



इंडिया पोस्ट
पेमेन्ट्स बैंक

India Post
Payments Bank

Empowering Dreams Enriching Lives

Making Banking Accessible & Inclusive

Annual Report 2023-24





Preface

Reflecting on the past year's initiatives and service offerings, not only has the Bank made substantial progress, launched novel products & services, but has simultaneously enriched lives spearheading towards the unified goal of financial inclusion with unwavering dedication.

In the volatile financial landscape, IPPB remains steadfast in its mission to provide comprehensive financial solutions that are within the reach of common masses. IPPB's digital-first approach with its innovative Mobile Banking services and convenient Doorstep facility makes it possible to provide more people each day the accessibility of streamlined banking facilities. This has resulted in an incredible turning point in our 5 years of journey as a Payments Bank - the achievement of garnering invaluable trust of 8 Crore+ customers. This feat is truly astounding for any Bank, particularly considering the relatively short span of time of coming into existence.

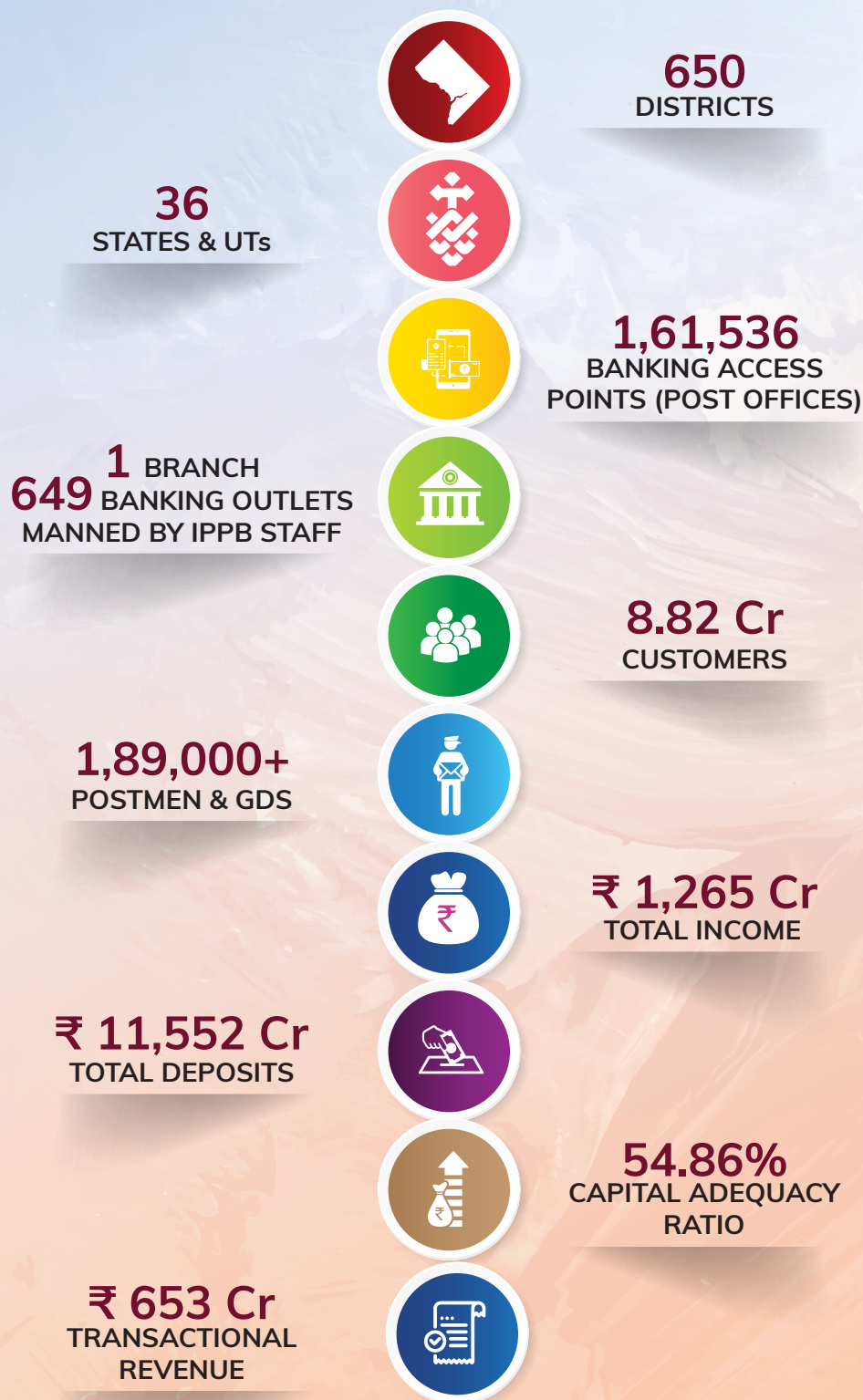
IPPB's mission is to provide the most accessible, affordable and convenient financial services to the common people of India, bridging gap of unbanked and the underbanked. This mission resides at the heart of all our endeavours, serving as a driving force behind our continuous innovation and the introduction of new initiatives aimed at uplifting lives by providing unparalleled banking experience to our customers. One such initiative got introduced in 2023-24 is the **Antyodaya Shramik Suraksha Yojana**, a flagship initiative for the Shramyogis of the country to provide them a comprehensive accidental insurance coverage. The scheme was pilot launched in Nadiad, district Kheda, Gujarat on 8th July 2023. It has been meticulously designed to provide coverage to the unorganised sector of society on minimal premium who have remained largely unrepresented till now.

Many more such schemes and initiatives have been launched by IPPB through which the Bank has been able to bring every segment under the unified umbrella of digital banking. In the ever-evolving world of banking and finance, IPPB has distinguished itself as a leader in inclusion and innovation, developing game-changing solutions to meet the wide range of needs of our customers throughout India. IPPB has been able to significantly increase its influence and reach over the course of the year, utilising state-of-the-art technology and cultivating strategic partnerships with multiple trusted third party partners, directed by a single motivation: creating a financially inclusive society which allows every person to prosper.

As we advance, IPPB is steadfast in its commitment to fostering constructive change, customer-centric approach and strengthening our customer base through easily accessible and creative financial solutions which keeps growing. We will keep tearing down walls, bridging divides, and paving the path for a more prosperous and inclusive future.



Numbers that Defines the Bank



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“Chairman’s Message”

I am delighted to go through this Annual Report for FY 2023–2024. There is an extraordinary synergy between India Post Payments Bank (IPPB) and the vast Post Office network of India Post. The formidable network of Post Offices, supported by 1,89,000+ Postmen and Gramin Dak Sevaks, has played a pivotal role in delivering digital banking solutions to remote locations. This dedicated team not only facilitates service delivery but also educates and raises awareness about the comprehensive range of offerings available through the convenient channels of IPPB.

The technology-led solutions of the Bank are available through 1,61,536 Banking Access Points and entire customer experience and interaction have been completely transformed with the smooth integration of IPPB's digital platforms. The collaborative efforts have yielded noteworthy results, such as the impressive 275% increase in digital financial transactions, reaching a remarkable milestone of 608 crore transactions during the last financial year. This number is a reflection of IPPB's dedication in ensuring that even the most isolated areas of India have easy access to essential banking services. In addition to this, the value of transactions on digital payments to DoP savings schemes has increased by 54%, from ₹9,072 crore to ₹13,915 crore through IPPB's streamlined channels.

We stand committed to the Government's goal of advancing financial literacy and inclusion. I am happy to note that this synergy has resulted in establishing financial inclusion for 8.8 crore+ customers in India and 77% of them are from rural locations. Deposits have increased by 83% over the year, from ₹6,292 crore to ₹11,552 crore. This outstanding growth demonstrates deepening customer trust and confidence in our suite of offerings.

It is necessary to acknowledge the stellar contribution of the IPPB team, our business associates and cherished customers towards building this bank on a foundation of trust and support. Together, we are reshaping the financial and banking services landscape in India.

Vandita Kaul

Secretary (Posts) &
Chairman, India Post Payments Bank



MD & CEO's Message



It is with great honour that I address you through this Annual Report FY 2023-24. I feel grateful to be part of a bank that has shown remarkable progress and achieved incredible milestones since its inception. The Bank is witnessing an exciting period of growth with great many progressions.

The Bank has amassed an amazing milestones in just five years since its founding, illustrating our persistent dedication to uplifting lives. This achievement underscores IPPB's commitment to financial inclusivity and highlights the trust our customers place in our banking practices. It also showcases the success of our digital banking services in providing convenient and accessible solutions directly to customers' doorsteps.

Our financial data metric reflects our impact. Last year, with an impressive surge in customer base by 33%, now exceeding 8 Crore+ customer mark is only one of the key advancements of India Post Payments Bank. In addition to this, we observed a phenomenal 83% growth in total CASA deposits, jumping from ₹6,292 Crore to ₹11,552 Crore by March 2024, strengthening our commitment to a robust and secure digital financial ecosystem. Notably, 77% of our beneficiaries come from rural India, reaffirming IPPB's mission to build the most accessible and affordable bank for the common people and driving us towards a digital India of financial inclusivity.

We saw a remarkable 275% increase in digital financial transactions, a 95% growth in Direct Benefit Transfer (DBT) beneficiaries, a 51% rise in mobile app downloads, and a notable 53% increase in digital payments to DoP schemes compared to the previous year. All these distinguished components diffused together make India Post Payments Bank stand out as a leader in banking and financial sector, delivering exception digital solution in every nook and cranny of the nation. Furthermore, our revenue has significantly increased by an impressive margin compared to the last financial year. These numbers demonstrate both our solid financial results and the strategic plans we have put in place to promote consistency and amplification.

The impressive network of Dakiya at our disposal serves as an essential channel of delivery who not only help in providing the customer's needs but also helps in customer education about the bouquet of services. IPPB's digital banking practices through Mobile Banking platform, convenience of Doorstep Banking, affordability, and accessibility of services have cemented it as the most preferred bank by the common people.

Lastly, I would like to extend gratitude to respected stakeholders, partners and board members who have provided their valued support to this organisation. I thank my diligent staff, hardworking Dakiya and customers for their trust in us. I look forward to many years of excellence, carving new dimensions of success and inventing standards of brilliance in banking services with IPPB.

R Viswesvaran

MD & CEO, India Post Payments Bank

Board of Directors



Smt. Vandita Kaul
Chairman, India Post Payments Bank



Shri R Viswesvaran
Managing Director & Chief Executive Officer



Shri Sanjay Prasad
Nominee Director



Shri Shrikant Namdeo
Nominee Director



Smt. Rajul Bhatt
Nominee Director



Dr. Jatin Kumar Mohanty
Independent Director



Shri Veenay Ganoo
Independent Director



Shri Navneet Kakkar
Independent Director



Shri Kaliannan A
Independent Director



Smt. Jayshree Vrajlal Doshi
Independent Director

Company Secretary : Mrs. Priyanka Bhatnagar
Statutory Auditor : M/s. Thakur, Vaidyanath Aiyar & Co
Secretarial Auditor : VAP & Associates
Chief Financial Officer : Shri Anoop E. S.

Registered Office : Speed Post Centre, Bhai Veer Singh Marg, Market Road, New Delhi-110001

IPPB at a Glance

About India Post Payments Bank

Established on 30th January 2017 with pilot branches in Ranchi, Jharkhand, and Raipur, Chhattisgarh, subsequently witnessing its nationwide launch on 1st September 2018, India Post Payments Bank is a pioneering financial institution that has revolutionised the face of formal banking. With its fundamental mandate of banking the unbanked, bridging the digital divide, IPPB stands resolute in its determination to extend essential banking services to the remotest corners. Committed towards fostering a low-cash economy, walking the path envisioned by our Hon'ble Prime Minister Shri Narendra Modi of a Digital India, IPPB offers a diverse range of products and services accessible through its digital channels, catering to both customers and non-customers alike. Additionally, to enhance convenience, it provides Doorstep Banking services, ensuring accessibility for all.

Since its inception, IPPB is running at the forefront with its bouquet of Digital Banking services, delivering its comprehensive suite of products to the last mile with 1 Branch, 649 Banking Outlets operated by IPPB's diligent staff, and 1,61,536 Banking Access Points nationwide.

In this era defined by digital means and practices, IPPB acknowledges the value of simplified and affordable financial services, available at the touch of a click, in-line with the evolving needs of contemporary practices. Customers, all across India, rural or urban, now have the power to harness the digitised solutions by IPPB to access their banking transactions. IPPB facilitates streamlined financial solutions through its Mobile Banking App and WhatsApp banking channels enabling banking at the fingertips. Going one step further, IPPB has enabled SMS Banking and Missed Call Banking facility so that customers can seamlessly conduct transactions, check balances, and initiate fund transfers with a simple SMS or missed call, in regions with limited internet connectivity.

IPPB's product portfolio includes a range of offerings- Savings Accounts, Insurance, and Loan Referral services to nurture the financial needs of its customers. Aadhaar Enabled Payment Services (AePS) have transformed money transfer and transactions, enabling customers to conduct basic financial transactions with their Aadhaar-linked accounts by providing fingerprint impressions through Aadhaar-ATM machine. The added convenience of Doorstep Banking services like cash deposit/withdraw services, Aadhaar-seeding, Digital Life Certificate (DLC) facility, Child Enrolment Lite Client (CELC) Services for enrolling children for Aadhaar, bill payment and many others offerings further empowers beneficiaries.

IPPB also provides a platform for Merchant Services helping them streamline their business operations by becoming 'Digital Dukaandar' with IPPB and utilise QR payments facility to receive fund transfers directly in their bank accounts. All these services are available at one-click of IPPB Mobile Banking platforms that enhances the ease of banking for all. Additionally, our diligent Daak Sevaks and Postal Workers working in the field immensely help in customer service provision and customer education. It is them who enable doorstep banking to the masses. They are our essential service providers without whom we won't be able to conduct practices on such a massive scale. Our 8 Crore+ customer base stands as the testimony of our egalitarian practices and resonate our wholehearted dedication to deliver quality financial services across segments in the country.

Vision and Mission



Building the Most Accessible, Affordable and Trusted Bank for the Common Man



Spearheading Financial Inclusion by Removing Barriers and Reducing Cost for Accessing Banking Services

Values



Accessibility



Affordability



Ease of Banking



Financial Literacy



Digital Ecosystem

Comprehensive Suite of Products and Services

With the goal of becoming the most trustworthy, dependable, affordable, and customer-friendly bank in the country, India Post Payments Bank (IPPB) is committed to providing digital banking services to every corner of the nation. By delivering necessary services straight to our beneficiaries' doorsteps and removing the need for them to visit a bank branch, we have completely transformed the banking industry. Everything is now available at their fingertips, including cash withdrawals, QR payments, and Aadhaar linkage and registration.

Over the years IPPB has added to its bouquet of offerings services targeted to the rural populace of the country. The multi-faceted services cater to Post Office customers, non-customers, Merchants, G2C, and even walk-in customers. Our expansive array of product and offerings encompass Savings Account, Current Account, Money Transfer Services, Virtual Debit Card, POSA Linkage, Direct Benefit Transfer (DBT), Insurance and Loan Referral Services, Doorstep Cash Deposit/Withdrawal, Bill Payments etc.

Banking Services



- Savings Account
- Current Account
- Fund Transfer
- Bill Payments
- Rupay Virtual Debit Card
- BHIM - UPI
- Digital Payments at Rural Post Office Counters
- Sweep - In/ Out facility
- Merchant Banking

Universal Services



- Direct Benefit Transfer
- Digital Life Certificate
- Aadhaar-Mobile Number Update
- Child Aadhaar Enrollment
- Aadhaar enabled Payment System (AePS)
- Domestic Money Transfer (DMT)
- DakPay UPI PSP app
- Cash to Bill Payments
- PMJJBY

Wealth Management Services



- Life Insurance (Term, Annuity & Endowment)
- General Insurance (Motor, Health, Group Accident)
- Mutual Funds

Postal Payment Services



- IPPB-POSA Linkage
- Digital Payments to Post Office Schemes (PLI/ RPLI, SSA, PPF, RD & LARD)

Loan Referral Services



- Home Loan
- Vehicle Loan
- Personal Loan
- Gold Loan
- KCC Loan
- Loan against Property

Customer Segments

IPPB holds a diverse customer base with diverse banking requirements. To meet their dynamic financial needs, IPPB provides its customers with tailored offerings.

IPPB provides for Saving Account opening facility with flexibility of choice of Premium Savings Account, Regular Savings Account, Basic Savings Account and Digital Savings Account. It also facilitates Post Office Saving Account (POSA) linking facility, so that a customer with an account in Post Office can utilise the innovative digital banking services of IPPB without losing the benefits of their Post Office account. In addition to this, IPPB serves retired **SENIOR CITIZENS** with the provision Digital Life Certificate (DLC) services at doorstep. This initiative ensures convenience and accessibility for our elderly population. Moreover, through its Mobile Banking platform and Doorstep Banking Services, IPPB facilitates Aadhaar-seeding and Child Enrolment Lite Client (CELC) services. Linking Aadhaar with the bank accounts opens doors to plethora of benefits and eases banking transactions and CELC services allows **PARENTS** to quickly and conveniently go for Aadhaar enrollment of their children up to the age of five at their doorstep.

Through our Merchant Services, as Digital Dukaandar, **SMALL BUSINESS OWNERS** can take advantage of hassle-free QR based payment solutions to streamline transactions and increase operational effectiveness. Additionally, **FARMERS** across the country can benefit through our Direct Benefit Transfers (DBT) services, conveniently receiving government subsidies directly in their Aadhaar-linked bank accounts, guaranteeing timely and transparent financial support. IPPB also supports **STUDENTS** by streamlining scholarship disbursements for the beneficiaries of Deen Dayal Sparsh Yojana, so they can pursue their academic aspirations, preventing financial constraints from impeding their progress.

