2023)*

Mr. Bhaskar Sen - Independent Director (date of appointment: January 31, 2023)

Mr. Nitin Mittal - Independent Director (date of appointment: January 31, 2023)

Mr. G Mahalingam - Independent Director (date of appointment: January 31, 2023)

Mr. Atanu Sen - Associate Director (date of appointment: January 31, 2023)

Mr. Pankaj Sood - Associate Director (date of appointment: January 31, 2023)*

Mr. Ankit Singhal - Associate Director (date of appointment: January 31, 2023)*

Sitting fees paid to the directors has been disclosed as “Directors’ Sitting Fees” under “other expenses” in note 23. There is no other benefit paid to the directors.

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefit	212.89	58.80
Long-term employee benefit	4.16	3.90
Total	217.05	62.70

**No transaction during the year*

g) Transactions with related parties

(₹ in million)

Particulars	Transactions	Year ended March 31, 2023	Year ended March 31, 2022
IDFC Limited (upto January 31, 2023)	Reimbursement of expenses	0.09	0.10
	Recovery of expenses	0.93	1.54
IDFC Financial Holding Company Limited (upto January 31, 2023)	Payment of Dividend	1,730.63	3,402.39
IDFC IEH Conservative Fund (upto October 6, 2022)	Recovery of other expenses (net)	0.36	0.97
Bandhan Mutual Fund Trustee Limited (formerly known as IDFC AMC Trustee Company Limited)	Recovery of expenses	0.29	0.02
IDFC Foundation (upto January 31, 2023)	Recovery of expenses	-	0.12
IDFC First Bank Limited (Formerly IDFC Bank Limited) (upto January 31, 2023)*	Shared service cost paid	-	1.60
India Multi-Avenues Fund Limited	Expenses paid on behalf	2.64	2.46

h) Outstanding balances

(₹ in million)

Particulars	Transactions	Year ended March 31, 2023	Year ended March 31, 2022
IDFC First Bank Limited (Formerly IDFC Bank Limited)* (upto January 31, 2023)	Current account balance	-	1.81
	Current account balance (Investor Education and Awareness)	-	28.94

*The Group has day to day transactions with IDFC FIRST Bank Limited, being the bank, used for payments and receipts in the normal course of business which have not been considered for the purpose of reporting under this note.

The Ultimate Holding company, Bandhan Financial Services Limited, is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India ("RBI"), which is required to obtain Certificate of Registration from the RBI. It has obtained such registration and it continues to fulfil the criteria of a CIC.

38 Investment in unconsolidated structured entities

The Company acts as the fund manager for Bandhan Mutual Fund (formerly known as IDFC Mutual Fund), and through its rights as a manager, has a significant involvement in decision-making over the fund's operations and activities. However, fund manager are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by IND AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.

The following table shows the income and carrying amount of the Company's recorded interest in the structured entities as well as the maximum exposure to risk due to these exposures in the unconsolidated structured entities and asset management activities.

(₹ in million)

Particulars	Asset Under Management of the scheme	
	As at March 31, 2023	As at March 31, 2022
Financial instruments classified as FVTPL		
Bandhan S&P BSE Sensex ETF	**8.77**	14.76

The following table sets out an analysis of the carrying amount of interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Bandhan S&P BSE Sensex ETF	2.32	2.29
Management fees receivable	0.02	0.01
Total:	**2.34**	2.30

39 Interest in other entities

a) Subsidiaries

The Group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

Name of entity	Principal activities	Place of incorporation and principle business	Ownership interest held by Group (%)		Ownership interest held by non-controlling interests (%)	
			Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
IDFC Investment Managers (Mauritius) Limited	Asset management services	Mauritius	100%	100%	-	-
IDFC IEH Conservative Fund (upto October 6, 2022)	AIF Category III Fund	India	-	69.54%	-	30.46%

40 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013 as on March 31, 2023

	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the group	As % of consolidated net assets	(₹ in million)	As % of consolidated profit or Loss	(₹ in million)	As % of consolidated other comprehensive Income	(₹ in million)	As % of consolidated total comprehensive income	(₹ in million)
Parent company								
Bandhan AMC Limited	99.99	2,027.30	100.28	879.12	100.00	16.64	100.28	895.76
Indian subsidiary companies								
IDFC IEH Conservative fund (upto October 6, 2023)	-	-	(1.25)	(10.94)	-	-	(1.23)	(10.94)
Foreign subsidiary companies								
IDFC Investment Managers (Mauritius) Limited	0.23	4.60	(0.67)	(5.86)	-	-	(0.66)	(5.86)
Total (A)	100.22	2,031.90	98.36	862.32	100.00	16.64	98.39	878.96
a) Adjustment arising out of consolidation								
Intercompany Eliminations	(0.22)	(4.41)	1.64	14.31	-	-	1.61	14.31
b) Non-controlling interests								
- IDFC IEH Conservative Fund	-	-			-	-	-	-
Total (B)	(0.22)	(4.41)	1.64	14.31	-	-	1.61	14.31
Total (A) + (B)	**100.00**	**2,027.49**	**100.00**	**876.63**	**100.00**	**16.64**	**100.00**	**893.27**

