M. P. Chitale & Co.

Chartered Accountants

Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400 001 • Tel : 22651186/ 22653023 / 24 • E-mail : office@mpchitale.com

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

To the Chief Executive Officer (CEO),
IDFC FIRST Bank Limited – IBU GIFT City Branch

Opinion

We have audited the accompanying Special Purpose Financial Statements of **IDFC FIRST Bank Limited - IBU Gift City Branch ("the Branch/ the IBU")**, which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss including other comprehensive income, cash flow statement, and statement of changes in equity for the year ended March 31, 2026, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Financial Statements"). The Special Purpose Financial Statements has been prepared by management of the Branch as per the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") for onward submission to the International Financial Service Centres Authority ("IFSCA") to comply with IFSCA Regulations.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements are prepared in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard ("Ind AS"), of the state of affairs of the Branch as at March 31, 2026 and of the profit and other comprehensive income, cash flows and changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing ("SAs") and any other applicable pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"), as well as the requirements of IFSCA regulation to the extent applicable, rules, directions, circulars, guidelines, from time to time applicable for IFSC Banking Units (IBU's). Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Branch in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

Emphasis of Matter - Basis of Accounting

We draw your attention to Note 21.1 to the Special Purpose Financial Statements, which describes the basis of preparation and presentation of these Special Purpose Financial Statements, which are intended solely for onward submission to the IFSCA by the Bank. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose.

Our opinion is not modified in respect of this matter.

Other Matters

The Special Purpose Financial Statements of the Branch for the previous year ended March 31, 2025 were audited by one of the predecessor auditors. The auditor has expressed an unmodified opinion vide their report dated July 24, 2025.

Our opinion is not modified in respect of this matter.

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

The Branch's Management is responsible for overseeing and preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Branch in accordance with the Ind AS and IFSCA Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the IFSCA Regulations for safeguarding the assets of the Branch 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, and for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, Management is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose 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 on whether the Branch has adequate internal financial controls with reference to the Special Purpose Financial Statements in place and the operating effectiveness of such controls. However, we are not responsible for expressing our opinion on whether the Branch has adequate internal financial control with reference to Special Purpose 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 Branch'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 Special Purpose 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 Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair / compliance presentation.

Materiality is the magnitude of misinformation in the Special Purpose Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

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.

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.

Restriction on distribution or use

This report is intended solely for the purpose of onward submission to the IFSCA for compliance with the provisions of the IFSCA Regulations and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent except for submission to any regulatory authorities.

For **M. P. Chitale & Co**
Chartered Accountants
ICAI Firm Registration Number: 101851W

SHRADDHA ANIKET JATHAR

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Date: 2026.07.23 17:47:52 +05'30'

Shraddha Jathar
Partner
ICAI Membership No.: 136908
UDIN: 26136908XBQFNJ2279

Mumbai
July 23, 2026

IDFC FIRST Bank Limited - IBU Gift City Branch
Special Purpose Profit and Loss Account for the period ended March 31, 2026

Amounts USD '000

Particulars	Note	Period ended March 31, 2026	Period ended March 31, 2025*
Interest Income	14	8,716	1,855
Interest Expense	15	6,332	691
Net Interest Income		**2,384**	**1,164**
Fees and Commission Income		250	-
Fees and Commission Expense		-	-
Net Fees and Commission Income		250	-
Net Gain/(Loss) on Fair Value Changes	16	16	7
Net Gain/(Loss) on Derecognition of Financial Assets at Amortised Cost		-	-
Other Income	17	7	9
Total income		**2,657**	**1,180**
Impairment Losses on Financial Instruments	18	509	247
Employee Benefits	19	263	222
Depreciation and Impairment of Property, Plant and Equipment		45	60
Amortisation and Impairment of Intangible Assets		104	-
Other Expenses	20	357	223
Total Expenses		**1,278**	**752**
Net Profit/(Loss) before Taxes and Exceptional Items		**1,379**	**428**
Exceptional Items		-	-
Net Profit/(Loss) before Taxes		**1,379**	**428**
Taxes			
Current Tax		(347)	(108)
Deferred Tax		-	-
Net Profit/(Loss) for the Period		**1,032**	**320**
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Re-Measurements of Net Defined Benefit Plans		-	-
(b) Gains/ (Losses) from Equity Investments through OCI		-	-
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
Subtotal (A)		-	-
B (i) Items that will be reclassified to Profit or Loss			
(a) Gains/ (Losses) of Other Financial Assets through OCI		-	-
(b) Cash Flow Hedge Reserve		-	-
(ii) Income Tax relating to items that will be reclassified to Profit and Loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		-	-
Total Comprehensive Income for the Period		**1,032**	**320**
Material Accounting Policies and Notes	21-23		

*Refer Note no. 22

The accompanying notes are an integral part of the Special Purpose Financial Statements.