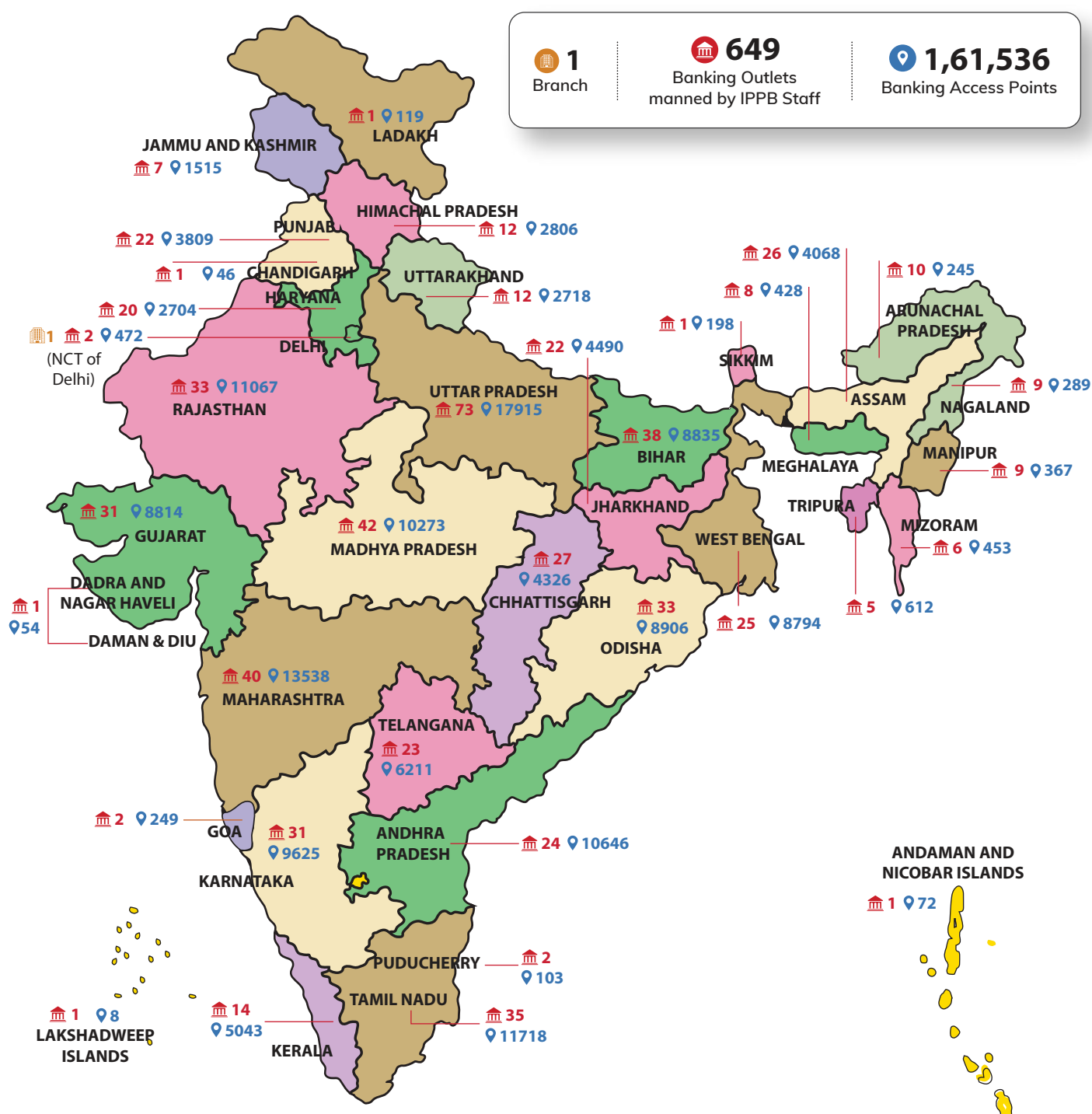
With our online fund transfer and bill payment services including gas, electricity, DTH, recharge, and premium payments, **HOMEMAKERS** can effectively manage household finances, offering ease of one-click transactions and peace of mind when handling daily expenses. IPPB also provides fund transfers facilities like, National Electronic Funds Transfer NEFT, Remittances & Fund Transfers, and Immediate Payment Services (IMPS) through our Mobile Banking channel and doorstep service facility.

We provide Aadhaar enabled Payment Services (AePS) and Domestic Money Transfer (DMT) to help **UNBANKED AND UNDERBANKED** people in India move money, as part of our mission to leave no one behind. AePS works like a Micro ATM facilitating transaction wherever you are. **URBAN MIGRANTS** can greatly benefit from this service, which makes it possible for them to send money on a regular and timely basis to support their family. All services have been designed to expedite transactions and promote ease of banking for customers and non-customers alike.



Expanding Footprint

Expanding footprint across nation with its unique fusion of the traditional and the digital, India Post Payments Bank has holistically revolutionised the financial and banking landscape. With Pan-India presence, IPPB is currently serving to the financial needs of over 8 Crore+ beneficiaries across 28 States and 8 Union Territories transcending geographical barriers. IPPB leads the way in the ever changing world of digital finances backed by the robust infrastructure of India Post with vast network of 1 Branch, 649 Banking Outlets, and over 1,61,536 Banking Access Points. IPPB continues to pioneer the delivery of banking services to every corner of the country, driving financial inclusion and empowerment.



Major Business Highlights

	As of March 31, 2023	As of March 31, 2024	Y-o-Y growth in %
TOTAL NUMBER OF CUSTOMERS (Crore)	6.63	8.82	33%
TOTAL DEPOSITS (Rs. Crore)	6,292	11,552	83%
DIGITAL FINANCIAL TRANSACTIONS (Rs. Crore)	3,20,579	6,51,759	103%
DIGITAL FINANCIAL TRANSACTIONS (Crore)	162	608	275%
AePS TRANSACTIONS (Rs. Crore)	27,443	31,158	14%
TOTAL DBT BENEFICIARIES (Crore)	1.56	3.04	95%
DIGITAL PAYMENTS TO POST OFFICE SCHEMES (PPF/ SSY/ RD/ LARD) (Rs. Crore)	9,072	13,915	53%
MOBILE APP DOWNLOADS (Crore)	1.99	3.01	51%
IPPB ACCOUNTS LINKED WITH POSA (Lakh)	33.85	35.36	4%

Key Milestones & Achievements

FEB 24

- › Launched MATM App for Individual Business Correspondents.
- › CASA Balance crosses ₹12,000 Crore (highest in Payments Banking Industry).

NOV 23

- › Crossed 1.5 Crore Premium Account customers milestone.
- › Crossed ₹30,000 Crore cumulative AePS disbursement mark.

JUL 23

- › Pilot launch of Antyodaya Shramik Suraksha Yojana (ASSY).
- › Pilot launch of IPPB ऋण Setu App.
- › CASA Balance surpasses ₹7,000 Crore.

MAY 23

- › Launched Mahindra Finance vehicle loan referral program.

MAR 24

- › Tie-up with Ministry of Defence for Child Enrollment for Aadhaar.
- › Mobile Banking App downloads surpass 3 Crore.
- › Handled ₹21,000+ Crore annual DBT value.

DEC 23

- › IPPB crossed 8 Crore customers.

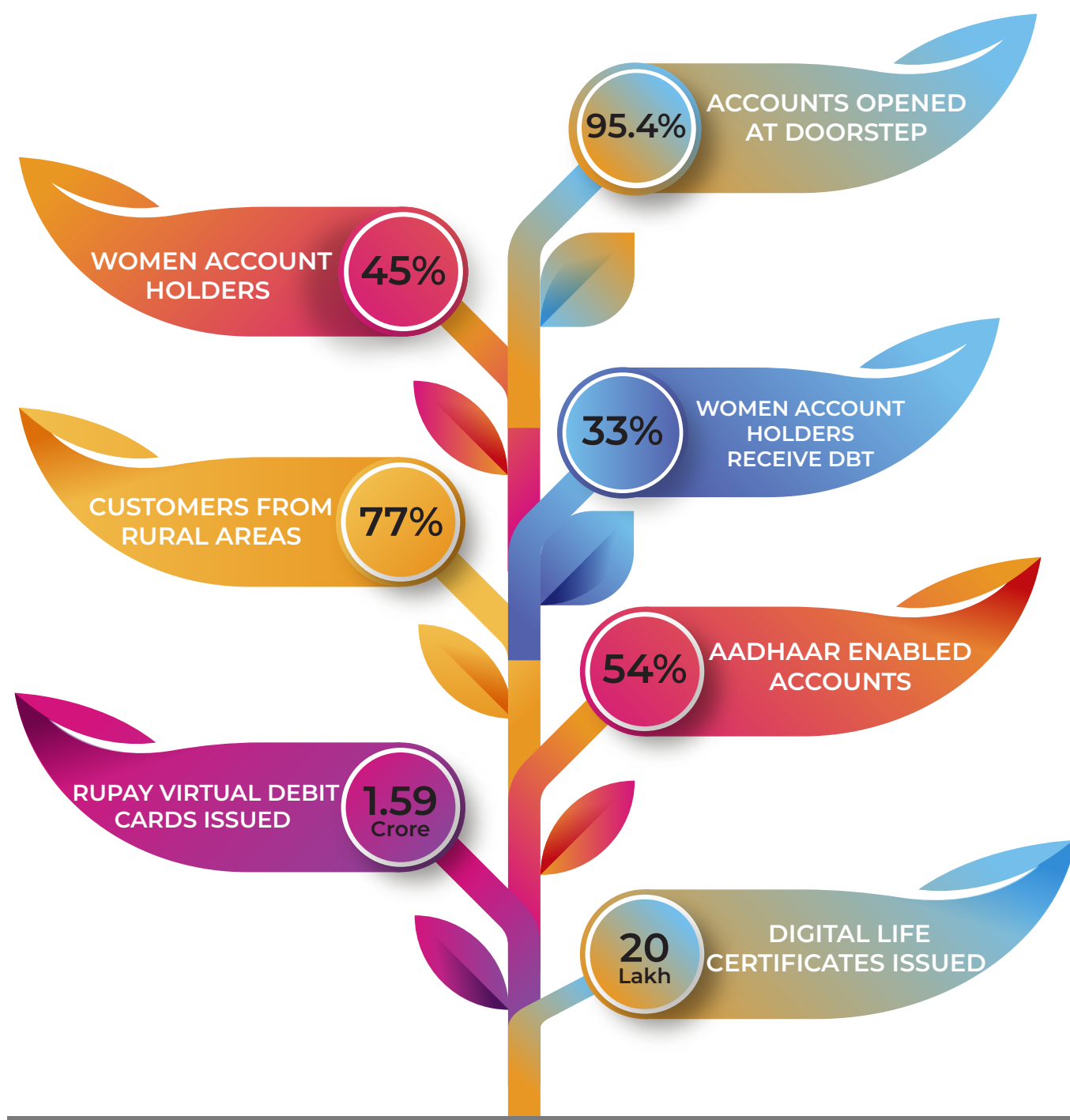
AUG 23

- › CELC Aadhaar-Mobile update hits 6 Crore transactions.

JUN 23

- › IPPB crossed 7 Crore customers.
- › PLI payments through IPPB surpass ₹500 Crore.

Leaving Footprints of Growth & Transformation



Functional Highlights

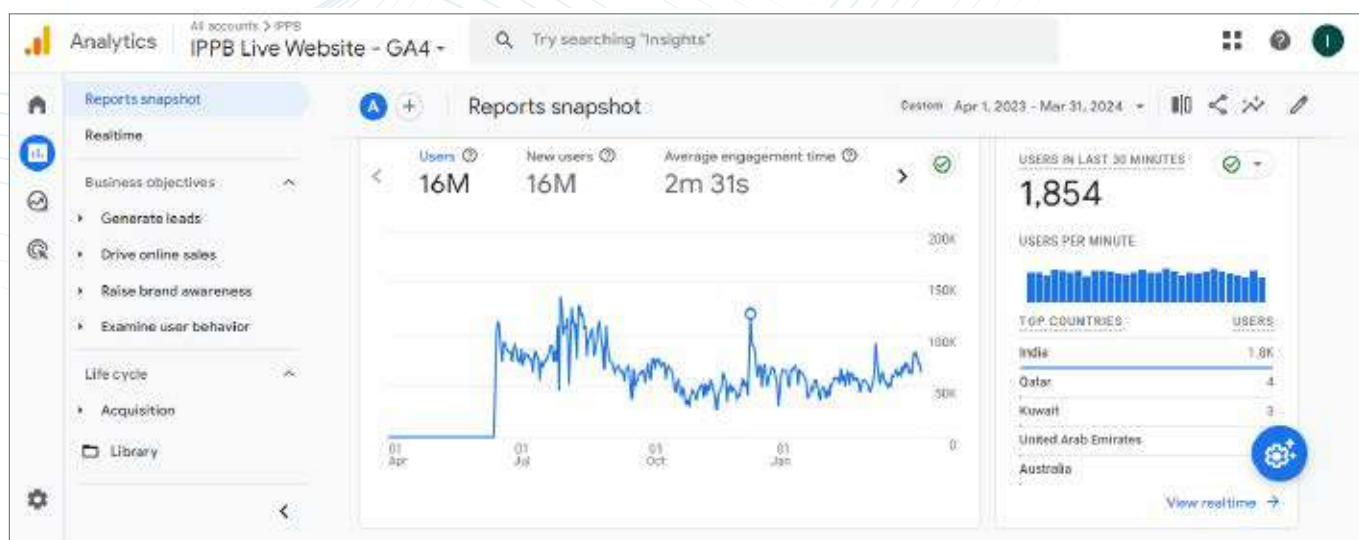


Marketing

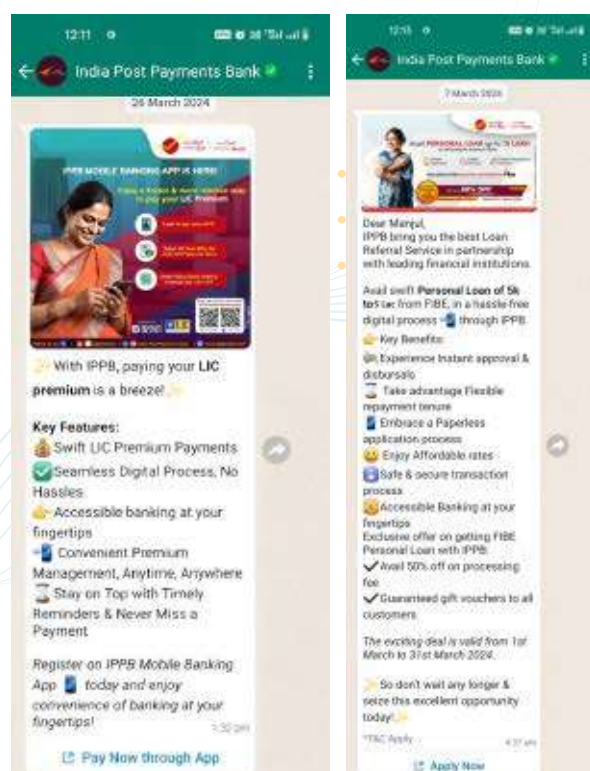
The fiscal year 2023-24 proved to be exceptionally dynamic for the Marketing Department, with a profusion of campaigns, scheme launches, and initiatives. These efforts yielded a consistent trend in driving customer engagement and participation, reflecting the Department's robust performance and strategic effectiveness.

During the starting of the financial year IPPB did a pilot launch of an affordable insurance scheme “**Antyodaya Shramik Suraksha Yojana**” for the unorganized sector workers in Gujarat.

Marketing Department initiated many firsts during the financial year, out of which website lead generation was a great initiative tailored for both IPPB and non-IPPB customers to initiate a customer interaction with IPPB parallelly increasing revenue for the Bank. Leveraging website data analytics, the Department meticulously tracked and distributed leads to respective branches, ensuring a streamlined approach to customer engagement.



Marketing Department took another step towards digitization and started WhatsApp Banking services to its customers. Along with strategic WhatsApp campaigns on targeting diverse audience segments, the Department successfully engaged with both potential and existing customers. This approach not only nurtured leads but also facilitated seamless conversions, underscoring IPPB's commitment to adapt in the digital sphere.



The Department with its skilled professionals carried out various digital media campaigns on Instant personal loans, Aadhaar seeding, LIC premium payment through IPPB Mobile Banking App etc. and informative content in the form of SMSs, Email Marketing, WhatsApp Campaign to its customers. The Department maintained its strong hold in its Social Media platforms by providing engaging and informative creatives on various IPPB products and services along with guiding investors to be aware of fraud schemes. Marketing Team ensured regular updates of creatives, aligning with important calendar events and festivities which played a pivotal role in amplifying brand visibility and engagement.



Looking ahead, the Marketing Department remains poised to capitalize on emerging opportunities, constantly redefining and reinventing its strategies to stay ahead of the curve and maintain its legacy as one of the most easily accessible and trusted Payments Bank in the financial sector.

Products

New services for Individual Business Correspondents channel

Individual Business Correspondents (IBCs) were introduced as an additional business channel for providing Bank's various products & services to the citizens. New range of services using Bank's agent app were introduced such as Account opening, Account upgradation, AePS, DMT, Bill Payments, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Life Insurance & General Insurance etc.



International Money Transfer Service Scheme (MTSS) services

Money Transfer Service Scheme (MTSS) is a quick and easy way of transferring personal remittances from outside India to beneficiaries in India. India Post Payments Bank has gone live with MTSS Services in February 2024 in association with Ria Money Transfer across 23,000+ Access points. Beneficiaries can now visit the designated Post Offices for MTSS Pay-out sent by their families and friends.