41 Discontinued operation

a) IDFC IEH Conservative Fund

During the year, the Company being an asset manager of IDFC IEH Conservative Fund had sought approvals from the investors of IDFC IEH Conservative Scheme (the ‘Scheme’) who had contributed in excess of 75% by value of the investments in the Scheme. Consent from majority of the investors had been received and accordingly it was decided to wind up the scheme. The management of the AMC had also intimated SEBI vide its letter dated September 5, 2022 of its intention to wind up the scheme.

Accordingly, the scheme was wound up on October 6, 2022 and the fund had ceased to be subsidiaries of the Group.

i) Financial performance and cash flow information (after intercompany eliminations)

(₹ in million)

Particulars	Period ended October 6, 2022	Year ended March 31, 2022
Revenue	(5.14)	17.40
Expenses	(3.86)	(8.05)
Impairment loss	-	-
Profit/(Loss) after tax	(9.00)	9.35
Tax expense (net)	(0.08)	(1.23)
Profit/(Loss) after tax	(8.92)	10.58
Other comprehensive income	-	-
Total comprehensive income	(8.92)	10.58
Total comprehensive income attributable to Minority shareholders	(1.98)	3.22
Total comprehensive profit/(loss) from discontinued operation attributable to owner	(6.94)	7.36
Net cash inflow from operating activities	(299.02)	(7.32)
Net cash inflow (outflow) from investing activities	374.59	(246.15)
Net cash (outflow) from financing activities	(114.00)	103.15
Net increase in cash generated from discontinued operation	**(38.43)**	(150.32)

ii) Details of disposal of investment on winding up of scheme:

(₹ in million)

Particulars	Period ended October 6, 2022
Amount received on closure of fund	293.06
Less: Amount invested	300.00
Loss on sale of investment	**(6.94)**

The carrying amounts of assets and liabilities as at October 6, 2022 are as follows:

(₹ in million)

Particulars	As at October 6, 2022
Cash and cash equivalents	2.20
Bank balances other than cash and cash equivalents	0.26
Receivables	296.97
Income tax assets	1.36
Total assets	300.79
Payables	0.07
Total liabilities	0.07
Net assets	300.72
- Attributable to Bandhan AMC Limited	300.00
- Non-controlling interest	0.72

iii) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at March 31st.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	-	10.38
Bank balances other than cash and cash equivalents	-	32.53
Receivables	-	0.02
Investments	-	383.74
Income tax assets	-	2.66
Total assets	-	429.33
Payables	-	1.13
Deferred tax liabilities (Net)	-	0.89
Other non-financial liabilities	-	1.66
Total liabilities	-	3.68
Net assets	-	425.65

42 Additional regulatory information required by Schedule III

i) Details of benami property held

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

ii) Borrowing secured against current assets

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

iii) Wilful defaulter

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

iv) Relationship with struck off companies

The Group has not entered into any transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 other than those stated below:

Name of the struck off Company	Nature of transactions with struck-off Company	Relationship with the struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Parikh Inn Private Limited	Advertising, publicity and promotion	Service provider/Vendor	-	-

v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

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(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 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

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) Valuation of PP&E, intangible asset and investment property

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

xi) The Group does not hold any immovable properties (other than properties where the group is the lessee and the lease agreements are duly executed in favour of the lessee).

xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xiii) There are no borrowings obtained by the Group from banks and financial institutions.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Ketan Asher
Partner
Membership Number: 113522
Place: Mumbai
Date: May 10, 2023

For and on behalf of the Board of Directors of
Bandhan AMC Limited
(formerly known as IDFC Asset Management Company Limited)
CIN No.U65993MH1999PLC123191

Karni Singh Arha
Director
DIN: 09279368
Place: Mumbai
Date: May 10, 2023

Bhaskar Sen
Director
DIN: 03193003
Place: Mumbai
Date: May 10, 2023

Nirav Sanghavi
Company Secretary
Place: Mumbai
Date: May 10, 2023

Piyush Anchliya
Chief Financial Officer
Place: Mumbai
Date: May 10, 2023

Vishal Kapoor
Chief Executive Officer
Place: Mumbai
Date: May 10, 2023

Mutual Funds

1800-266-6688/1800-300-66688

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Alternative Investment Funds

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