For and on behalf of
IDFC FIRST Bank Limited
IBU Gift City Branch

KARL JUDE DSOUZA Digitally signed by KARL JUDE DSOUZA Date: 2026.07.23 17:10:55 +05'30'

Karl Dsouza
Head - IBU

Date : July 23, 2026
Place : Ahmedabad

As per our report of even date.
For M. P. Chitale & Co
Chartered Accountants
(ICAI Firm Registration No: 101851W)

SHRADDHA ANIKET JATHAR

Shraddha Jathar
Partner
(ICAI Membership No: 136908)
Date : July 23, 2026
Place : Mumbai

IDFC FIRST Bank Limited - IBU Gift City Branch
Special Purpose Balance Sheet as at March 31, 2026

Amounts USD '000

Particulars	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Cash in Hand and Balances with Reserve Bank of India		-	-
Balances with Other Central Banks		-	-
Balances with Other Banks, Financial Instituitions and Money at Call and Short Notice	3	1,02,274	11,072
Derivative Financial Instruments	4	5	4
Investments		-	-
Advances	5	1,81,551	61,395
Property, Plant and Equipment	6	250	343
Goodwill		-	-
Other Intangible Asset	7	357	-
Current Tax Assets		-	-
Deferred Tax Assets		-	-
Others Assets	8	833	628
Total Assets		**2,85,270**	**73,442**
Liabilities and Equity			
Liabilities			
Deposits	9	86,331	10,642
Borrowings	10	1,73,750	40,690
Derivative Financial Instruments		-	-
Other Liabilities and Provisions	11	2,395	678
Current Tax Liabilities	12	432	108
Deferred Tax Liabilities		-	-
Debt Securities		-	-
Subordinated Liabilities		-	-
Total Liabilities		**2,62,908**	**52,118**
Equity			
Capital from Head Office	1	21,000	21,000
Other Equity	2	1,362	324
Total Equity		**22,362**	**21,324**
Total Liabilities and Equity		**2,85,270**	**73,442**
Contingent Liabilities, Commitments and Guarantees	13	1,503	431
Material Accounting Policies and Notes	21-23		

The accompanying notes are an integral part of the Special Purpose Financial Statements.

For and on behalf of
IDFC FIRST Bank Limited
IBU Gift City Branch

KARL JUDE DSOUZA
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Date: 2026.07.23 17:10:06 +05'30'

Karl Dsouza
Head - IBU

Date : July 23, 2026
Place : Ahmedabad

As per our report of even date.
For M. P. Chitale & Co
Chartered Accountants
(ICAI Firm Registration No: 101851W)

SHRADDHA ANIKET JATHAR

Shraddha Jathar
Partner
(ICAI Membership No: 136908)
Date : July 23, 2026
Place : Mumbai

IDFC FIRST Bank Limited - IBU Gift City Branch
Statement of Changes in Equity for the period ended March 31, 2026

i Capital from Head Office

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Capital infusion by Head Office at the beginning of the period	21,000	-
Capital infusion by Head Office during the period	-	21,000
Capital withdrawn by Head Office during the period	-	-
Capital form Head Office (HO)	**21,000**	**21,000**

ii Other Equity

Amounts USD '000

Particulars	Reserve and Surplus		Other Items of Other Comprehensive Income	Total
	Stock Compensation Reserve	Retained Earnings		
Opening Balance	-	-	-	-
Profit after tax	-	320	-	320
Other Comprehensive Income for the period (net of tax)	-	-	-	-
Share based payment to employees	4	-	-	4
Balance as at Mar 31, 2025	**4**	**320**	**-**	**324**
Opening Balance as on Apr 01, 2025	4	320	-	324
Profit after tax	-	1,032	-	1,032
Other Comprehensive Income for the period (net of tax)	-	-	-	-
Share based payment to employees	6	-	-	6
Balance as at Mar 31, 2026	**10**	**1,352**	**-**	**1,362**