Customer Service

The Bank constantly endeavors to set industry benchmarks and pioneer innovations across products, processes and service delivery that are imperative to provide seamless experiences to its customers. Customer interactions are continuously monitored across channels. Channel capabilities (functionalities and the user experience) were enhanced to ensure ease of banking from home which has become the need of the hour.

The Bank ensured that the frequently used functionalities by customers were made available through digital channels and Contact Centre. The 24*7 Contact Centre has the capability to connect with customers in their preferred language. Apart from Hindi and English, the Contact Centre support eleven other regional languages as well. The Contact Centre handled more than 75 Lakhs customer calls during the year. To assess customer satisfaction levels across segments, various surveys are conducted by the Contact Centre.

Customer Grievance Redressal mechanism of the Bank ensures the time bound resolution of complaints. During FY 2023-24 approximately 95.05% of the grievances were resolved within the pre-defined turn-around time. The Bank not only focused on improving the quantitative performance indicators of grievance redressal but also on improving the quality of resolution to improve customer satisfaction. Service levels across the network of branches are monitored through service audits and workshops.

The General Manager-Operations, is designated as Principal Nodal Officer for customer complaints in the Bank. Moreover, there are designated nodal officers for each circle. Further, the names of respective nodal officers along with their contact numbers are displayed in all the branches of the Bank. The Bank has appointed an Internal Ombudsman which is a forum made available to customers for grievance redressal prior to approaching the Banking Ombudsman. All complaints, which are rejected or partially accepted by the Bank, are systematically escalated to the Internal Ombudsman for review. This enhances the customer confidence in the Bank's systems and expedites the process of grievance redressal, thus making it more transparent. The citizen charter, grievance redressal policy, and banking ombudsman scheme are available on the Bank's website to promote fair banking practices by maintaining transparency in various products, services and policies.

At the Board level, the subcommittee of Board for Customer Services addresses the issues relating to the formulation of policies and assessment of compliance with the aim of consistent improvement in the quality of customer service. The subcommittee also analyses the feedback received from customers through Voice of Customers and compares the Bank with its peers on various parameters to enhance the customer experience.

This year total number of complaints received is (1,293 complaints outstanding as on 1st April 2024. 37,354 complaints were resolved up to the satisfaction of the complainant, till 31st March 2024.

Complaints received during FY 2023-24 & FY 2022-23

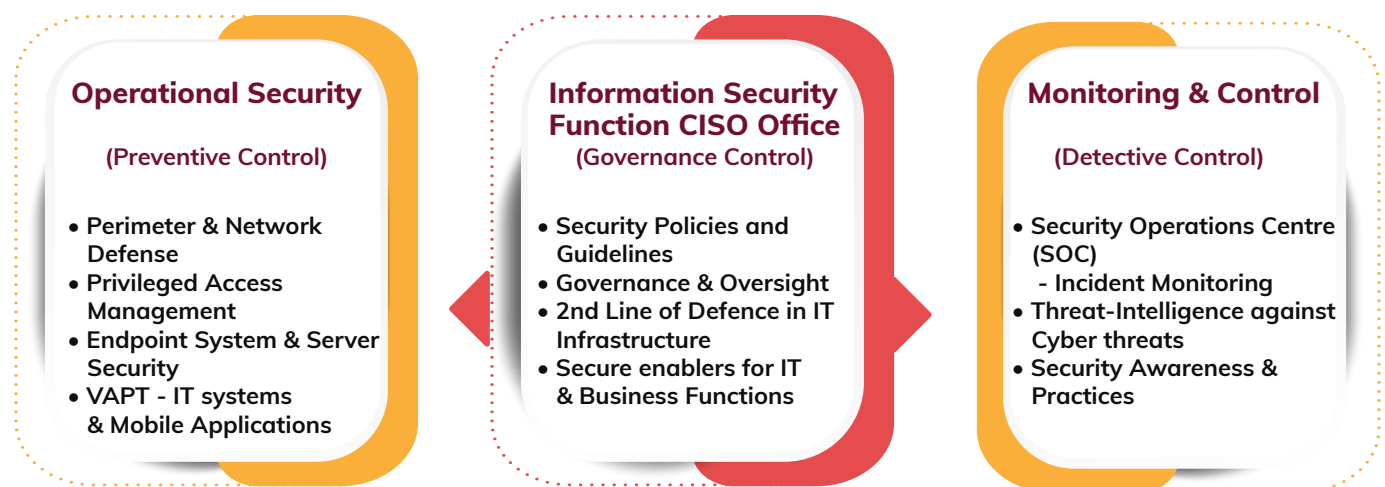
S. No.	Particulars	Current Year FY 2023-24	Previous Year FY 2022-23
Complaints received by the Bank from its customers			
1	No. of complaints pending at the beginning of the year	822	271
2	No. of complaints received during the Year	37,825	16,780
3	No. of complaints disposed during the year	37,354	16,229
3.1	Of which, number of complaints rejected by the Bank	3,329	422
4	No. of complaints outstanding at the end of the year	1,293	822
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	303	205
5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	274	200
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	29	5
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Information Security

The mission of Information Security at India Post Payments Bank is to design, implement and maintain an information security program that protects the Bank's systems, services and data against unauthorised use, disclosure, modification, damage and loss. The Information Security Department is committed to engage in different business functions of the Bank, establish an appropriate Information Security governance structure that enables collaboration and support for new Information Security Initiatives.

With the pivotal role of 2nd line of defence, security controls deployed at IPPB aim to protect critical infrastructure and build capabilities to prevent and respond to cyber threats, reduce vulnerabilities and minimise damage from various security/ cyber incidents.

IPPB's organogram has a Chief Information Security Officer (CISO) role created for surveillance on the security architecture/ infrastructure and for coordinating security incident response activities.



At IPPB, the triad of confidentiality, integrity, and availability is at the heart of the Information Security framework implemented by the Bank. Keeping customer priorities in mind, the Bank follows a 'defence-in-depth' approach in implementing cyber security solutions. This approach enables the Bank to protect its data using a multi-layered defence mechanism with a combination of tools and techniques which complement and augment each other.

With its multi-layered defence mechanism, the Bank ensures its IT infrastructure is always protected and monitored 24x7 at various levels:

- Perimeter and internal network defence is ensured through network security tools.
- Identity and Access Management is performed through Privileged Access Management solution.
- End-point systems and Servers are secured with anti-virus and host prevention.
- Vulnerability assessment exercise carried out quarterly on IT systems and Mobile applications before they go-live to ensure the vulnerabilities are mitigated and the risks are managed.
- Established Security Operations Centre (SOC) to monitor, prevent, detect, investigate, and respond to cyber threats round-the-clock with 24x7-365 days' network, servers and system monitoring.
- Threat-Intelligence tool for Brand Abuse, Anti-Phishing, Anti-Malware, and Dark Web scanning to proactively report and act upon miscreants performing fraudulent activities under the Bank's name.
- Sending awareness E-mails, Posters, Quiz and bulk SMSs.

IPPB is a regular participant in the Cyber Drill activity since November 2020, conducted by IDRBT to evaluate the Bank's detection and response mechanisms during simulated attacks.

Also, the Bank undergoes multiple assessments of its security practices by external auditors and regulatory examinations to investigate and help strengthen its security approach.

Information Technology

India Post Payments Bank is in the midst of a technology transformation exercise that focuses both on building the Bank of the future as well as running the Bank. For us, the focus on technology upgrade and digital transformation are central to achieving growth as well as excellence in customer service. We are focusing on two foundational aspects. First, transforming the Bank through new platforms and enriching customer experience by offering the best-in-class products and services. Second, running the Bank efficiently by reinforcing our core technologies with enhanced performance and resilience at scale. Our digital transformation journey is being powered by building competencies within the organisation.

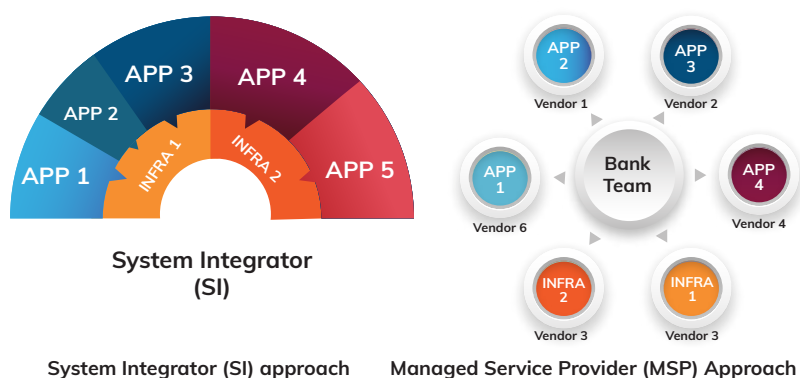


Some of the path-breaking steps taken by the Information Technology Department are enumerated below:

Change of System Integrator(SI) approach to Manage Service Provider (MSP) approach

By changing Banking industries' traditional approach of managing Information technology through SI approach, Technology department has taken the path-breaking step. The transition became a success despite the availability of limited resources with the Department.

The transition not only helped the Bank in saving a large investment on managing IT infrastructure, but it also enhanced the quality of service delivery in the field.



Conducting DR (Disaster Recovery) Drill

The importance of IT Disaster Recovery (DR) drill cannot be overstated. These drills are essential for ensuring that the Bank is well-prepared in face of emergencies and handles crises effectively. Whether it's a natural disaster that disrupts power and computer systems or a cybercrime like ransomware, being ready with a well-practiced DR plan is crucial.

This year, we have conducted back to back successful DR drill which showcases our resilience and preparedness towards unforeseen negative circumstances.

Network and IT Infrastructure Improvement

The Bank's IT team is relentlessly working to enhance the capacity of network and compute to support ever increasing transactions and application landscape. Various enhancement in band-width and compute has been done periodically. In addition, looking into the criticality of locations accessing the applications, redundant links are also being provisioned. In addition, management and upgradation of backend software with security patches are periodically being done. Special access controls mechanism are implemented for Network device access controls.

Increasing Bank Technology team through addition of IT Executives

In order to strengthen our performance, IT team has been expanded by accommodating more executives. Their industry experience will help advancing our current processes and ensure continuous service delivery. Our conscious effort has been to launch in small scale, listen to customer feedback, build acceptance through word of mouth before we fully scale. Parallely, our core technology is being reinforced for improved resilience, scale, and agility.

Risk Management

The Bank has formulated various Risk Management Policies and Strategies to identify, measure, monitor and manage risk efficiently and establish control systems in line with the Bank's aggregate Risk Appetite / tolerance level. The major policies formulated and approved by the Board of Directors of the Bank to address such risks are Treasury Investment Policy, Asset Liability Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Outsourcing Policy, Business Continuity Policy, ICAAP Policy, Stress Testing Policy, Fraud Risk Management Policy, Information Security Policy and Cyber Security Policy etc.

For efficient risk management your Bank has a multi-layered framework for risk management that basically entails the following elements:

Operational Risk Management

The Bank has framed an Operational Risk Management Policy along with supporting framework for managing the Operational Risk in an effective manner such as a) Loss Data Management (LDM) framework for Identification, Reporting, Accounting and Closure of the Operational Risk loss event thereby measuring the loss & containing it through corrective actions b) Product & Change Approval Framework to Identify & Address key risk issues in new/ existing Product/ Process c) Risk and control Self-assessment (RCSA) to assess risks in the products/ process & test controls and d) Key Risk Indicators (KRI) to monitor risk issues (KRI). Further, thematic study on the products & processes of the Bank is also conducted to identify operational risk issues, if any and suggest suitable controls wherever required. List of risk related agenda notes/ reports that are required to be placed to Board / RMCB/Management Committees at different periodicities is stipulated in the respective risk policies and accordingly information about any material risks is reported to the Board, RMCB and other relevant stakeholders in a timely and accurate manner.

Market Risk and Asset Liability Management

The Bank has put in place a Board approved Market Risk Management Policy, ALM & Treasury Investment policy aligned with RBI regulations and operating guidelines governing Payment Banks and Executive level Committees, viz. Investment Committee and Asset-Liability Management Committee (ALCO), that supports the RMCB in dealing with the day to day affairs, associated issues/concerns, if any, in a comprehensive manner. The Treasury Investment, Market Risk & ALM policy of your Bank comprise investment / risk management practices, procedures, prudential risk limits, review mechanisms and reporting systems etc. These policies are reviewed periodically in line with changes in financial and market conditions.

Market Risk in trading book is monitored and managed as per appropriate control mechanism defined in the Market Risk Management Policy. Market position, funding patterns, duration, counterparty limits and various other sensitive parameters are monitored by the Bank on regular basis.

The Bank measures and monitors liquidity risk for all items of balance sheet through structural liquidity statements and stock ratios on regular basis. The Bank measures and monitors its Interest rate risk through interest rate sensitivity gap reports.

Fraud Risk Management

The Bank is dedicated to upholding the highest moral and professional standards in everyday banking. In order to implement the RBI's guidelines on frauds, IPPB has created a fraud risk policy. This policy aims to provide a framework that will allow the Bank to identify frauds early, report them to the appropriate authorities, and take prompt and corrective action, such as looking into staff accountability and performing efficient fraud risk management.

The Bank has supplemented its fraud prevention efforts by sending out weekly Fraud Risk Management Series to its employees in the belief that prevention is better than cure. The bank additionally disseminates information about fraud risk awareness to its customers and the wider public by hosting it on social media and including it in the e-statements it sends to customers.

Human Resource

Initiatives Launched

1. “Leadership Excellence Accreditation and Development (LEAD)” program was launched, seeking to bridge the skill gap for promoted officers.
2. Three Training cum workshop on Effective Written Communication was held at Corporate Office for employees. Such workshop is planned to be expanded in online mode to Circles, Regional Offices and beyond.
3. **Launch of Recognition of Initiatives in Sales and Operational Excellence (RISE) Scheme:** In order to recognise employee’s effort in achieving branch targets, a new scheme was launched to recognise top 5 branches Pan India on the basis of average consolidated (Sales and Operations) KRA on quarterly basis.
4. HR Digitalisation to improve leave tracking and service period calculations.
5. Training Program on “Ethics & Corporate Governance” for Chief Managers in order to inculcate the following:
 - Appreciate the appropriate norms of responsible and ethical behaviour.
 - Understand the effects of ethical lapses on organisational culture.
 - Deliberate upon Corporate Governance.
 - To encourage good, conducive, and professional relationships and working environments.
 - To promote integrity among the employees and gain trust from key stakeholders, such as investors and consumers.
 - Establishing rules and principles to help manage and control organisation and institution.
6. A wellness programme for IPPB Officers & their dependents with regular weekly visits of General Physician & Psychologist at IPPB Corporate Office & CPC Offices along with teleconsultation services. Other wellness

Distribution

The Department aims to enhance sales productivity through rollout of access points, access point readiness, on-boarding of Individual/ Corporate Business Correspondents, BCs’ training and certification, device readiness, incentive payout, conducting Financial Literacy Camps, internship programs and other Distribution related activities.

1,61,000+ DoP Access Points are currently active to provide customers with effective banking. During the year 2023-24, new state-of-the-art devices were provided to the end-users to serve the customers better.

FLC Camps

Conducted Financial Literacy Camps across the country, taking forward Gol’s objective of Financial Inclusivity in rural India.

- 3,900 camps conducted covering 23 states in collaboration with NABARD during FY 2023-24.
- Niveshak Didi initiative conducted additional 1,120 IEPFA camps during FY 2023-24 covering 19 states.

23,318 New Access Points roll out under Mobile Business Correspondent Programme

- **Individual BC:** Total 1763 IBC on-boarded during FY 2023-24. The IBCs were enabled to perform Aadhaar enabled Payment System (AePS), Domestic Money Transfer (DMT) and monetary transactions using card+pin device along with providing Account Opening and Insurance Products services.
- **Training & Development:** Training provided to the Bank staff and End Users on various learning modules.
Highlight: 1,03,673 IIBF Certification during FY 2023- 24.
- **Internship:** Internship Program by the Bank received appreciation both by Students and Educational Institutions. The Bank provided Internship opportunity to almost 1,100+ Students, covering 23 States. Students were trained and given the opportunity to work on various segments of Bank- operations, marketing, sales and customer service, enabling them with industry-standard practices.

Compliance

IPPB has a well-established Compliance Department in accordance with RBI guidelines, tasked with ensuring the Bank develops and enforces a Compliance Culture at work and manages Compliance Risk for safe-guarding the Bank's reputation through early warning signals of regulatory violence.

The Compliance Department has formulated KYC/ AML/ CFT Policy for the Bank which includes key elements of Customer Acceptance, Risk Management, Customer Identification Procedures and Monitoring of Transactions.

For effective adherence, the Bank has multi-layered framework for Compliance Management that entails the following elements:

Regulatory & Internal Control	Regulatory Reporting	AML - CFT	Management Information System & Quality Control
<p>This division accomplished:</p> <ul style="list-style-type: none"> • Training of all the employees through specially curated Compliance Module. • Conducted 8 quiz series covering various aspects of Payments Bank. • Timely conduct of Compliance Testing of all functions in the Bank. • The Bank has implemented technical solution to monitor adherence to the guidelines. • Conducted Compliance Workshop for Field Functionaries. 	<p>This division accomplished:</p> <ul style="list-style-type: none"> • Automation of various reports in order to streamline the reporting without manual intervention. • Published various dashboards to apprise the organisation. 	<p>This division accomplished:</p> <ul style="list-style-type: none"> • AML - CFT training conducted for Field functionaries. • No pendency in alert monitoring • Successful implementation of FinNet 2.0. • FIU-IND appreciated IPPB for Filing of quality STR. 	<p>This division accomplished:</p> <ul style="list-style-type: none"> • Streamlined tracking of various outsource contracts and progress of implementation of various regulatory systems. • Regular collection and maintenance of important data from various departments of Bank.

