

Ref. No.: BBL/289/2024-25

October 10, 2024

BSE Limited

Dept. of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 541153**National Stock Exchange of India Limited**

The Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

NSE Symbol: BANDHANBNK

Dear Sir/Madam,

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") – Update on CGFMU and ECLGS Claim from NCGTC

Pursuant to the applicable provisions of the SEBI LODR and in furtherance of the Bank's previous letter dated February 12, 2024, Bandhan Bank Limited ("the Bank") would like to inform that there is an update as regards the claim raised by the Bank to National Credit Guarantee Trustee Company ("NCGTC") under the Credit Guarantee Fund for Micro Units ("CGFMU") and Emergency Credit Line Guarantee Scheme ("ECLGS").

As context, the Bank had obtained guarantee under CGFMU and ECLGS, the Trust Funds set up by Government of India, managed by NCGTC as a Trustee, with the purpose of guaranteeing payment against default in Loans extended to eligible borrowers by banks.

The Bank had taken insurance of the loan portfolio of approx. Rs.20,807 crore under the CGFMU scheme pertaining to loans for FY 2020-21 and disbursed over Rs.1,948 crore under the ECLGS from FY 2020-21 onwards.

It may also be noted that nearly 85% of the total portfolio of approx. Rs.20,807 crore insured under CGFMU scheme, have been repaid by customers. The residual non-performing portfolio has been fully provided for and technically written off as on March 31, 2024.

The maximum amount eligible for claim under the CGFMU scheme is 15% of the total insured amount. So far, the Bank has claimed and received an amount of Rs.916.61 crore from NCGTC

in December 2022. The Bank had made an additional claim of Rs.1,296.32 crore in the second quarter of FY24. The total amount claimed was within the maximum eligible amount.

NCGTC had conducted an initial sample audit through an independent firm after the 2nd claim. The NCGTC had made certain observations based on the outcome of the sample audit and the Bank had provided clarifications for the same. Subsequently, NCGTC had decided to commission a detailed audit of the claims, termed as "forensic audit".

This detailed audit started in December 2023 and the Bank has provided the required support in the form of information, explanations and documentation to the independent audit team.

The detailed audit is now completed and based on the review of the audit outcome, the NCGTC has deliberated and issued a communication dated October 10, 2024, wherein they have assessed the total claim payout to the Bank under the CGFMU scheme as Rs.1,231.29 crore as on March 31, 2024. Considering that the first claim has been settled to the extent of Rs.916.61 crore, final claim payout as on March 31, 2024 stands at Rs.314.68 crore. The revised amount considers exclusion of certain accounts which have been adjusted from the claim, based on a conservative approach taken by the Bank in view of certain operational gaps due to limitations imposed by Covid restrictions during FY 2020-21.

The above claim amounts are net of recoveries of approx. Rs.228.40 crore as on March 31, 2024, made by the Bank from the accounts covered under CGFMU scheme (claimed under first tranche), which are currently held in the Bank's balance sheet.

In total, therefore, the above-mentioned claim payout of Rs.314.68 crore and the recoveries (from the first tranche claim) held in the Bank's books of Rs.228.40 crore as on March 31, 2024 (i.e., total of approx. 543.08 crore) will be suitably accounted in the Bank's P&L as part of 'Other Income'.

Any recoveries post March 31, 2024 on eligible accounts (which are settled by NCGTC) will be returned to NCGTC. For any recoveries on excluded accounts, the Bank reserves the right to retain and recognize the same in the Bank's financials.

In addition to the above, the Bank had raised a claim of approx. Rs.508 crore to NCGTC under the ECLGS scheme so far, out of which an amount of Rs.161.13 crore had been settled by NCGTC. The remaining amount of approx. Rs.347 crore was kept on hold, pending the

outcome of the forensic audit. As the audit is now completed, NCGTC has allowed the Bank to review and submit a fresh claim to NCGTC for their consideration.

The Bank will be following the required operational process to raise these claims under CGFMU and ECLGS schemes, and will account for the claim payout in its financial books on receipt.

You are requested to take note of the above.

This disclosure is being simultaneously uploaded at the Bank's website, www.bandhanbank.com.

Thanking you.

Yours faithfully,
for **Bandhan Bank Limited**

Indranil Banerjee
Company Secretary