For and on behalf of
IDFC FIRST Bank Limited
IBU Gift City Branch

KARL JUDE DSOUZA
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Date: 2026.07.23 17:11:43 +05'30'

Karl Dsouza
Head - IBU

Date : July 23, 2026
Place : Ahmedabad

As per our report of even date.
For M. P. Chitale & Co
Chartered Accountants
(ICAI Firm Registration No: 101851W)

SHRADDHA ANIKET JATHAR

Shraddha Jathar
Partner
(ICAI Membership No: 136908)
Date : July 23, 2026
Place : Mumbai

IDFC FIRST Bank Limited - IBU Gift City Branch
Cash Flow Statement for the period ended March 31, 2026

Amounts USD '000

	Particulars	Note	Period ended March 31, 2026	Period ended March 31, 2025*
A	Cash Flow from Operating Activities			
	Profit after Tax		**1,032**	**320**
	Add: Provision for Tax		347	108
	Net Profit before Taxes		**1,379**	**428**
	Adjustments for :			
	Depreciation on Fixed Assets		145	60
	Net Gain/(Loss) on Fair Value Changes		(5)	(4)
	Impairment on Financial Instruments		485	247
	Amortisation of Deferred Employee Compensation		6	4
	Adjustments for :			
	Increase in Advances		(1,20,642)	(61,642)
	Increase in Deposits		75,689	10,642
	Increase in Financial and Non Financial Assets		(206)	(628)
	Increase in Financial and Non Financial Liabilities		1,723	678
	Direct Taxes Paid (Net)		(23)	-
	Net Cash Flow Used in Operating Activities (A)		**(41,449)**	**(50,215)**
B	Cash Flow from Investing Activities			
	Purchase of Fixed Assets		(413)	(403)
	Proceeds from sale of Fixed Assets		4	-
	Net Cash Flow Used in Investing Activities (B)		**(409)**	**(403)**
C	Cash Flow from Financing Activities			
	Capital infusion by Head Office		-	21,000
	Increase in Borrowings		1,33,060	40,690
	Net Cash Flow Generated from Financing Activities (C)		**1,33,060**	**61,690**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		91,202	11,072
	Cash and Cash Equivalents at the Beginning of the Period		11,072	-
	Cash and Cash Equivalents at the End of the Period		**1,02,274**	**11,072**
	Represented by :			
	Cash in Hand and Balances with Reserve Bank of India		-	-
	Balances with Other Banks, Financial Instituitions and Money at Call and Short Notice	3	1,02,274	11,072
	Cash and Cash Equivalents at the End of the Period		**1,02,274**	**11,072**

*Refer Note no. 22

The accompanying notes are an integral part of the Special Purpose Financial Statements.

For and on behalf of
IDFC FIRST Bank Limited
IBU Gift City Branch

KARL JUDE DSOUZA
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Date: 2026.07.23 17:11:19 +05'30'

Karl Dsouza
Head - IBU

Date : July 23, 2026
Place : Ahmedabad

As per our report of even date.
For M. P. Chitale & Co
Chartered Accountants
(ICAI Firm Registration No: 101851W)

SHRADDHA ANIKET JATHAR

Shraddha Jathar
Partner
(ICAI Membership No: 136908)
Date : July 23, 2026
Place : Mumbai

IDFC FIRST Bank Limited - IBU Gift City Branch
Notes to Special Purpose Financial Statements

1 Capital from Head Office

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Capital infusion by Head Office at the beginning of the period	21,000	-
Capital infusion by Head Office during the period	-	21,000
Capital withdrawn by Head Office during the period	-	-
Capital from Head Office (HO)	**21,000**	**21,000**

2 Other Equity

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
A.Retained Earnings		
Opening balance in Retained Earning	320	-
Profit for the period	1,032	320
Closing balance in Retained Earning	**1,352**	**320**
B. Stock compensation reserve		
Opening balance in Stock compensation reserve	4	-
Additions/ Deductions during the period	6	4
Closing balance in Stock compensation reserve	**10**	**4**
C. Other Comprehensive Income		
Opening balance in Other Comprehensive Income	-	-
Other Comprehensive Income for the period	-	-
Closing balance in Other Comprehensive Income	-	-
Total (A+B+C)	**1,362**	**324**