COMPLIANCE CULTURE



Awards, Recognition and Key Events

Awards and Recognition



India Post Payments Bank was honoured with the esteemed '**Payment Bank of the Year**' award during the India Banking Summit & Awards 2023, hosted by Synnex Group in Mumbai on May 27, 2023. Recognized for its innovative digitized payment solutions and unparalleled doorstep banking services, the bank has set a global benchmark and has been facilitating hassle-free financial transactions for consumers since its launch on 1st September 2018.

IPPB was honoured with the prestigious Jury Choice Award for '**Outstanding Payment Solutions Provider**' at an event held in Goa on June 10, 2023. This accolade reaffirms IPPB's steadfast dedication to offering customer-centric banking solutions, ensuring accessibility and convenience down to the last mile.



IPPB participated in the 10th Edition of BFSI CXO Awards and was honoured with the Elets BFSI CXO Award in the category of '**Leadership Excellence in Payments Bank**'. This recognition was bestowed upon us during the event held on 10th February, 2024 at Thiruvananthapuram, Kerala.

IPPB was the humble recipient of the 2nd Annual CX Excellence Award for Best Customer Centric Project of the Year, presented by Quantec Group at an event in Bengaluru on June 23, 2023



Key Events



4th edition of Global Fintech Fest

IPPB participated in the 4th edition of Global Fintech Fest from 5th to 7th September 2023 at Jio World Convention Centre. Organised by NPCI, PCI, and the Fintech Convergence Council, the event showcased IPPB's products and services through creatively designed displays at a semi-premium booth. MD & CEO, IPPB, was also a distinguished speaker at the event.

Antyodaya Shramik Suraksha Yojana

The pilot launch of the Antyodaya Shramik Suraksha Yojana took place on 8th July 2023, in Nadiad, Gujarat, with the Hon'ble Chief Minister of Gujarat, Shri Bhupendra Bhai Patel, and Hon'ble Union Minister, Shri Devusinh Chauhan, inaugurating the event. This initiative aimed to provide financial security of accident coverage to the unrecognised sector workers, laying the groundwork for their economic welfare nationwide.



IPPB Day

On 1st September, 2023, India Post Payments Bank marked its 5th National Launch Day, now known as IPPB Day, a significant occasion recognised on the Government of India's official calendar. Celebrations took place at IPPB's Delhi Corporate Office and branches nationwide. Branches invited regional and circle DoP, SSP, PMG, and senior dignitaries, organising events such as cake cutting, lamp lighting, and promotional activities.

Felicitation of Social Media Champion Contest

A felicitation ceremony was hosted at our corporate office to honour the winners of the Field Stories for Social Media Champion contest. Winners from nearby locations received certificates of appreciation for their outstanding performance, while the Star story winner was presented with a Rs. 3000/- gift voucher as a token of appreciation. Certificates and gift vouchers for other winners were dispatched to their respective locations.



RuPay PVL

IPPB's distinguished dignitaries were invited at the RuPay Prime Volleyball League to present awards to the winners.

Key Media Coverage



<https://www.fortuneindia.com/macro/india-post-aadhaar-atm-heres-how-to-get-cash-delivered-at-home/116383>



https://www.business-standard.com/companies/news/india-post-payments-bank-plans-to-double-income-in-fy24-md-venkatramu-123082300924_1.html



<https://www.financialexpress.com/business/sme-sidbi-enters-in-partnership-with-indian-post-payments-bank-to-support-rural-and-informal-micro-enterprises-3270501/>



<https://psuwatch.com/newsupdates/ippb-enters-into-mou-with-hzl-to-offer-financial-inclusion-services>



<https://economictimes.indiatimes.com/wealth/save/how-pensioner-can-generate-digital-life-certificate-from-india-post-payments-bank-what-are-the-fees/articleshow/104417748.cms?from-mdr>



<https://hindi.news18.com/news/business/whatsapp-banking-here-is-how-india-post-payments-bank-ippb-customers-can-check-balance-and-other-banking-service-7025931.html>



इंडिया पोस्ट
पेमेंट्स बैंक

India Post
Payments Bank

Statutory Reports and Financial Statements

To,
The Members,

Your Directors are pleased to present the Eighth Annual Report of the Company ("IPPB") together with the audited financial statements for the financial year ended 31st March, 2024 together with the report of the Auditors and Review of the Comptroller & Auditor General of India thereon.

Financial Results

The Company's financial performance for the year under review along with previous year's figures are given hereunder.

(Rs in Crores)

Details	FY 2023-24	FY 2022-23
Total Deposits	11552.19	6292.36
Total Assets/ Liabilities	13662.76	7620.72
Total Income	1265.29	766.15
Total Expenditure	1231.05	745.99
Net Profit/ Net Loss for the year	34.23	20.16
Net worth	959.57	506.11
Shareholding of Government of India (%)	100	100
Capital Adequacy Ratio (CRAR) (%)	54.86	56.96
Tier 1 Capital ratio (%)	54.64	56.7
Earnings per Share – Basic/ Diluted (in Rs)	0.18	0.13

Performance Highlights and Overview

During the period, the Company has recorded a total revenue of Rs. 1265.29 Cr. and total expenditure of Rs.1231.05 Cr.. Total Net Profit during the year is Rs. 34.23 Crore. In the previous year Company has incurred a profit of Rs. 20.16 Cr.

Public Deposit

Being a Banking Company, the disclosure required as per Rule 8(5)(v) & (VI) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable to your company.

Dividend

The Board of Directors of the Company had not declared any dividend during the year.

Directors' Responsibility Statement

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013.

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis;
- The systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

Statutory Auditors

The Statutory Auditors of your Company, M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants (FRN – 000038N) was appointed as Statutory Auditors of your Company for the financial year 2023-24 by the Comptroller and Auditor General of India (C&AG of India) in terms of Section 139 of the Companies Act, 2013. Statutory Auditors have audited the Financial Statements of the Company for the period ended 31st March, 2024. The Auditors Report does not contain any qualification, reservation or adverse remark and the points raised in the Audit report are self-explanatory.

Independent Auditors' Report

The Independent Auditors' Report and addendum report on the Financial Statements of the Company for the financial year ended 31st March, 2024 and the comments of Comptroller & Auditor General of India on Financial Statements for the period ended 31st March, 2024 under Section 143(6)(b) of the Companies Act, 2013 are enclosed to the Board's Report.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s VAP & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit along with management reply for the Financial Year ended 31st March, 2024 is annexed to the Report.

Compliance With Secretarial Standards

The Bank is in compliance with all applicable Secretarial Standards as notified from time to time.

Change In The Nature Of Business

During the year under review, there has been no change in the nature of business of the Bank.

Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

As required by the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format and is annexed to this Report.

Corporate Social Responsibility

Corporate Social Responsibility Policy of the Company was approved by the Board of Directors on 19th January, 2017. CSR provisions are yet not applicable on the Company.

Board Of Directors

The Bank's Board of Directors are broad-based and its constitution is governed by the provisions of the Companies Act 2013 and Banking Regulation Act 1949. The Board functions directly as well as through various Board Committees constituted to provide focused governance in the important functional areas of the Bank.

Relationship Between Directors Inter-Se

None of the Directors on your Bank's Board is related in any manner, directly or indirectly, to any other Director.

Quorum For The Board Meetings

The quorum for the Board Meetings shall be one-third of the total strength or two Directors, whichever is higher subject to at least one Director being a nominee of the Central Government.

Board Of Directors Of The Company As On 31st March 2024:

S. No.	Name of the Director	Designation	Period of occupancy with effect
1	Vineet Pandey	Chairman & Director	09-06-2021
2	Pawan Kumar Singh	Nominee Director	15-12-2021
3	R Viswesvaran	MD & CEO	27-03-2024
4	Sanjay Prasad	Nominee Director	05-12-2018
5	Dr Jatin Kumar Mohanty	Independent Director	11-09-2022
6	Jayshree Vrajlal Doshi	Independent Director	28-09-2022
7	Kaliannan A.	Independent Director	11-09-2022
8	Veenay Ganoo	Independent Director	11-09-2022
9	Navneet Kakkar	Independent Director	11-09-2022
10	Shrikant Namdeo	Nominee Director	18-01-2023

The Following Persons Were Appointed As Director/ Key Managerial Personnel (KMP) During The Year/ From The Date Of Last AGM To Till Date Under Report:

S. No.	Name of the Director	Designation	Period of occupancy with effect
2	V. Easwaran	MD & CEO (Interim)	28-10-2023
2	R. Viswesvaran	MD & CEO	27-03-2024
3	Vandita Kaul	Director & Chairman	01-06-2024
4	Rajul Bhatt	Nominee Director	24-07-2024

The Following Persons Ceased To Be Director/ KMP During The Year Under Report/ From The Date Of Last AGM To Till Date:

S. No.	Name of the Director	Designation	Date of appointment	Date of Resignation
1	J. Venkatramu	MD & CEO	29-10-2020	28-10-2023
2	V. Easwaran	Md & CEO (Interim)	28-10-2023	27-03-2024
3	Vineet Pandey	Director & Chairman	09-06-2021	30-05-2024
4	Pawan Kumar Singh	Nominee Director	15-12-2021	12-07-2024

The Following Persons Were Designated As KMP As Per Provisions Of The Companies Act, 2013 During The Period Under Report:

S. No.	Name of the Person	Designation	Period of occupancy with effect
1	V. Easwaran	MD & CEO (Interim)	28-10-2023
2	R Viswesvaran	MD & CEO	27-03-2024
3	Anoop E.S.	Chief Financial Officer	01-04-2022
4	Priyanka Bhatnagar	Company Secretary	16-01-2017

Board Meetings

During the year 2023-24 the Board of Directors of the Company met Twelve (12) times on

55 th Board meeting held on 03 rd May,2023	56 th Board meeting held on 23 rd June,2023	57 th Board meeting held on 05 th August,2023	58 th Board meeting held on 15 th September,2023	59 th Board meeting held on 17 th October,2023	60 th Board meeting held on 08 th November,23
61 st Board meeting held on 25 th Nov, 23	62 nd Board meeting held on 1 st Dec,2023	63 rd Board meeting held on 10 th Jan,2024	64 th Board meeting held on 19 th February,2024	65 th Board meeting held on 19 th February,2024	66 th Board meeting held on 30 th March,2024

Director's Attendance at the Board Meeting

Name of The Director	Attendance at your Bank's Board Meetings (Total No. of Meetings held- 12)
Vineet Pandey	12 out of 12
Sanjay Prasad	01 out of 12
R. Viswesvaran	01 out of 01 (Joined on 27 th March,2024)
Pawan Kumar Singh	12 out of 12
J Venkatramu	04 out of 05 (Till 59 th Board meeting held on 17 th October,2023) Completed his tenure on 28 th October,2023
Shrikant Namdeo	11 out of 12
Navneet Kakkar	12 out of 12
Kaliannan A.	12 out of 12
Veenay Ganoo	12 out of 12
Jayshree Vrajlal Doshi	12 out of 12
Dr. Jatin Kumar Mohanty	11 out of 12

Committees

The Board of Directors of the Bank has constituted various sub-committees of Directors and/ or Executives to look into different areas of strategic importance in terms of Reserve Bank of India/ SEBI/ Government of India guidelines on Corporate Governance and Risk Management. The important Committees are as under:

1. Audit Committee of the Board (ACB)
2. Nomination & Remuneration Committee of the Board
3. Risk Management Committee of the Board
4. Customer Service Committee of the Board
5. HR Steering Committee of the Board (formerly known as Recruitment Advisory Committee)
6. IT Strategy Committee of the Board
7. Marketing & Business Strategy Committee of Board
8. Special Committee to monitor & review all the Frauds of Rs. 10 million (Rs. 1 crore) and above

Audit Committee

The Audit Committee of the Company has been constituted in accordance with provisions of Section 177 of the Companies Act, 2013. The Committee has six members with Mr. Navneet Kakkar, Independent Director as Chairman. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Bank and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Bank. During the year 2023-24 Seven (o7) Audit Committee meetings were held.

32 nd Audit Committee held on 03 rd April, 2023	33 rd Audit Committee held on 22 nd June, 2023	34 th Audit Committee held on 04 th July, 2023	35 th Audit Committee held on 05 th August, 2023
36 th Audit Committee held on 30 th November, 2023	37 th Audit Committee held on 27 th December, 2023	38 th Audit Committee held on 14 th March, 2024	

The Terms of Reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013. The few list of functions inter-alia includes the following:

1. recommendations for remuneration of Auditors of the Company;
2. review and monitor the Auditor's independence and performance, and effectiveness of the audit process;
3. examination of the financial statements and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the Company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the Company, wherever considered necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.
9. any other responsibilities as may be assigned by the Board from time to time.

Vigil Mechanism

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally.

The Company is committed to the highest possible standard of transparency, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism by raising any concern in good faith. The Company protects the identity of the whistle blower if the whistle blower so desires. However, the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process.

If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Managing Director. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Risk Management Committee

The Risk Management Committee of the Company had been constituted on 28th June, 2017. The Committee has six members with Mr. Veenay Ganoo, Independent Director as Chairman. The Company has in place a risk management policy which aims to have balance between risk and return. It entails the identification, measurement and management of risks in the business of the Company. As per the policy monitoring and corrective actions are taken on a continuous basis. The committee has overall responsibility of managing entire risk of the bank, devising suitable risk management policy including market and operational risks, risk integration,

implementation of best risk management practices, setting up various risk limits and review of the cyber security of the bank. The Company has duly implemented Risk Management Policy. During the year 2023-24 four (04) Risk Management Committee meetings were held.

17 th Risk Management Committee held on 23 rd June, 2023	18 th Risk Management Committee held on 22 nd September, 2023	19 th Risk Management Committee held on 27 th December, 2023	20 th Risk Management Committee held on 15 th March, 2024
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Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company had been constituted on 28th June, 2017 in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has five members with Ms. Jayshree Vrajlal Doshi, Independent Director as Chairman. The Committee is constituted for undertaking due diligence to determine the "Fit and Proper Criteria" status of the persons to be elected as Directors under clause (i) of sub section 3 of Section 9 of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Further, Govt. of India wide notification dated 30.08.2019 directed to constitute a single Nomination and Remuneration Committee for carrying out the functions of both Nomination and Remuneration Committee with the composition as specified by RBI Master Direction dated 02.08.2019. During the year 2023-24 Five (05) committee meeting was held.

06 th Nomination and Remuneration Committee held on 24 th April, 2023	07 th Nomination and Remuneration Committee held on 17 th October, 2023	08 th Nomination and Remuneration Committee held on 26 th December, 2023	09 th Nomination and Remuneration Committee held on 28 th December, 2023	10 th Nomination and Remuneration Committee held on 19 th February, 2024
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Customer Service Committee

The Customer Service Committee of the Company had been constituted on 28th June, 2017 to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee has five members with Dr. Jatin Kumar Mohanty, Independent Director as Chairman and Lead Customer Service Officer as a special Invitee. During the year 2023-24 two (02) committee meetings was held.

10 th Customer Service Committee held on 22 nd September, 2023	11 th Customer Service Committee held on 16 th March, 2024
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HR Steering Committee (Formerly known as - Recruitment Advisory Committee)

The HR Steering Committee of the Company had been constituted on 01st December, 2017 The Committee has three members with Ms. Jayshree Vrajlal Doshi, Independent Director as Chairman and Chief Human Resource Officer as a special Invitee. During the year 2023-24 Seven (07) HR Steering Committee meetings were held.

22 nd HR Steering Committee held on 25 th April, 2023	23 rd HR Steering Committee held on 2 nd May, 2023	24 th HR Steering Committee held on 25 th August, 2023	25 th HR Steering Committee held on 13 th October, 2023
26 th HR Steering Committee held on 29 th November, 2023	27 th HR Steering Committee held on 26 th December, 2023	28 th HR Steering Committee held on 12 th March, 2024	

IT Strategy Committee

The IT Strategy Committee erstwhile IT Steering Committee of the Board had been constituted on 5th December, 2018. The Committee has six members with Mr. Kaliannan A. Independent Director as Chairman. CTO is the permanent invitee to the committee. The Broad functions of the IT Strategy Committee of the Board are to:

1. Approve IT Strategy and Policy ensuring that the management has put an effective strategic planning process in place.
2. Support and provide directions on Talent sourcing to ensure that the IPPB Technology Organization structure complements the business model.
3. Guide the management in building a system architecture focused on best practice technology implementations.
4. To approve the investments in Technology on the below business parameters ensuring a balance of risk and benefit along with alignment to new technology alternatives and cost considerations towards:
 - a.New revenue lines
 - b.Enhancing customer experience
 - c.Regulatory compliance
 - d.Building process efficiency

During the year 2023-24, Six (o6) IT Strategy Committee meetings were held.

17 th IT Strategy Committee held on 10 th April,2023	18 th IT Strategy Committee held on 24 th April,2023	19 th IT Strategy Committee held on 22 nd June,2023	20 th IT Strategy Committee held on 04 th August,2023	21 st IT Strategy Committee held on 1 st December,2023
22 nd IT Strategy Committee held on 13 th March,2024				

Marketing & Business Strategy Committee

The Marketing & Business Strategy Committee was constituted on 23rd February, 2023. The Committee has five members with Dr. Jatin Kumar Mohanty, Independent Director as Chairman. Two meetings of Marketing & Business Strategy Committee were held during FY 2023-24.

1 st Marketing & Business Strategy Committee held on 24 th August,2023	2 nd Marketing & Business Strategy Committee held on 15 th March,2024
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Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 crore) and above

The Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 Crore) and above was constituted on 25 November, 2023.The Committee has five members with Mr. Veenay Ganoo, Independent Director as Chairman. One meeting of Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 crore) and above was held during FY 2023-24.