3 Balances with Other Banks, Financial Institutions and Money at Call and Short Notice

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
I Balances with other Banks		
(a) in Current Accounts	12,274	6,072
(b) In Reverse Repo	-	-
(c) in Other deposit accounts	-	-
Subtotal (a, b and c)	**12,274**	**6,072**
II Balances with Financial Institutions		
(a) Deposits in lieu of shortfall in priority sector lending targets	-	-
(b) In Reverse Repo	-	-
(c) Other deposits		
Subtotal (a, b and c)	-	-
III Money at Call and Short Notice		
(a) with Banks	90,000	5,000
(b) with other institutions	-	-
Subtotal (a and b)	**90,000**	**5,000**
Total (I, II and III)	**1,02,274**	**11,072**

4 Derivative Financial Instruments

Amounts USD '000

Particulars	As at March 31, 2026	
	Fair Value - Assets	Fair Value - Liabilities
Currency swaps	5	-
Total	5	-

Amounts USD '000

Particulars	As at March 31, 2025	
	Fair Value - Assets	Fair Value - Liabilities
Currency swaps	4	-
Total	4	-

5 Advances

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised Cost		
Gross Advances	1,82,283	61,642
Less: Impairment loss allowance	(732)	(247)
Net Advances	**1,81,551**	**61,395**

IDFC FIRST Bank Limited - IBU Gift City Branch
Notes to Special Purpose Financial Statements

6 Property, Plant and Equipment

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Other fixed assets (including furniture and fixtures)		
Gross block		
At cost at the beginning of the year	112	-
Additions during the year	14	112
Deductions during the year	(6)	-
Other adjustments (Forex Gain/ Loss)	(11)	-
Total	**109**	**112**
Depreciation		
As at the beginning of the year	17	-
Charge for the year	18	17
Deductions during the year	(2)	-
Other adjustments (Forex Gain/ Loss)	1	-
Depreciation to date	**34**	**17**
Net block of other fixed assets (including furniture and fixtures)	**75**	**95**
Right on Use Assets		
Gross block		
At cost at the beginning of the year	261	-
Additions during the year	5	261
Deductions during the year	-	-
Other adjustments (Forex Gain/ Loss)	(25)	-
Total	**241**	**261**
Depreciation		
As at the beginning of the year	43	-
Charge for the year	27	43
Deductions during the year	-	-
Other adjustments (Forex Gain/ Loss)	(4)	-
Depreciation to date	**66**	**43**
Net block of ROU Assets	**175**	**218**
Capital Work in Progress (including capital advances)	**-**	**30**
Total	**250**	**343**

7 Other intangible assets

Amounts USD '000

	As at March 31, 2026	As at March 31, 2025
At cost at the beginning of the year	-	-
Additions during the year	461	-
Deductions during the year	-	-
Other adjustments (Forex Gain/ Loss)	-	-
Total	**461**	**-**
Accumulated amortization and impairment:		
As at the beginning of the year	-	-
Amorization for the year	(104)	-
Deductions during the year	-	-
Other adjustments (Forex Gain/ Loss)	-	-
Amortization to date	**(104)**	**-**
Net carrying amount	**357**	**-**

8 Other Assets

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	739	608
Security and other Deposits	13	14
Others	81	6
Total	**833**	**628**

9 Deposits

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Demand deposits		
(i) From Banks	-	-
(ii) From Others	284	-
Savings deposits	81,436	10,642
Term deposits		
(i) From Banks	28	-
(ii) From Others	4,583	-
(iii) Certificate of Deposits	-	-
Total	**86,331**	**10,642**

IDFC FIRST Bank Limited - IBU Gift City Branch
Notes to Special Purpose Financial Statements

10 Borrowings

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Reserve Bank of India	-	-
Other Banks	1,73,750	40,690
Others	-	-
Total	**1,73,750**	**40,690**

11 Other Liabilities and Provisions

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	1,542	366
Provisions for employee benefits	59	29
Lease Liability	194	228
Others	600	55
Total	**2,395**	**678**