1 Special Committee to monitor & review all the Frauds of Rs. 10 million (Rs. 1 crore) and above was held on 16 th March,2024
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Independent Directors Declaration

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and in the opinion of the Board they fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

Information Under Section 197 Of The Companies Act, 2013 Read With Rule 5(2) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014 Regarding Employees Remuneration

IPPB being a Government Company, the provisions of section 197 of the Companies Act, 2013 and relevant rules shall not apply in view of the Gazette notification dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India. The terms and conditions of the appointment of Functional Directors is decided by the Government of India. The salary, terms and conditions of the appointment of Company Secretary, KMPs of IPPB, is in line with the parameters prescribed by the Company.

Statement Under Section 134(3)(P) Of The Companies Act, 2013 Regarding Formal Annual Evaluation Made By Board Of Its Own Performance And That Of Its Committees And Individual Directors

IPPB being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 and relevant Rules shall not apply in view of the Gazette notification dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India.

Related Party Transactions

There are no related party contracts, arrangements or transactions undertaken by the Company during the year and hence the no disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in form AOC 2.

Holding & Subsidiary Company

There is no Holding or Subsidiary Company.

Changes In Authorized And Paid Share Capital Of The Company

- (I) AUTHORIZED CAPITAL: 2,35,50,00,000 Equity Shares of Rs. 10/- each.
- (II) PAIDUP CAPITAL: 2,10,50,00,000 Equity Shares of Rs.10/- each

Right Issue Of Equity Shares

The Company has made right issue of 45,00,00,000 Equity Shares to President of India through Secretary Department of Posts, existing equity shareholder in proportion of existing shareholding of the Shareholders.

Particulars Of Loans, Guarantees Or Investments Made Under Section 186 Of The Companies Act, 2013

There were no loans, guarantees or investments made by the Company exceeding the limits specified under Section 186 of the Companies Act, 2013 during the year under review and hence, the said provision is not applicable.

Material Changes And Commitment Affecting Financial Position Of The Company

There are no material changes and commitments affecting the financial position of the Company which has occurred during the period of this report.

Right to Information (RTI) Act, 2005.To assist and facilitate the citizen in obtaining information, detailed guidelines have been placed on IPPB's website, spelling out the procedure for RTI Act,2005

Right to Information (RTI) Act, 2005

To assist and facilitate the citizen in obtaining information, detailed guidelines have been placed on IPPB's website, spelling out the procedure for RTI Act, 2005

Rajbhasha (Official Language)

Your Company makes concerted efforts to spread and promote the Official Language (Rajbhasha Hindi). In pursuance of Official Language Policy/ Act/ Rules/ Orders of the Govt. of India, efforts are continuing towards increasing the use of Hindi in official work. Some of the important steps taken in this regard during the year i.e. Hindi Pakhwada was organized in the Company in order to increase the usages of Hindi in day to-day official correspondence using simple & colloquial words in writing. The Company's website is available both in English and Hindi.

Information Under Section 134(3)(Q) Of The Companies Act, 2013, Read With Rule 8(5)(Viii) Of Companies (Accounts) Rules, 2014 Regarding Adequacy Of Internal Financial controls

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management.

Statutory Disclosure By Directors:

None of the Directors of your Company is disqualified as per provisions of Section 164 of the Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013.

Industrial Relations

During the year under review, the relations between the Management and the employees/ staff were highly cordial. Human resources initiatives such as skill up gradation, training, and productivity improvement were the key focus areas for development of the employees of the Company.

Disclosure Under Sexual Harassment Of Women At Workplace (Prevention Prohibition And Redressal) Act, 2013

The Company is committed to provide a healthy environment and thus does not tolerate any discrimination and/ or harassment in any form. The Company has adopted an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2023-24:

1. Number of Sexual Harassment complaints received during the FY 2023-24- 03
2. Number of Cases disposed as on 31st March 2024- 01
3. Number of cases pending as on 31st March 2024- 02

Your Directors further state that during the year' under review, there were three cases filed Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details In Respect Of Frauds Reported By Auditors Under Section 143 (12) Other Than Those Which Are Reportable To Central Government

During the year under review, there were no instances of fraud reported by the statutory auditors, concurrent auditors and secretarial auditor under Section 143(12) of the Companies Act, 2013.

Secretarial Standards

The Directors state that Secretarial Standards applicable to the Company have been duly followed by the Company.

Disclosure About Cost Audit

Provision given under section 148 of Companies Act, 2013 and rule 14 of company (audit and auditor) rules, 2014, not applicable on the company during the year.

Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings/ Outgo

ANNEXURE A

ACKNOWLEDGEMENT

The Board of Directors acknowledges with deep sense of appreciation for the cooperation received from the Government of India, particularly the Ministry of Communications (Department of Posts), Financial Institutions, Banks, Customers and all other stakeholders. The Board of Directors acknowledge with thanks the valued cooperation received from C&AG and the Statutory Auditors and Secretarial Auditors. The Directors take this opportunity to express their thanks for the valuable contribution, hard work and dedication of every employee. The Board is confident that with the employees' continued and dedicated efforts, your Company will be able to face the new challenges and achieve improved performance.

For and on behalf of Board of Directors

Sd/-
Vandita Kaul
Chairman
DIN- 07854527
G 501,CGRC, DDU MARG,
New Delhi

Sd/-
R. Viswesvaran
MD & CEO
DIN -10514859
M-6, 2nd Floor, Green Park
Ext. New Delhi

Place: Delhi
Date: 24.10.24

Annexure A

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

(A) Conservation of energy:

Steps taken for conservation of energy	The Company has a policy of switching off power after the office time in those areas where staff has left for the day. The Company also maintains the air conditioning temperatures to conserve energy. The Company continuously strives to optimize its energy usage and efficiency
Steps taken for utilization of alternate sources of energy	The Company does not have any alternate sources of energy
Capital Investment on energy conservation	Investment is considered from time to time whenever it is deemed necessary, in order to reduce consumption of energy

(B) Technology absorption:

- i. The efforts made towards technology absorption: **NIL**
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): **N.A**
 - a. The details of technology imported
 - b. The year of import
 - c. Whether the technology been fully absorbed
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. The expenditure incurred on Research and Development: **NIL**

(C) Foreign exchange earnings and Outgo:

Foreign Exchange used: Rs. Nil

Foreign Exchange earned: Rs. Nil

Independent Auditor's Report

To the Members of India Post Payments Bank Limited
Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of India Post Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('Act') in the manner so required for Banking companies and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2024, and its profit and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context:

	Key Audit Matter	Auditor's Response
1.	IT Systems and Controls over financial reporting	
	<p>IT Controls Framework is identified as a Key Audit Matter as the Bank's business is highly dependent on the IT environment as the Bank's financial accounting and reporting processes are highly dependent on Banking, Treasury and other supporting software controls such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>The Bank uses several systems for its overall financial reporting and there is a large volume of transactions being recorded at multiple locations daily. In addition, there are increasing challenges to protect the integrity of the Bank's systems and</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <p>We have planned, designed and carried out the audit procedures and sample checks, taking into consideration the existing IT systems of the Bank. We obtained an understanding of Bank's IT environment including integration of various systems to evaluate their adequacy. This included testing that requests for access to systems were reviewed and authorised. We inspected requests of changes to systems for approval and authorisation.</p> <p>Further, we also relied on the reports of Information Security Audit conducted by an external agency</p>

<p>data since cyber security has become a more significant risk in recent periods. Hence, due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p> <p>(Refer note no 35 & 34 of schedule 18 of the accompanying financial statement).</p>	<p>during the financial year 2022-23 final report submitted on 15.06.2023. In addition, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we sought explanations regarding compensating controls or performed alternate audit procedures.</p>
<p>2. Banking business activities of the Bank are being carried out by the Department of Post (DoP), on behalf of the Bank, as Business Correspondence (BC). Further, software applications relating to Banking business transactions of the Bank has been outsourced to third parties to implement, operate and maintain.</p>	
<p>We considered this matter to be of most significance in our audit as the materiality and volume of the transactions involved, balances in the financial statements and the risks involved. Banking business i.e. opening of customer saving/ current Bank accounts, cash deposits, cash payments/ transfer etc. for respective customer are being made by the DoP on behalf of the Bank. Banking business software application have also been outsourced to implement, operate and maintain.</p> <p>(Refer note no 34.1 of schedule 18 of the accompanying financial statement).</p>	<p>As per information and explanation provided to us, the common services of both the entities are being provided through same set of the manpower of DoP (GDS/ BC), however, the software licences used by both the entities are different, we have relied on the basis of test check performed by us on the product wise reports/ records prepared by the Central Processing Centre (CPC) of the Bank for the daily/ periodic settlement with respect to the transactions relating to the Banking business and accounting entries made in CBS.</p>
<p>3. Termination of contract awarded for entire Banking system integration and its maintenance:</p>	
<p>We considered this matter to be of most significance in our audit due to the security, confidentiality and integrity of data relating to customers. Contract for implementation of "dedicated and customised technology platform" through a System Integrator (SI) for Banking operation was terminated prior to the completion of the Contract due to delayed in performance and/ or non-performance of the services as per the clauses of the Contract/ MSA signed between Vendor and Bank.</p> <p>(Refer note no 35 of schedule 18 of the accompanying financial statement).</p>	<p>As per information and explanation provided to us that the Bank had hired services of OEMs of software/ hardware for the continuity of the services on termination of previous SI/ contractors. We have relied on the basis of test check performed by us on product wise reports/ records prepared by the Bank for the daily/ periodic settlement/ reconciliations with respect to the Banking transactions. We tested the operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. We have also relied on the reports issued by the concurrent auditor, report on risk-based audit conducted by the management and report on system security audit conducted by an independent agency for the financial year 2022-23.</p>

4. Emphasis of Matter:

We draw attention to the:

- note no. 32.2 of schedule 18 of the accompanying financial statements for non-conducting physical verification of Fixed Assets since inception of the Bank and management has now initiated process for the said exercise.

- ii. note no. 6.3 of schedule 17 of the accompanying financial statements regarding policy for depreciating software considering estimated life instead of actual useful/ licenced life.
- iii. note no. 34.4 of schedule 18 of the accompanying financial statements regarding capitalisation of 999 ATM on the basis of transfer of ownership by Infosys to the Bank against consideration paid by the Bank, however, income from such ATMs is not being accounted for by the Bank.
- iv. note no. 34.3 of Schedule 18 of the accompanying financial statements regarding outstanding recoverable from DoP with respect to the payments against expenditure stated to have been made by the Bank on behalf of DoP out of which Rs. 26.89 crore provided for during the year.
- v. note no. 34 of schedule 18 of the accompanying financial statements regarding non-disclosure of transactions made between Bank and DoP, as Related Party Transactions in term of exemption for such disclosure as per para 9 of the Accounting Standard 18 issued by ICAI, as both the entities are under same administrative ministry of the Govt. of India. Para 3.13 of MoU signed between DoP & Bank on 4th November, 2022 stipulates "maintain an arm's length relationship at all time with adequate ringfencing and firewalls for uninterrupted operations between DoP and IPPB, without comingling of data in accordance with RBI license conditions". However, certain transactions are being made by the Bank with DoP on free of cost basis i.e. advances/ recoverable are free of interest irrespective of the periods of outstanding of such advances/ recoverable and certain other services also provided by the Bank to DoP on free of cost basis. The management of the Bank and DoP is in the process of finalising the MOU to address the issues.
- vi. note no.35 in the schedule no.18 of accompanying financial statements regarding disputed liabilities of Rs. 163.47 crore, out of which Rs. 101.20 crore has been accounted for as liability and Rs.62.27 crore (i.e. to the extent penalties deducted) shown as contingent liability. The Performance Bank Guarantee (PBG) of Rs. 68.93 crore given by the Contractor have also been invoked and shown under other liabilities & provisions. The SI/ Contractor had gone in the High Court of Delhi and Court vide its direction dated 9th February 2024, referred the matter for Arbitration. Case is still pending.
- vii. foot note of schedule No. 10 of the accompanying financial statements regarding payments in advance for extended warranties, though services against such extended warranties would be availed by the Bank progressively only after completion of normal warranty period of one year. The such extended warranty has also been capitalised.
- viii. note no 30 in the schedule no 18 of the accompanying financial statements regarding ad-hoc provision of Rs. 69.87 crore against pay revision based on 12th Bipartite Settlement of the Indian Bank Association (IBA), stated to have been made considering the fact of para 4.2.3 of the Cabinet note dated 26.04.2022.
- ix. note no 38 in the schedule no 18 of the accompanying financial statements regarding appropriation of the amount exceeding the limits of Rs.2 lacs from the respective saving/ current accounts of the customer not having post office saving account (POSA) and parking it under other liabilities for a long period as there is no automated facility of sweep-in in respective customer accounts when balance gone down from Rs. 2 lacs. However, interest is being credited to customers account on value date basis.
- x. note no 39 in the schedule no 18 of the accompanying financial statements regarding implementation of the Vendor Management System for the tracking of vendor-wise details is in the process.
- xi. note no 40 in the schedule no 18 of the accompanying financial statements regarding procurements are being made on nomination basis.

Our opinion is not modified in respect of these matters.

5. Other Information

The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

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

- A. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank 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.
- B. In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.
- C. Those Board of Directors is also responsible for overseeing the Banks's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements.

- A. 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 Standards on Auditing 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.
- B. As part of an audit in accordance with Standards on Auditing, 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 explaining our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 Bank 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.
- C. 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.

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

8. Other Matters:

- i. These financial statements include data/ information of 650 Banking outlets (including one branch) located on pan India basis which we have not visited and relied solely on the information/ explanations relating to their data provided by the management at the Head Office of the Bank.
- ii. Financial statements for the year ended 31st March 2024 included the data/ opening data on the basis of the financial statements for the year ended 31st March 2023 which were audited by P.K. Chopra & Co., Chartered Accountants vide their unmodified report dated 23.06.2023, whose reports have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of these financial statements.

Our conclusion on the financial statement and our report is not modified in respect of the above matter.

9. Report on Other Legal and Regulatory Requirements

- i. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Rules), 2014 (as amended).
- ii. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, subject to the limitations of the audit indicated in above paragraphs, we report that:
 - we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - Since the key operations of the Bank are automated with the key applications integrated to the core Banking system, the audit is carried out at centrally as the necessary records and data required for the purposes of audit are available therein.
- iii. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a Banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
- iv. As required by Section 143(5) of the Act, we have considered the direction and sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached "Annexure A".
- v. Further, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit;
 - b. In our opinion, proper books of account, as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c. The financial statements dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

- f. We have conducted audit of the internal financial controls over financial reporting of the Bank as on 31 March, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date and our report annexed as “Annexure B”.
- 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 Bank has disclosed the impact of pending litigations under schedule 12 of the financial statements on its financial position as at 31 March, 2024;
 - ii. the Bank has made provision as at 31 March, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended 31 March, 2024.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 34.3 of schedule 18 , 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 Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and based on such audit procedures that were considered reasonable and appropriate by us 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
- The Bank has not declared or paid Dividend during the year accordingly the compliance with section 123 of the Companies Act, 2013 is not applicable on Bank for the year under Audit.
 - The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for the transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For M/s. Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN.: 000038N

Sd/-
(CA C.S. Karki)
Partner
M.No.: 089896

UDIN : 24089896BKEQUY8321

Place: New Delhi
Date: 26.06.2024

Annexure "A"

AUDIT REPORT OF INDIA POST PAYMENTS BANK LIMITED FOR THE YEAR 2023-2024 PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Certain software/ application/ Portal are being used by the Bank for its different Banking & related activities and recording the transactions which are not integrated/ interfaced with the Banking Solutions (CBS) and output of such software/ application/ Portal are being entered manually in CBS including for daily calculation of CRR/ SLR on the basis of daily DDB hence, possibilities of human error could not be ruled out.

2. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then the direction is also applicable for statutory auditor of Lender Company).

As per information & explanations provided to us, there is no restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender to the company due to the company's inability to repay the loan.

Further, it is a payment Bank therefore it is not permitted to make any loans/ advances and hence there is no restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interests etc.

3. Whether funds (grants/ subsidy etc) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

No Grant has been received during the year, hence the funds received/ receivable for specific schemes from Central/ State agencies were whether properly accounted for/ utilized or not as per its term and conditions is not applicable.

For M/s. Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN.: 000038N

Sd/-
(CA C.S. Karki)
Partner
M.No.: 089896

UDIN: 24089896BKEQUY8321

Place: New Delhi
Date: 26.06.2024

Annexure "B"

The Annexure referred to the Independent Auditor's Report of even date to the members of India Post Payments Bank Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of India Post Payments Bank Limited ('the Bank') as at and for the year ended 31 March 2024, we have audited the Internal Financial Controls over Financial Reporting ('IFCoFR') of the Bank as at that date.

2. Responsibilities of Management and Those Charged with Governance for Internal Financial Controls:

The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Bank 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. 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 the Bank's business, including adherence to the Bank'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.

3. Auditor's Responsibility for the Audit of the Internal Financial Controls:

Our responsibility is to express an opinion on the Bank's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's IFCoFR.

4. Meaning of Internal Financial Controls over Financial Reporting:

A Bank's IFCoFR 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 Bank's IFCoFR include 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 Bank; (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 Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

6. Opinion:

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Bank 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 M/s. Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN.: 000038N

Sd/-
(CA C.S. Karki)
Partner
M.No.: 089896

UDIN: 24089896BKEQUY8321

Place: New Delhi
Date: 26.06.2024

India Post Payments Bank Limited

Balance sheet as at 31st March 2024

(Rs in 000's)

CAPITAL & LIABILITIES	Schedule	As at 31.03.2024	As at 31.03.2023
Capital	1	21050000	16550000
Share Application Money		-	2000000
Reserves & Surplus	2	-9277856	-9620234
Deposits	3	115521920	62923585
Borrowings	4	-	-
Other Liabilities and Provisions	5	9333564	4353854
TOTAL		136627628	76207205
ASSETS			
Cash and Balances with Reserve Bank of India	6	7265033	6262034
Balances with Banks & Money at call & short notice	7	29949675	19009366
Investments	8	88394493	45991846
Advances	9	-	98
Fixed Assets	10	3692152	596447
Other Assets	11	7326275	4347414
TOTAL		136627628	76207205
Contingent Liabilities	12	642974	3136
Bills for Collection		-	-
Significant Accounting Policies	17		
Notes to Financial Statements	18		

(Schedules 1 to 18 form an Integral part of this financial statement)

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Anoop E S)
Chief Financial Officer

Sd/-
(Pawan Kumar Singh)
Director
(DIN 09434830)

Sd/-
(Navneet Kakkar)
ACB Chairman
(DIN 03475842)

Sd/-
(R Viswesvaran)
MD & CEO
(DIN 10514859)

Sd/-
(Vandita Kaul)
Chairman
(DIN 07854527)

As per our report of even date
For M/s. Thakur, Vaidyanath Aiyar & Co
Chartered Accountants (FRN 000038N)

Sd/-
(C.S. Karki)
Partner, Membership No 089896

Date: 26.06.2024
Place: New Delhi

India Post Payments Bank Limited

Profit & Loss account for the year ended 31st March 2024

(Rs in 000's)

	Schedule	Year ended 31.03.2024	Year ended 31.03.2023
I. INCOME			
Interest earned	13	6075759	2790522
Other Income	14	6577150	4870980
TOTAL		12652909	7661502
II. EXPENDITURE			
Interest expended	15	1697360	940216
Operating expenses	16	10036823	6461410
Provisions and Contingencies		576348	58267
TOTAL		12310531	7459893
Net Profit/ Net Loss for the year		342378	201609
Balance in Profit & Loss Account (Brought Forward)		-9699673	-9827397
Profit available for Appropriation		-9357295	-9625788
APPROPRIATIONS			
Transfer to Reserves (Net) :			
Statutory Reserve		85595	50402
Grant Account - Capital Reserve		-	-
Investment Fluctuation Reserve		14559	23483
Other Reserve		-	-
Special Reserve		-	-
Balance carried over to Balance Sheet		-9457449	-9699673
TOTAL		-9357295	-9625788
Significant Accounting Policies	17		
Notes to Financial Statements	18		

(Schedules 1 to 18 form an Integral part of this financial statement)

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As per our report of even date
For M/s. Thakur, Vaidyanath Aiyar & Co
Chartered Accountants (FRN 000038N)

Sd/-
(C.S. Karki)
Partner, Membership No 089896

Date: 26.06.2024
Place: New Delhi

Cash Flow Statement

(Rs in 000's)

Particulars		(2023-24)	(2022-23)
A. Cash Flow from Operations			
i) Net Profit After Tax		342378	201609
Add: Provision for Tax (inculding Deferred Tax)		576348	58267
Profit before Tax	i)	918726	259876
ii) Adjustments:			
Depreciation on Fixed Assets		914672	274665
Incorporation Expenses Written Off		-	-
Prior Period Item Written Off		-	-
Less: Net Amount Utilized from Grants		-	2466
Total Adjustments	ii)	914672	272199
Operating profit before changes in Operating Assets & Liabilities	(i)+(ii)	1833398	532075
iii) Adjustments for net change in Operating Assets & Liabilities			
Decrease/ (Increase) in Investments (Net)		-42402647	-16982983
Decrease/ (Increase) in Other Assets (Net)		-3555209	-1602766
Decrease/ (Increase) in Advances		98	15522
(Decrease)/ Increase in Deposits (Net)		52598335	26006367
(Decrease)/ Increase in Borrowings (Net)		-	-
(Decrease)/ Increase in Other Liabilities (Net)		4979710	982125
Total adjustment for net change in Operating Assets & Liabilities	(iii)	11620287	8418265
Cash Flow used from Operations (i)+(ii)+(iii)		13453685	8950340
Tax Paid		-	-
Net Cash Flow used from Operations	A	13453685	8950340
B. Cash Flow used in Investing Activities			
Purchase of Fixed Assets		-4010377	-82400
Net Cash Flow used in Investing Activites	B	-4010377	-82400
C. Cash Flow generated from Financing Activites			
Issue of Share Capital		2500000	2000000
Receipt of Share Application Money			2000000
Net Cash Generated from Financing Activities	C	2500000	4000000
Net Changes in Cash & Cash Equivalent (A)+(B)+(C)	D	11943308	12867940

Cash and Cash Equivalent at the beginning of the year

Cash and Balance with RBI	6262034		2672807	
Balance with Banks & Money at Call & Short Notice	19009366		9730653	
		25271400		12403460
Cash and Cash Equivalent at the end of the year				
Cash and Balance with RBI	7265033		6262034	
Balance with Banks & Money at Call & Short Notice	29949675		19009366	
		37214708		25271400
		11943308		12867940

(Schedules 1 to 18 form an Integral part of this financial statement)

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As per our report of even date
For M/s. Thakur, Vaidyanath Aiyar & Co
Chartered Accountants (FRN 000038N)

Sd/-
(C.S. Karki)
Partner, Membership No 089896

Date: 26.06.2024
Place: New Delhi

SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

SCHEDULE 1 - CAPITAL

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
235,50,00,000 Equity Shares of Rs 10 each (Previous Year		
185,50,00,000 Equity Shares of Rs 10 each)	23550000	18550000
Issued & Subscribed		
210,50,00,000 Equity Shares of Rs 10 each (Previous Year		
165,50,00,000 Equity Shares of Rs 10 each)	21050000	16550000
Paid up Capital		
210,50,00,000 Equity Shares of Rs 10 each (Previous Year		
165,50,00,000 Equity Shares of Rs 10 each)	21050000	16550000
TOTAL	21050000	16550000

SCHEDULE 2 - RESERVES & SURPLUS

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Statutory Reserve		
Opening Balance	55956	5554
Addition during the year	85595	50402
Deduction during the year	-	-
	141551	55956
II. Capital Reserve		
a. Revaluation Reserve		
Opening Balance	-	-
Addition during the year	-	-
Deduction during the year	-	-
	-	-
b. Others (Grant A/c)		
Opening Balance	-	2466
Addition during the year	-	-
Deduction (Utilised) during the year	-	2466
	-	-
III. Revenue and Other Reserve		
a. Investment Fluctuation Reserve		
Opening Balance	23483	-
Addition during the year	14559	23483
Less: Trf to P & L Account	-	-
	38042	23483

b. Other Reserve				
Opening Balance	-		-	
Addition during the Year	-		-	
		-		-
c. Exchange Fluctuation Reserve				
Opening Balance	-		-	
Add: Addition during the year (Net)	-		-	
Less: Withdrawn during the year (Net)	-		-	
		-		-
IV. Share Premium				
Opening Balance	-		-	
Addition during the Year	-		-	
		-		-
V. Special Reserve				
Opening Balance	-		-	
Addition during the Year	-		-	
Deduction during the Year	-		-	
VI. Balance in Profit & Loss Account		-9457449		-9699673
Total I to VI		-9277856		-9620234

SCHEDULE 3 - DEPOSITS

(Rs in 000's)

	As at 31.03.2024		As at 31.03.2023	
A. I DEMAND DEPOSITS				
(i) From Banks	-		-	
(ii) From Others	208495		209974	
		208495		209974
II SAVINGS BANK DEPOSITS		115313425		62713611
III TERM DEPOSITS				
(i) From Banks	-		-	
(ii) From Others	-		-	
		-		-
TOTAL of I, II, III		115521920		62923585
B. (i) Deposits of branches In India		115521920		62923585
(ii) Deposits of branches outside India		-		-
TOTAL of i, ii		115521920		62923585

SCHEDULE 4 - BORROWINGS

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	-	-
II. Borrowings Outside India	-	-
TOTAL of I, II	-	-
Secured Borrowings included in I & II above		

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	-	-
IV. Others (including Provisions)	9333564	4353854
TOTAL OF I to IV	9333564	4353854

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(Rs in 000's)

	As at 31.03.2024		As at 31.03.2023	
I. Cash in hand (including Foreign Currency Notes)		-		-
II. Balance with Reserve Bank of India				
(i) in Current account	6505033		2972034	
(ii) in Other Accounts	760000		3290000	
		7265033		6262034
TOTAL Of I, II		7265033		6262034

SCHEDULE 7- BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE

(Rs in 000's)

	As at 31.03.2024		As at 31.03.2023	
I. In India				
(i) Balance with Banks:				
(a) In Current accounts	12375		18047	
(b) In Other Deposit accounts	29937300		16393500	
		29949675		16411547
(ii) Money at Call and Short Notice:				
(a) with Banks	-		-	
(b) with Other Institutions	-		2597819	
		-		2597819
TOTAL (i & ii)		29949675		19009366
II. Outside India				
(i) In Current accounts	-		-	
(ii) In Other Deposit accounts	-		-	
(iii) Money at Call & Short Notice	-		-	
TOTAL (i , ii & iii)		-		-
GRAND TOTAL (I & II)		29949675		19009366

SCHEDULE 8 - INVESTMENTS

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Investments in India in		
(i) Government Securities	88394493	45991846
(ii) Other approved securities	-	-
(iii) Shares	-	-
(iv) Debentures and Bonds	-	-
(v) Investment in Subsidiaries/ Joint Ventures	-	-
(vi) Others (Mutual Funds & Commercial Paper etc.)	-	-
TOTAL of I	88394493	45991846
II. Investments outside India		
(i) Government Securities (including local authorities)	-	-
(ii) Investment in Subsidiaries/ Joint Ventures abroad	-	-
(iii) Other investments	-	-
TOTAL of II	-	-
GRAND TOTAL of (I), (II)	88394493	45991846

SCHEDULE 9 - ADVANCES

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
A. i) Bills Purchased and discounted	-	-
ii) Cash Credits, overdrafts and loans repayable on demand	-	-
iii) Term Loans (Staff)	-	98
Total	-	98
B. i) Secured by Tangible Assets (including advances against book debts)	-	-
ii) Covered by Bank/ Govt. Guarantees	-	-
iii) Unsecured	-	98
Total	-	98
C. (I) Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	98
Total	-	98
C. (II). Advances outside India		
i) Due from banks	-	-
ii) Due from others		
(a) Bills purchased & discounted	-	-
(b) Term Loans	-	-
(c) Others	-	-
Total	-	-
GRAND TOTAL of C (I) & C (II)	-	98

SCHEDULE 10 - FIXED ASSETS

(Rs in 000's)

	As at 31.03.2024		As at 31.03.2023	
I. Premises (including Land)				
-At cost as on 31 st March of the preceeding year	-		-	
-Additions during the year	-		-	
Less :Deductions during the year	-		-	
Less :Depreciation to date	-		-	
		-		-
II. Other Fixed Assets (including furniture & fixtures)				
-At cost as on 31 st March of the preceeding year	1481382		1440292	
-Additions during the year*	3344895		76107	
Less :Deductions during the year	4575		35017	
Less :Depreciation to date	1743573		921780	
		3078129		559602
III. Computer Software				
-At cost as on 31 st March of the preceeding year	1785099		1778781	
-Additions during the year	669358		6318	
Less :Deductions during the year	-		-	
Less :Depreciation to date	1840434		1748254	
		614023		36845
* Including extended warranty on devices				
TOTAL OF I, II & III		3692152		596447

SCHEDULE 11 - OTHER ASSETS

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Inter-office adjustments (net)	-	-
II. Interest accrued	1157752	341840
III. Tax paid in advance/ tax deducted at source (net of provisions)	174693	41180
IV. Stationery and Stamps	-	-
V. Non Banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax asset (net)	1524345	1808332
VII. Security Deposits	104493	52466
VIII. DOP Capital Commitment	39327	39133
IX. Receivable from DoP under IT 2.0	952221	1081290
X. Receivable from NPCI & Vendors	2815	6001
XI. Others	3370629	977172
TOTAL of I to XI	7326275	4347414

SCHEDULE 12 - CONTINGENT LIABILITIES

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Claims against the Bank not acknowledged as debts	623291	636
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, Endorsements and Other obligations	-	-
VI. Other items for which the Bank is contingently liable		
i) Disputed Tax Liabilities	17183	-
ii) Others	2500	2500
TOTAL of I to VI (refer point no 28 of Schedule 18)	642974	3136

SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Interest/ discount on Advances/ Bills	3	454
II. Income on Investments	4418319	2063269
III. Interest on balances with Reserve Bank of India & other inter-bank funds	1657437	726356
IV. Others	-	443
TOTAL of I to IV	6075759	2790522

SCHEDULE 14 - OTHER INCOME

(Rs in 000's)

	As at 31.03.2024		As at 31.03.2023	
I. Commission, Exchange & Brokerage		6535713		4788673
II. Profit on sale of Investments	19286		23525	
Less: Loss on sale of Investments	4727		42	
		14559		23483
III. Profit on Revaluation of Investments	-		-	
Less: Loss on Revaluation of Investments	-		-	
		-		-
IV. Profit on sale of land, buildings and other assets	447		8399	
Less: Loss on sale of land, buildings and other assets	403		3	
		44		8396
V. Profit on Exchange Transaction	-		-	
Less: Loss on Exchange Transaction	-		-	
		-		-
VI. Income earned by way of dividends, etc. from subsidiaries/ companies and/ or joint ventures abroad/ in India		-		-
VII. Recruitment Income		8059		3944
VIII. Recovery from employees on Separation		863		3867
IX. Miscellaneous Income		17912		42617
TOTAL of I to IX		6577150		4870980

SCHEDULE 15 - INTEREST EXPENDED

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Interest on Deposits	1561327	934406
II. Interest on Reserve Bank of India/ inter-bank borrowings	136033	5810
III. Others	-	-
TOTAL of I, II, III	1697360	940216

SCHEDULE 16 - OPERATING EXPENSES

(Rs in 000's)

	As at 31.03.2024	As at 31.03.2023
I. Payment to and provisions for employees	3727573	2728429
II. Rent, Taxes and Lighting	9217	6588
III. Printing & Stationery	81179	31761
IV. Advertisement & Publicity	12972	32183
V. Depreciation on Fixed Assets	914672	274665
VI. Directors' Fees, allowances and expenses	13193	3842
VII. Auditors' fees and expenses	1164	1266
VIII. Law charges	496	115
IX. Postage, Telegrams, Telephones, etc.	649922	520660
X. Repairs & Maintenance	62120	26516
XI. Insurance	126209	90538
XII. Professional Fee	27828	34021
XIII. GST Expenses	212633	130303
XIV. SI Cost	791015	363740
XV. Recruitment Expenditure	22354	4257
XVI. Training Expenditure	25275	9313
XVII. Outsourcing Expenses	157011	116167
XVIII. Travelling and Conveyance	95132	75516
XIX. Commission paid to DoP/ Incentive to BC	1471008	1157394
XX. Transactional Charges Paid	1559719	804226
XXI. Other expenditure	76131	49910
TOTAL of I to XXI	10036823	6461410

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. Background and nature of operations

India Post Payments Bank (IPPB) was setup under the Department of Post, Ministry of Communication with 100% equity owned by Government of India. The fundamental mandate of IPPB is to become the most accessible, affordable and trusted bank for the common man in India, removing barriers for the unbanked and reducing opportunity cost to the underbanked, and in doing so, promote the adoption of cashless transactions in a predominantly cash economy.

The Bank was incorporated on 17th August 2016 under Companies Act 2013. The bank received Payment Bank license as required under Section 22(1) of Banking Regulation Act, 1949 on 20th January 2017. IPPB was launched as a pilot project on 30 January 2017 at Ranchi (Jharkhand) and Raipur (Chhattisgarh). IPPB has expanded its strength across India covering post offices, through a network of 1 Branch and 649 Banking Outlets.

The Bank is engaged in providing various type of financial services to the rural, poor and underserved and unserved class to help them be economically self-reliant. Bank offers services such as current and savings accounts, remittances, business correspondent, door step banking, citizen centric services, mobile banking, AEPS, bill payments, and Third party product distribution.

As the Payments Bank cannot lend to any person except their own employees, accordingly, all the disclosures pertaining to advances have not been made.

The bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR. NBD. (PB- IPPB). No. 9980 /16.13.215/ 2018-19 dated May 27, 2019 and published in the Gazette of India (Part III - Section 4) dated June 22- June 28, 2019.

The Financial Statement is presented in Indian Rupees in thousands ('in Rs.000') and in the format as prescribed under Banking Regulation Act, 1949

2. Basis of Preparation:

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, statutory requirement prescribed under Banking Regulation Act 1949, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year unless other wise stated.

3. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as on date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Any revision to the accounting estimates is recognised prospectively.

4. Revenue Recognition

Revenue is recognised when reasonable right of recovery is established and when no significant uncertainty exists regarding realisation of consideration.

4.1 Interest income are recognised on an accrual basis. Interest income on discounted instrument is recognised over the tenure of the instrument.

4.2 Commission income & Service charge is recognised on completion of provision of services.

4.3 All other income is accounted on realisation basis

4.4 Interest and operating expenses are accounted on accrual basis.

5. Investments

5.1 Classification

In accordance with the RBI guidelines on investment classification and valuation, all investments are classified as "Held for Trading" ('HFT'), "Available for Sale" ('AFS') and Held to Maturity ("HTM") at the time of its purchase. Investments are further classified under six groups (a) Government Securities (b) Other Approved Securities (c) Shares (d) Debentures and Bonds, (e) Investments in Subsidiaries Joint Ventures (f) Other Investments for the purposes of disclosure in the Balance Sheet.