12 Current Tax Liabilities

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Current Tax Liability	432	108
Total	**432**	**108**

13 Contingent Liabilities, Commitments and Guarantees

Amounts USD '000

Particulars	As at March 31, 2026	As at March 31, 2025
Liability on account of outstanding forward exchange and derivative	1,503	431
Total	**1,503**	**431**

IDFC FIRST Bank Limited - IBU Gift City Branch
Notes to Special Purpose Financial Statements

14 Interest income

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Interest on balances with and dues from banks	743	449
Interest on advances	7,972	1,405
Interest income from investments	-	-
Other interest income	1	1
Total	**8,716**	**1,855**

15 Interest Expense

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Interest on deposits	1,695	43
Interest on borrowings	4,623	622
Interest on debt securities	-	-
Interest on subordinated liabilities	-	-
Other interest expense	14	26
Total	**6,332**	**691**

16 Net gain/ (loss) on fair value changes

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Net gain/ (loss) on financial instruments at FVTPL :-		
Derivatives	16	7
Total	**16**	**7**

17 Other income

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Net gain/(loss) on derecognition of financial assets at amortised cost	-	-
Net gain/(loss) on derecognition of property, plant and equipment	-	-
Foreign exchange gain/ (loss)	-	-
Others	7	9
Total	**7**	**9**

18 Impairment losses on financial instruments

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
On advances	509	247
On investments	-	-
On off Balance Sheet Items	-	-
On other assets	0	-
Total	**509**	**247**

19 Employee benefits

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Salaries and wages including bonus	245	210
Post employment benefits	12	8
Employee Share Based Payments	6	4
Others	-	-
Total	**263**	**222**

20 Other expenses

Amounts USD '000

Particulars	Period ended March 31, 2026	Period ended March 31, 2025
Rent, taxes and energy costs	9	15
Repairs and maintenance	7	14
Postage, Telegrams, Telephones etc.	4	33
Printing and stationery	2	1
Advertisement and publicity	-	-
Director's fees, allowances and expenses	-	-
Auditor's fees and expenses	1	10
Legal and Professional charges	14	23
Insurance	-	-
Software cost	-	-
Other expenditure	320	127
Total	**357**	**223**

21. Material Accounting Policies

Background

IDFC FIRST Bank Limited ("the Bank") received licence from the International Financial Services Centres Authority ("IFSCA")on November 1, 2023, to establish an - International Financial Services Centre 'International Banking Unit' ("IBU") in Gujarat International Finance Tech City ("GIFT City") – Special Economic Zone. The IBU officially began its operations on April 10, 2024, with capital infusion of USD 21 million.

1. Basis of Preparation

The Special Purpose Financial Statements ("Financial Statements") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Banking Regulation Act, 1949 and the Reserve Bank of India ("RBI") guidelines/ IFSCA regulations to the extent applicable. The Financial Statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value as required or allowed by the relevant Ind AS. The form and contents of the Financial Statements have been determined by the Management of the Bank/IBU.

These financial statements are authorized by the Branch Management for submission to the IFSCA on July 22, 2026.

2. Functional and Presentation Currency

The Financial Statements are presented in United State Dollars ($), being the presentation and functional currency of the IBU.

3. Use of Estimates and Judgement

The preparation of the Financial Statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses at the date of the Financial Statements. The Management believes that the estimates and judgements used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the IBU.

4. Financial Instruments

Financial assets and financial liabilities are recognised when the IBU becomes a party to the contractual provisions of the instruments. These are initially measured at fair value with transaction costs which are directly attributable to the acquisition or issue of financial assets and financial liabilities.

i. Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of a financial asset are also included in the initial measurement, except in the case of financial assets classified as Fair Value Through Profit or Loss (FVTPL). For FVTPL financial assets, transaction costs are expensed immediately in the Statement of Profit and Loss. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Subsequent Measurement

a) Amortised Cost (AC)

A 'financial asset' is measured at the Amortised Cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise to cash flows that are solely for the payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method ("EIR"). Amortised cost is calculated by taking into account any fees or costs that are directly attributable to the acquisition of the instrument. Interest Income is recognised in the Statement of Profit and Loss and carrying amount is adjusted for principal repayment and amortisation. The losses arising from impairment are recognised in the Statement of Profit and Loss.

b) Fair Value Through Other Comprehensive Income ("FVTOCI")

A 'financial asset' is classified as FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The Contractual terms of the asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Any change in fair value is recognised in the OCI, and interest income calculated using the EIR method. Impairment Losses are recognised in the Statement of Profit and Loss.