5.2 Basis of Classification

Securities that are principally acquired with the intention to sell within 90 days from the date of purchase are classified under HFT category. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in above categories are classified under AFS category.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions of securities, except in the case of equity shares where 'Trade Date' accounting is followed

5.3 Acquisition Cost

- Brokerage, commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of securities are treated as revenue expenses upfront and are recognised in the Profit and loss account and excluded from cost.
- The broken period interest paid to the seller not been capitalised as part of cost and treated as an item of expenditure under Profit & Loss account in respect of investment in government securities and approved securities.
- Cost is determined on the weighted average cost method for all categories of investment.

5.4 Valuation

Investments classified under AFS and HFT categories are mark to market as per RBI/ FBIL guidelines

Treasury Bill being discounted instrument are valued at carrying cost.

Investments classified under HTM category are carried at their acquisition cost and is not marked to market. If acquisition cost is more than face value, the premium arising out of difference between face value and acquisition cost shall be amortised over the period remaining to maturity. (a) The amortised amount shall be reflected in 'Schedule 13 – Interest Earned: Item II – Income on Investments', as a deduction. (b) The book value of the security shall continue to be reduced to the extent of the amount amortised during the relevant accounting period

Equity shares valued at market price, if quoted, otherwise at breakup value of the Shares on the basis of latest available Balance Sheet.

Net depreciation in the value, compared to the Book Value, if any in the six groups as per balance sheet classification, is charged to the Profit and Loss account. The net appreciation if any is ignored.

REPO and REVERSE REPO transactions

As per RBI guidelines, REPO and Reverse REPO transactions in government securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted as interest income.

5.5 Disposal of Investment

Profit or loss on sale of investments in any category is taken to Profit and Loss account but, in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserve) is appropriated to "Capital Reserve Account"

6. Fixed Assets

Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset till the time of capitalization. Subsequent expenditure/s incurred on the assets are capitalised only when it increases the future benefits from such assets or their functioning capability.

6.1 Fixed assets are stated at historical cost less accumulated depreciation/ amortisation, wherever applicable.

6.2 Software is capitalized and clubbed under Intangible assets (Computer Software) in Fixed Assets schedule.

6.3 DEPRECIATION

Depreciation is being charged over the estimated useful life (as mentioned in the table) of the asset on a straight-line basis leaving residual value of Re.1

A. Since no rates of depreciation on fixed assets have been prescribed by the Banking Regulation Act, 1949, the provisions of Schedule II to the Companies Act, 2013 is followed by IPPB

Asset	Estimated useful life specified under Schedule II of the Companies Act, 2013
Owned Premises	60 years
Computers (including Mobile Phones, Biometric Devices and Software*)	3 years
Servers, routers, network and related IT equipment	6 years
Automated Teller Machines ('ATMs')	15 years
Electrical equipment	10 years
Office equipment	5 years
Furniture and fittings	10 years
Motor Vehicles	8 years

*Software are being depreciated as per the above estimated life instead of the period of the licence

B. In case of acquisition or disposal of assets, depreciation is charged proportionately based on the number of days the asset has been used during the year.

C. Assets costing up to Rs.5,000/- are fully depreciated in the year of purchase except devices used by BCs such as Mobile Phones and Biometric Devices.

D. Fixed Assets purchased out of Government Grant is fully depreciated in the year of acquisition leaving residual value of Re.1.

E. In case of revalued/ impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised assets values.

7. Employee Benefits

The salary structure for officers in various scale at India Post Payments Bank (IPPB) is governed by the service rules of Bank. The remuneration is in line with the salary structure followed by Public Sector Banks.

Employees on deputation at IPPB are governed by the Bank's Deputation Policy and the Department of Personnel and Training (DOPT) guidelines. The employees on deputation have the option to choose between Pay at their parent Organisation and IPPB Pay.

The remuneration offered to MD & CEO who is considered as the material risk taker includes fixed pay in line with 7th CPC and variable pay as approved by the Board. The salary adheres to the Department of Personnel and Training (DOPT) guidelines and is approved by the RBI.

Regular employees are covered in the group medical insurance, group term insurance and group accident insurance schemes.

Terminal Benefits

- i. **Provident Fund:** All eligible employees who joined up to 30.09.2018 are covered under the Employees Provident Fund. Provident Fund is a Defined Contribution Plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund are recognized as expense. These contributions are remitted to EPFO.
- ii. **New Pension Scheme (NPS):** All eligible employees who joined on or after 01.10.2018 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes 10% of the Basic Pay plus Dearness Allowance which is increased to 14% w.e f 11.11.2020. The expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.
- iii. **Gratuity:** The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on resignation or on cessation of employment, for an amount equivalent to 15 days' basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act 1972. Vesting occurs upon completion of five years of service.
- iv. **Compensation for absence on Privilege Leave:** The employees of the bank are entitled to compensated absence on account of privilege leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation.

8. Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively.

Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably/ virtually certain.

9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Contingent Assets are not recognised in the financial statements.

10. Accounting for Government Grants

As per the mandate, the grant has been sanctioned by the Government for purpose of furthering financial inclusion by India Post Payments Bank Ltd through provision of ATMs/ Micro-ATMs/ PoS and for emerging technologies solution for providing cash-out facilities, capacity building of village post offices, strengthening cash management systems at village post offices, and conducting financial literacy camps. Board in terms of resolution dated July 17, 2017 approved broad guidelines and patterns for utilization of Grant. Accordingly, the Grant received has been treated as shareholders fund and credited to capital reserves. As such, the bank is adopting the Capital Approach method as per AS-12 on Government Grants. The Grant is utilised as per Board approved policy.

11. Impairment of Assets

The carrying amounts of assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

12. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognized as an expense in the Profit and Loss Account as per the terms of the lease.

SCHEDULE 18

NOTES TO ACCOUNTS

1. Regulatory Capital

a. Composition of Regulatory Capital

(Rs in 000's)

S No.	Particulars	31.03.2024	31.03.2023
i.	Common Equity Tier I Capital*	9595734	5061106
ii.	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii.	Tier 1 capital (i + ii)	9595734	5061106
iv.	Tier 2 capital	38042	23483
v.	Total capital (Tier 1+Tier 2)	9633776	5084589
vi.	Total Risk Weighted Assets (RWAs)	17561850	8926679
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	54.64	56.7
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	54.64	56.7
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.22	0.26
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	54.86	56.96
xi.	Leverage Ratio	13.01	13.29
xii.	Percentage of the shareholding of the Government of India in the Bank	100.00%	100.00%
xiii.	Amount of equity capital raised during the year	4500000	2000000
xiv.	Amount of Additional Tier 1 Capital raised, of which:	Nil	Nil
	Perpetual Non-Cumulative Preference Shares (PNCPS)		
	Perpetual Debt Instrument (PDI)	Nil	Nil
xv.	Amount of Tier 2 capital raised, of which:	Nil	Nil
	Debt Capital Instruments:	Nil	Nil
	Preference Share Capital Instruments: (Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non-Cumulative Preference Shares (RNCPS)/ Redeemable Cumulative Preference Shares (RCPS))		

* After deducting Grant, Deferred Tax Assets and Computer Software.

Note: As per RBI guidance note DOR.ORG.REC.21/ 14.10.001/ 2024-25 Dated 30.04.2024 on "Guidance Note on Operational Risk Management and Operational Resilience", Payments Bank are presently not required to maintain a separate regulatory capital for operational risk. Accordingly, Bank's capital adequacy position shall be computed & reported as per the regulatory reporting format i.e. Return on Capital adequacy as per Basel 1 norms (RCA 1) which includes capital charge for trading book - market risk and banking book – credit risk only. As such, Risk Weighted Assets and CRAR are reported above are as per Basel I guidelines.

b. Drawdown from Reserves

There was no amount withdrawn from Reserves during the FY 2023-24 and FY 2022-23

c. Appropriation to Reserves

- Statutory Reserve – As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty-five per cent of such profit. Accordingly, Bank has transferred an amount of Rs.8.56 crore from current year Net profit (Previous Year: Rs. 5.04 crore).
- Investment Fluctuation Reserve (IFR) – Reserve Bank of India vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 advised banks to create an Investment Fluctuation Reserve (IFR) with effect from FY 2018-19. Accordingly, an amount not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. During the year ended March 31, 2024, Bank has transferred an amount of Rs.1.46 crore to IFR (Previous Year: Rs.2.35 crore). IFR as on March 31, 2024 constitutes 0.04% (Previous Year: 0.05%) of closing balance of investments under AFS and HFT category.

2. Investments

a. Composition of Regulatory Capital

As at 31st March 2024

(Rs in 000's)

Particulars	Investments in India						Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/ or joint ventures	Others
Held to Maturity										
Gross	100983	0	0	0	0	0	100983	0	0	0
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0
Net	100983	0	0	0	0	0	100983	0	0	0
Available for Sale										
Gross	87793815	0	0	0	0	0	87793815	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0
Net	87793815	0	0	0	0	0	87793815	0	0	0
Held for Trading										
Gross	499695	0	0	0	0	0	499695	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0
Net	499695	0	0	0	0	0	499695	0	0	0
Total Investments	88394493	0	0	0	0	0	88394493	0	0	0
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0
Net	88394493	0	0	0	0	0	88394493	0	0	0

(Rs in 000's)

As at 31st March 2023

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/ or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/ or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	101950	0	0	0	0	0	101950	0	0	0	0	101950
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0
Net	101950	0	0	0	0	0	101950	0	0	0	0	101950
Available for Sale												
Gross	45889896	0	0	0	0	0	45889896	0	0	0	0	45889896
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	45889896	0	0	0	0	0	45889896	0	0	0	0	45889896
Held for Trading												
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	45991846	0	0	0	0	0	45991846	0	0	0	0	45991846

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Rs in 000's)

Sl. No.	Particulars	Current Year	Previous Year
i)	Movement of Provisions held towards depreciation on investments		
a.	Opening Balance	-	-
b.	Add: Provision made during the year	-	-
c.	Less: Write Off/Write-back of excess provisions during the year	-	-
d.	Closing Balance	-	-
ii)	Movement of Investment Fluctuation Reserve		
a.	Opening Balance	23483	-
b.	Add: Amount transferred during the year	14559	23483
c.	Less: Draw down	-	-
d.	Closing Balance	38042	23483
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/ Current category	0.04%	0.05%

c) Sale and transfers to/ from HTM category

During the year ended 31st March 2024, there was no transfer of investments to/ from HTM category and there was no sale of Investments from HTM category. (No transfer of investments to/ from HTM category and no sale of Investments from HTM category during the year ended 31st March 2023).

d) Non-SLR Investment Portfolio

i). Non-performing Non-SLR Investments

The Bank is not holding any Non-Performing Non-SLR Investments as on 31st March 2024 and as such, nothing is to be reported under this segment. (The Bank did not hold any Non-Performing Non SLR Investments as on 31st Mar 2023).

ii) Issuer composition of Non SLR Investments

(Rs in 000's)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	2	3	4	5	6	7
(i)	PSUs	Nil	Nil	Nil	Nil	Nil
(ii)	Fls	Nil	Nil	Nil	Nil	Nil
(iii)	Banks	Nil	Nil	Nil	Nil	Nil
(iv)	Private Corporates	Nil	Nil	Nil	Nil	Nil
(v)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others	Nil	Nil	Nil	Nil	Nil
(vii)	Provision held towards depreciation	Nil				
	Total	Nil	Nil	Nil	Nil	Nil

e) Repo Transactions (in face value terms)

FY 2023-24

(Rs in 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2024
Securities sold under repo				
i. Government securities	-	8401531	2061144	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	12683745	400168	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

FY 2022-23

(Rs in 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	-	2620845	109421	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	4256217	491544	2651550
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

3. Derivatives

- Forward rate agreement/ Interest rate swap
- Exchange traded interest rate derivatives
- Disclosure on risk exposure in derivatives
- Credit Default Swaps

The Bank has not done any transactions in Derivatives and as such, nothing is to be reported in this segment. There are no transactions under this segment in the previous year also.

4. Asset Quality

- Classification of advances and provisions held.
- Sector wise Advances and Gross NPAs
- Overseas assets, NPAs and revenue
- Particulars of resolution plan and restructuring
- Divergence in asset classification and provisioning
- Disclosure of transfer of loan exposures
- Fraud accounts
- Disclosure under Resolution Framework for COVID-19 related Stress

The Bank falls under the category of "Payments Bank" and is not allowed to do Lending. As such, disclosures requiring Assets Quality including Non-Performing Advances, Restructuring, Divergence and Fraud accounts are not applicable to the Bank.

5. Exposures

The following details are required under Exposure Disclosure

- Exposure to real estate sector
- Exposure to capital market
- Risk category-wise country exposure
- Unsecured advances
- Factoring exposures
- Intra-group exposures
- Unhedged foreign currency exposure

The Bank falls under the category of "Payment Banks" and is not allowed to do Lending. As such, disclosures relating to Exposure is not applicable

6. Disclosure of penalties imposed by RBI:

RBI has not imposed any penalty on the Bank during the year ended 31st March, 2024. (RBI had not imposed any penalty on the Bank during the year ended 31st March 2023).

7. Depreciation on Fixed Assets:

Break up of Total Depreciation for each class of the assets

(Rs in 000's)

Class of Assets	31.03.2024	31.03.2023
Computer Software	92180	53459
Other Fixed Assets	822492	221206
Total	914672	274665

8. Asset Liability Management

a. Maturity pattern of certain items of Assets and Liabilities

(Rs in 000's)

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Next Day	1706743	NIL	NIL	NIL	8346	8346
	913757				4110	4110
2-7 days	4832321	NIL	3725892	NIL	NIL	NIL
	2558134		NIL			
8-14 days	5519401	NIL	748657	NIL	NIL	NIL
	2840073		1547079			
15-30 days	6457552	NIL	3469751	NIL	NIL	NIL
	3154732		1095596			
31 days to 2 months	4958477	NIL	7629030	NIL	NIL	NIL
	603065		3822346			
Over 2 months to 3 months	5050728	NIL	4761219	NIL	NIL	NIL
	709763		8695600			
Over 3 months to 6 months	NIL	NIL	38023317	NIL	NIL	NIL
	4115		13098223			
Over 6 months to 1 Year	NIL	NIL	29411493	NIL	NIL	NIL
			17631052			
Over 1 Year to 3 Years	86996698	NIL	621411	NIL	NIL	NIL
	52139946		101950			
Over 3 Years to 5 Years	NIL	NIL	3723	NIL	NIL	NIL
			NIL			
Over 5 Years	NIL	NIL	NIL	NIL	NIL	NIL
			NIL			
Total	115521920	NIL	88394493	NIL	8346	8346
	62923585		45991846		4110	4110

Figures given in the cell below are for the previous financial year.

Note:

- Deposits: In line with the RBI guidelines on Asset Liability Management, the withdrawal pattern of the Current/ Savings deposit as on 31st March 2024 has been classified in the appropriate buckets on the basis of behavioural study approved by the Board of the Bank.
- Investments/ Advances/ Borrowings: These are bucketed as per the respective residual maturity pattern.

b. Liquidity Coverage Ratio (LCR)

The disclosure regarding Liquidity Coverage Ratio is not applicable for Payments Bank as per the RBI circular on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR) issued vide RBI/2019-20/217/DOR.BP.BC.No.65/21.04.098/2019-20 dated 17th April 2020.

c. Net Stable Funding Ratio (NSFR)

The disclosure regarding Net Stable Funding Ratio is not applicable for Payments Bank as per the RBI circular on Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) issued vide RBI/2020-21/95/DOR.No.LRG.BC.40/21.04.098/2020-21 dated 5th February 2021.

9. The Effects of changes in Foreign Exchange Rates – Accounting Standard 11

Bank has entered into agreement with M/s. Continental Exchange Solutions Inc. (Ria Financial Services) and M/s. Western Union Financial Services Inc. USA under Money Transfer Service Scheme (MTSS). In this connection, Bank had received a collateral deposit in Foreign Currency. This amount is kept with State Bank of India and is shown under “Current Deposits with Banks”. The corresponding liability is shown under “Other Liabilities – Others”. Conversion to INR is made as per FEDAI guidelines.

The corresponding INR value is as below

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
Collateral Deposit under MTSS	8346	4110

10. Government Grants Utilization – Accounting Standard 12

Bank has not received Grant-in-aid during FY 2023-24 and FY 2022-23. There was no unutilised amount of Grant-in-aid as on 31.03.2024 and 31.03.2023.