Equity instruments, irrevocably elected to be classified in OCI, are measured at fair value. Any gains or losses from changes in fair value of such equity instruments are recognised in OCI.

c) Fair Value Through Profit or Loss ("FVTPL")

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the IBU may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Financial assets included within the FVTPL category are measured initially as well as at each reporting date at fair value. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

ii. **Financial Liabilities**

Initial Recognition and Measurement

The IBU recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to Statement of Profit and Loss.

Subsequent Measurement

After initial recognition, Financial Liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by applying EIR, taking into account any discount or premium on issue and fees or costs that are directly attributable to the issue of the instrument. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Statement of Profit and Loss.

iii. **Equity Instruments**

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

5. **Impairment Of Financial Assets**

In accordance with Ind AS 109 – 'Financial Instruments', the IBU applies expected credit loss ("ECL") model for measurement and recognition of impairment loss.

For recognition of impairment loss on financial assets and risk exposure, the IBU determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

The IBU groups it's financial assets into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

Stage 1: 12-months ECL - For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL - For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL - For exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised.
Higher of the ECL computed as per above methodology or the provision as per the Bank's policy is recognised in the Statement of Profit and Loss.

6. **De-recognition Of Financial Assets**

The IBU derecognises a financial asset when the contractual rights to receive the cash flows from the asset have expired, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the IBU retains substantially all the risks and rewards of ownership of a transferred financial asset, the IBU continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in Other Comprehensive Income ("OCI") is recognised in Statement of Profit and Loss except for equity instruments and cumulative fair value adjustments attributable to securities designated as at FVOCI.

7. Derecognition Of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

8. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

9. **Derivative Financial Instruments**

The IBU enters into cross currency swaps and other derivative financial instruments etc. to meet customer's requirements and to manage its exposure to interest rate and foreign exchange rate risks.

The derivative product that are not designated as a hedging instruments, or do not qualify hedge accounting are measured at fair value (marked-to-market), and all resulting gain or losses are recognized in the Statement of Profit and Loss.

10. **Revenue Recognition**

i. **Interest Income**

For all financial assets measured either at amortised cost or at FVTOCI, interest income is recorded using the EIR.

Effective interest rate method

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees that form integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of initial recognition.

Fees on Term loans - Fees collected is amortized over the tenor of the loan using weighted average methodology where principal amount outstanding is considered as weight.

ii. **Fees & Commission**

Fees and commission charged for services provided by IBU are recognised as revenue when the IBU satisfies the performance obligations. Services provided by the IBU are either satisfied at point in time or over time. Fees and commission are measured based on the consideration specified in the contract.

11. **Finance Costs**

Finance costs represent interest expense recognised by applying the EIR to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method.

12. **Property, Plant and Equipment**

Property, Plant and Equipment ("PPE") is recognised when it is probable that future economic benefits associated with the item is expected to flow to the IBU and the cost of the item can be measured reliably.

PPE are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Freehold land is not depreciated. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis as below:

Asset	Estimated Useful Life
Building – RCC Frame	60 Years
Building – Other than RCC Frame	30 Years
Computers – Desktops, Laptops, End User Devices	3 Years
Computers – Server & Network	6 Years
Vehicles	5 Years
Furniture	10 Years
Office Equipment	5 Years
Leasehold Improvements	Over the extended period of lease
Others (including software and system development)	5 Years

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss till the date of sale.

13. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortised on straight line basis over a period of 5 years.

14. Security Deposit

Interest free refundable security deposits are financial assets and are required to be measured at fair value on initial recognition. The difference between the fair value and the amount paid is recognised as right of use asset and is amortized over the period of the lease. The unwinding of security deposit as per the effective interest rate method is recognised as a finance income over the period of the lease. The IBU uses incremental borrowing cost for fair valuation of security deposits. The same are subsequently measured at amortised cost.

15. Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

16. Employee Benefits

i. Defined Contribution Plan:

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 and when services are rendered.

ii. Defined Benefit Plan:

The present value of defined benefit obligations towards gratuity to employees is actuarially determined as at the Balance Sheet based on the projected unit credit method.

iii. Compensated Absences:

As per the policy, employees are not permitted to accumulate leave for encashment. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss based on estimates of availment / encashment of leaves.

17. Employee Stock Option Scheme

The Bank has formulated Employee Stock Option Scheme - IDFC FIRST Bank Limited ESOS -2015 ("the Scheme") in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"] (as amended). The Scheme provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner, and these may be exercised by the employees within a specified period.

Compensation cost is measured by using fair value of share - linked instruments on the date of grant using Black – Scholes model. Compensation cost is amortised over the vesting period on a straight line method with a corresponding credit to Employee Stock Options Reserve. In case the vested stock options get lapsed / cancelled / expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to the Statement of Profit and Loss.

18. Provisions and Contingencies

Provisions are recognised when the IBU has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the IBU or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

Contingent assets are not recognized in the financial statements.

19. Leases

Ind AS 116 – 'Leases' sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 mandates a single lessee

accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.
Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined as the incremental borrowing rate at the time commencement of the lease.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

20. Taxation

Income tax payable on profits is based on the applicable tax law and is recognised as an expense in the period in which profits arise.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

During the years of operation, where the IBU does not opt to apply for tax holiday, the profits of the IBU are liable to be taxed in accordance with the provisions of the Income Tax Act, 1961.

21. Cash and Cash Equivalents

Cash and cash equivalents include balances in Special Non-Resident Rupee Account (SNRR account) with an authorised dealer Bank operating in India, balances with other banks and money at call and short notice.

22. Transactions involving foreign exchange

Transactions in foreign currency are recorded at the transaction/ average exchange rate. Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain/loss arising on actual payments/realizations and year-end restatements are recognised in the Statement of Profit and Loss.

23. Statement of Cash Flow

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

IDFC FIRST Bank Limited - IBU Gift City Branch
Notes to Special Purpose Financial Statements

22 IDFC FIRST Bank received licence from IFSCA on November 1, 2023, to establish an IFSC Banking Unit (IBU) at the Gujarat International Finance Tec-City – Special Economic Zone International Financial Services Centre (GIFT-SEZ IFSC). In accordance with the licensing conditions, the Bank was required to commence operations within one year from the date of license issuance with a minimum capital of USD 20 million. The IBU officially began its operations on April 10, 2024 with inital capital of USD 21 million.

Expenses related to the setup and initiation of the IBU were incurred prior to the commencement of operation. Accordingly, all such costs and balances incurred before the commencement of operation have been included in the financial statements for the period ended March 31, 2025.

23 Leases

The IBU has taken office on lease. Information about leases for which the IBU is a lessee is presented below:-

Lease Liability Movement

Amounts USD '000

Particulars	**Period ended March 31, 2026**	**Period ended March 31, 2025**
Opening Balance	228	-
Add: Additions	5	250
Interest on Lease Liability	14	26
Less: Lease Rental Payments	(31)	(48)
Foreign exchange gain/ loss on Lease Liabilities	(22)	-
Balance as at March 31, 2026	**194**	**228**

Future lease cash outflow for all leased assets

Amounts USD '000

Particulars	**Period ended March 31, 2026**	**Period ended March 31, 2025**
Not later than one year	33	33
Later than one year but not later than five years	150	198
Later than five years	63	68

24 Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

25 The Special Purpose Financial Statements of the Branch for the year ended March 31, 2025 was audited by the predecessor auditor, who have expressed an unmodified opinion as relevant on those Special Purpose Financial Statements vide their audit report dated July 24, 2025.

For and on behalf of
IDFC FIRST Bank Limited
IBU Gift City Branch

KARL JUDE DSOUZA
Digitally signed by KARL JUDE DSOUZA
Date: 2026.07.23 17:12:14 +05'30'

Karl Dsouza
Head - IBU

Date : July 23, 2026
Place : Ahmedabad

As per our report of even date.
For M. P. Chitale & Co
Chartered Accountants
(Firm Registration No: 101851W)

SHRADDHA ANIKET JATHAR
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Shraddha Jathar
Partner
(Membership No: 136908)
Date : July 23, 2026
Place : Mumbai