11. Employee Benefits – Accounting Standard 15
a. Gratuity:

During the year, Bank has purchased annuities worth Rs.6.79 crore from Life Insurance Corporation of India based on actuarial valuation as on 31st December 2023 (Rs 4.60 crore during FY 2022-23). Bank has further made a provision of Rs.10.67 crore for Gratuity based on actuarial valuation as on 31st March 2024. The total amount of Rs.17.46 crore is charged to Profit and Loss account during FY 2023-24 (Rs 4.60 crore during FY 2022-23)

b. Leave Encashment:

During the year, Bank has made a provision of Rs.18.81 crore for encashment of Privilege Leave by employees based on actuarial valuation. This amount is charged to Profit and Loss account during FY 2023-24. (Rs.18.94 crore during FY 2022-23)

The summarized position of various defined benefits recognized in the profit and loss account and balance sheet along with the funded status are as under:

i. Changes in the present value of obligations

(Rs in 000's)

Particulars	Gratuity		Leave Encashment	
	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation as at the beginning of the year	400090	-	470736	338130
Liability Transfer In/(Out)	-	-	-	-
Interest Cost	30087	-	35399	24886
Past Service Cost	-	360182	-	-
Current Service Cost	34479	39908	105854	94838
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	-9692	-	-64238	-56823
Actuarial (gain)/ loss on obligations	74288	-	46854	69705
Present Value of Obligation as at the end of the year	529252	400090	594605	470736

ii. Change in the fair value of plan assets

(Rs in 000's)

Particulars	Gratuity		Leave Encashment	
	2023-24	2022-23	2023-24	2022-23
Fair value of plan asset at the beginning of year	413160	NA	-	-
Asset Transfer In/ (Out)	-	-	-	-
Expected Return on Plan Assets	28012	NA	-	-
Employers' Contributions	64993	NA	64238	56824
Benefit Paid	-9692	NA	-64238	-56824
Actuarial Gain/ (loss) on Plan Assets	4139	NA	-	-
Fair value of plan assets at the end of year	500612	413160	-	-

iii. Expenses recognized in Profit and Loss Account

(Rs in 000's)

Particulars	Gratuity		Leave Encashment	
	2023-24	2022-23	2023-24	2022-23
Current Service Cost	34479	39908	105854	94838
Past Service Cost	-	360182	-	-
Interest Cost	30087	-	35399	24886
Expected Return on Plan Assets	-28012	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	70149	-	46855	69705
Expenses Recognized in the statement of Profit & Loss	106703	400090	188108	189429

iv. The amount recognized in the Balance Sheet

(Rs in 000's)

Particulars	Gratuity		Leave Encashment	
	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation as at the end of the year	529252	400090	594605	470736
Fair Value of Plan Assets as at the end of the year	500612	413160	-	-
Funded Status	(28640)	13070	(594605)	(470736)
Unrecognized Actuarial (gains)/ losses	-	-	-	-
Net Asset/ (Liability) Recognized in Balance Sheet	(28640)	13070	(594605)	(470736)

v. Actuarial Assumptions

Principal assumption used for actuarial valuation are:

Particulars	Gratuity		Leave Encashment	
	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.23%	7.52%	7.23%	7.52%
Rate of increase in Compensation levels	10%	10%	10%	10%
Rate of Return on Plan Assets	6.78%	NA	NA	NA
Average future service (in Years)	24.1	25.11	24.1	25.11

12. Related Party Disclosures – Accounting Standard 18

Remuneration paid to Key Management Personnel

(Rs in 000's)

Particulars	FY 2023-24	FY 2022-23
Remuneration paid to Directors	5505	1070
Remuneration paid to MD & CEO	7921	7083
Remuneration paid to CFO	3760	3258
Remuneration paid to Company Secretary	2064	1928

As per para 9 read together with para 10.13 of AS-18 issued by ICAI regarding no disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises, hence transactions made between IPPB with DoP is not required to be disclosed however, major transactions/ nature of transactions with DoP is disclosed under Para 35 below.

13. Segment Reporting – Accounting Standard 17

In terms of the AS-17 (Segment Reporting) issued by Institute of Chartered Accountants of India and RBI circular Ref. DBOD.No. BP.BC.81/21.04.018/2006-07 dated 18 April 2007 read with DBR.BP.BC No.23/21.04.018/2015-16 dated 01 July 2015 and amendments thereto, the Business Segments, which is the Primary Segment include:

- Treasury Operations
- Retail Banking Operations

Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.

The Geographical segments are recognized as the Secondary Segment. The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has not reported any geographic segments

Part A: Business Segments

(Rs in 000's)

S No	Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
i.	Segment Revenue		
	a) Treasury	1090203	897750
	b) Corporate/ Wholesale Banking	NIL	NIL
	c) Retail Banking	11562706	6763752
	d) Other Banking Operations	NIL	NIL
	Total	12652909	7661502
ii.	Segment Results		
	a) Treasury	81086	30849
	b) Corporate/ Wholesale Banking	NIL	NIL
	c) Retail Banking	837640	229027
	d) Other Banking Operations	NIL	NIL
	Total	918726	259876
iii.	Unallocated Expenses	NIL	NIL
iv.	Operating Profit	918726	259876
v.	Provisions	576348	58267
vi.	Extraordinary Item (Prior Period Expenditure)	NIL	NIL
vii.	Net Profit	342378	201609
Other Information:			
viii.	Segment Assets		
	a) Treasury	16821705	14250256
	b) Corporate/ Wholesale Banking	NIL	NIL
	c) Retail Banking	119805923	61956949
	d) Other Banking Operations	NIL	NIL
	Sub Total	136627628	76207205
	e) Unallocated Assets	NIL	NIL
	Total Assets	136627628	76207205
ix.	Segment Liabilities		
	a) Treasury	11772144	8929766
	b) Corporate/ Wholesale Banking	NIL	NIL
	c) Retail Banking	124855484	67277439
	d) Other Banking Operations	NIL	NIL
	Sub Total	136627628	76207205
	e) Unallocated Liabilities	NIL	NIL
	Total Liabilities	136627628	76207205

Part B – Geographic Segments

As the Bank is operating only in India, geographic segment is not required to be reported.

14. Accounting for Leases – Accounting Standard 19

The total amount paid by the Bank under cancellable operating lease for the financial year is Rs.0.15 Cr (Previous year: Rs. 0.22 Cr). The Bank has not entered into any non-cancellable operating lease and financial lease arrangement in the current year and in the previous year.

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods		
a) Not later than one year	1977	1474
b) Later than one year but not later than five years	4323	-
c) Later than five years	-	-
Total Expected future lease payment	6300	1474
Lease payment recognized in the statement of Profit and Loss for the period	1474	2220

15. Earnings Per Share – Accounting Standard 20

S No.	Particulars	31.03.2024	31.03.2023
A	EPS – Basic/Diluted (in Rs)	0.18	0.13
B	Amount used as numerator Profit/(Loss) (after tax) (Rs in 000)	342378	201609
C	Nominal Value of Share	Rs.10 each	Rs.10 each
D	Weighted average number of equity shares used as the denominator	1932671233	1590890411

16. Accounting for Taxes on Income – Accounting Standard 22

The Bank has recognized deferred tax assets and liability as per accounting policy.

The Deferred Tax Asset on Accumulated losses recognized in FY 2018-19 and FY 2019-20 was reviewed and a considered conservative view has been taken to retain the same after adjusting the profit for the year. Accordingly, the 'carry forward loss' component of Deferred Tax Assets and Liabilities shown below as on 31.03.2024 represents the Deferred Tax Assets recognized in FY 2018-19 and FY 2019-20 as reduced by Profit for FYs 2022-23 and 2023-24

Major components of Deferred Tax Assets are set out below:

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
Deferred Tax Assets		
Carry Forward Loss	1240120	1568877
Provision for Leave Encashment	171718	136149
Depreciation on Fixed Assets	112507	103306
Total	1524345	1808332
Deferred Tax Liabilities	-	-
Deferred Tax Assets (Net)	1524345	1808332

17. Accounting for Investments in Associates in Consolidated Financial Statements – Accounting Standard 23

The Bank does not have any Subsidiaries/ Associates and as such, no disclosure is required under this segment.

18. Impairment of Assets – Accounting Standard 28

In the opinion of the Bank's management, there is no indication of the impairment to the assets as on 31st March 2024 to which the Accounting Standard 28 "Impairment of Assets" applies.

19. Disclosure on Status of complaints and unimplemented awards of Banking Ombudsman

SI No	Particulars	Current Year	Previous Year
Complaints received by the Bank from its customers			
1	No of complaints pending at the beginning of the year	822	271
2	No of complaints received during the Year	37825	16780
3	No of complaints disposed during the year	37354	16229
3.1	Of which, number of complaints rejected by the Bank	3329	422
4	No of complaints outstanding at the end of the year	1293	822
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	303	205
5.1	Of 5, number of complaints resolved in favour of the Bank by Bos	274	200
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Bos	29	5
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Top grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current year (2023-24)					
Internet/ Mobile Banking/ Electronic Banking	224	30548	196.76%	440	0
Tariff Schedule & Service Charges	7	5216	496.11%	784	0
Others	591	2061	-63.27%	69	0
Total	822	37825	125.42%	1293	0
Previous year (2022-23)					
Internet/ Mobile Banking/ Electronic Banking	200	10294	-33.41%	224	0
Tariff Schedule & Service Charges	9	875	-18.22%	7	0
Others	62	5611	54.11%	591	0
Total	271	16780	-16.81%	822	0

20. Break up of "Provisions and Contingencies"

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
Provision towards NPAs (net)	NIL	NIL
Provision towards Standard Assets	NIL	NIL
Provision towards Income Tax	NIL	NIL
Provision towards Deferred Tax	283987	58267
Provision towards Frauds	23500	NIL
Provision towards DoP IT 2.0	268861	NIL
Other Provisions & Contingencies	NIL	NIL
Total	576348	58267

21. Concentration of Deposits, Advances, Exposure and NPAs:

a. Concentration of Deposits:

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
Total Deposit of Twenty largest depositors	9232	6241
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	0.0080%	0.0099%

b. Concentration of Advances c. Concentration of exposures d. Concentration of NPAs	The Bank falls under the category of "Payment Banks" and is not allowed to do Lending. As such, disclosures relating to Concentration of Advances/ Exposures/ NPAs and Provision Coverage Ratio is Not Applicable
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22. Transfer to Depositor Education and Awareness Fund (DEAF)

There are no unclaimed deposits, which are matured and outstanding for more than 10 years. As such, no amount was eligible to be transferred to Depositor Education and Awareness Fund (DEAF) during the financial year.

23. Disclosures on Remuneration

a. Qualitative Disclosure

The Nomination Remuneration Committee of the Bank was constituted on 28th June, 2017 in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has five members with Ms. Jayshree Vrajlal Doshi, Independent Director as Chairman. Key mandate of the Nomination & Remuneration committee is to Recommend appointment of Part-time Chairman, MD & CEO and their terms of appointment and remuneration. Managing Director and Chief Executive Officer (MD&CEO) is considered as Material Risk taker of the Bank.

The current remuneration offered is a competitive package and is designed to attract the required and quality talent. The salary structure for officers in various scale at India Post Payments Bank (IPPB) is governed by the service rules of Bank. The remuneration is in line with the salary structure followed by Public Sector Banks.

Employees on deputation at IPPB are governed by the Bank's Deputation Policy and the Department of Personnel and Training (DOPT) guidelines. The employees on deputation have the option to choose between Pay at their parent Organisation and IPPB Pay.

The remuneration offered to MD & CEO who is considered as the material risk taker includes fixed pay in line with 7th CPC and variable pay as approved by the Board. The salary adheres to the Department of Personnel and Training (DOPT) guidelines and is approved by the RBI.

B. Quantitative Disclosure

Type of Disclosure		Information	FY 2023-24	FY 2022-23
Quantitative Disclosures (covering Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	a	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	5 (Sitting Fee Rs.2.20 lakhs)	1 (Sitting Fee Rs.0.30 lakhs)
	b	(i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/ joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	c	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
	d	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and nondeferred.	79.21 lakhs (Fixed)	70.83 lakhs (Fixed)
	e	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	Nil	Nil
	f	Number of MRTs identified.	One	One
		(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	Nil	Nil
General Quantitative Disclosure	g	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Rs.1.32 lakhs	Rs.1.24 lakhs

24. Disclosures relating to Securitization

The Bank falls under the category of “Payment Banks” and is not allowed to do Lending. As such, Bank has not undertaken any transactions relating to Securitization.

25. Other Disclosures

a. Business Ratios

Particulars		31.03.2024	31.03.2023
i)	Interest Income as a percentage to Working Funds	5.60%	4.11%
ii)	Non-Interest Income as a percentage to Working Funds	6.06%	7.17%
iii)	Cost of Deposits	2.01%	2.02%
iv)	Net Interest Margin	5.11%	3.59%
v)	Operating Profit as a percentage to Working Funds	0.85%	0.38%
vi)	Return on Assets	0.32%	0.30%
vii)	Business (Deposit plus advances) per employee (Rs in lakhs)	664.68	356.71
viii)	Profit/ (Loss) per employee (Rs in lakhs)	1.97	1.14

- For the purpose of computing the ratios, working fund represent the monthly average of total assets (excluding accumulated losses, if any) computing for the reporting dates of Form X submitted to RBI under section 27 of the Banking Regulation Act, 1949.
- Operating Profit is the profit for the year before provisions and contingencies.
- Productivity ratios are based on number of employees as on the end of the financial year.

b. Disclosure in respect of Bancassurance Business

(Rs in 000's)

Particulars	FY 2023-24	FY 2022-23
Commission earned from Distribution of Life Insurance Products	175899	141044
Commission earned from Distribution of Non-Life Insurance Products	98035	134839
Commission earned from Distribution of PMJJBY	646	810

c. Marketing & Distribution

(Rs in 000's)

Particulars	FY 2023-24	FY 2022-23
Commission earned from Distribution of Mutual Fund Products	116	83
Commission earned from Loan Referral	3087	2163

d. Disclosure regarding Priority Sector Lending Certificates (PSLCs)

The Bank falls under the category of “Payment Banks” and is not allowed to do Lending. As such, disclosures relating to Exposure is not applicable

e. Implementation of IFRS converged India Accounting Standards (Ind AS)

As per RBI circular RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016, Implementation of Indian Accounting Standards (Ind AS), Banks were advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the Reserve Bank in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by RBI, the Accounting Standards notified under section 133 of the Act and Generally Accepted Accounting Principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs).

RBI vide Notification no DBR.BP.BC.No.29/21.07.001/2018-19 dated 22/03/2019 deferred implementation of Ind AS till further notice. As per guidelines, the Bank is submitting Ind AS proforma to RBI on a half yearly basis. Being a Payments Bank and based on the present business model, IPPB is not expecting any major challenge in implementation of Ind AS.

f. Reward Points of Credit Card & Debit Card

The Bank has not issued any Credit card and it does not have any reward point structure on its Virtual Debit Card. As such, the disclosure regarding Debit/ Credit card is not applicable

g. Payment of DICGC Insurance Premium

(Rs in 000's)

Sl No	Particulars	FY 2023-24	FY 2022-23
a.	Payment of DICGC Insurance Premium	82548	50499
b.	Arrears in payment of DICGC premium	-	-

h. Disclosure on amortization of expenditure on account of enhancement in family pension of employees of Banks.

As per the salary structure followed, Bank does not have any liability towards Family pension. As such, this disclosure is not applicable.

i. Dues to Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating delay in payments to Micro and Small enterprises. There is no delay in payments to micro or small enterprise. As such, there is no interest liability.

26. Break up of Major Heads in Financial Statements

Based on RBI "Financial Statements – Presentation and Disclosures Directions 2021 – Disclosure of material items" dated 13th December 2022, the particulars of major heads of items are given below

a. Commission, Exchange and Brokerage (Schedule 14)

Major items included under the subhead "Commission, Exchange and Brokerage" in "Schedule 14 - Other Income" exceeding one percent of Total Income is as below

(Rs in 000's)

Income from	FY 2023-24	FY 2022-23
Account Management Services	3987151	2422592
Income from AePS	701212	344205
Citizen Services	680001	1184088
Remittance Income	506801	267915
Direct Benefit Transfer	301211	189861
Third Party Distribution	277783	278939

b. Miscellaneous Income (Schedule 14)

There are no items under the subhead "Miscellaneous Income" under the head "Schedule 14 – Other Income" which exceeds one percent of Total Income. Hence, this disclosure is not applicable.

c. Other Expenditure (Schedule 16)

Bank is already disclosing major expenses as separate line item under Schedule 16. As such, there are no items under the subhead "Other Expenditure" under "Schedule 16 – Operating Expenses" which exceeds one percent of Total Expenses. Hence, this disclosure is not applicable.

d. Other Liabilities and Provisions – "Others (including provisions)"

Major items included under the subhead "Others" in "Schedule 5 - Other Liabilities and Provisions" exceeding one percent of Total Assets is as below

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
Provision for Expenses/ Payable to Vendors	4182588	2311307

e. Other Assets – "Others"

Major items under the subhead "Others" under "Schedule 11 – Other Assets" which exceeds one percent of Total Assets is as below.

(Rs in 000's)

Particulars	31.03.2024	31.03.2023
NEFT/ RTGS Settlement	2246539	8488

27. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms).

The disclosure is not applicable for Payments Banks and as such nothing is required to be reported under this segment.

Other Notes:**28. Description of Contingent Liabilities (Schedule 12)**

- a. Claims against the Bank not acknowledged as debts, represents claims filed by certain employees & vendors in the normal course of business.
- b. Disputed Tax Liabilities represents demand w.r.t. GST raised where Bank has filed appeals.
- c. Others represents the amount of Bank Guarantee issued by State Bank of India on behalf of IPPB favouring Unique Identification Authority of India (UIDAI) valid till November 2027 secured 100% by way of Fixed Deposits.

29. Share Capital

During the FY 2023-24, Bank has raised Equity Share Capital of Rs.450 crores by way of Rights Issue of Equity Shares to President of India, of which Rs. 200 crores was received during FY 2022-23 which was pending allotment of shares and is shown under "Share Application Money Pending Allotment" in the Balance Sheet (Rs.200 crore raised during FY 2022-23)

30. Salary Revision as per 12th Bipartite Settlement

Bank follows the salary structure as decided by Indian Banks Association (IBA). As per decision of the Board in the meeting held on 17th May 2024, Bank made provision against 12th Bipartite Settlement, which was due from November 2022. Bank has made an adhoc provision of Rs.69.87 crore during the financial year ended 31st March 2024 covering period from November 2022 to March 2024. The above provision includes an amount of Rs. 19.83 crore pertaining to the period from 1st November 2022 to 31st March 2023.

31. Short-term Interest bearing Advance to Staff

During FY 2021-22, Bank had extended Short-term interest bearing Advance facility to its staff out of Bank's own funds based on Board approved policy. This is in line with RBI regulations as per "Operating Guidelines for Payments Banks" dated 6th October 2016

32. Fixed Asset

32.1 Fixed Assets purchased out of Grant-in-Aid in FY 2018-19 is maintained in the Fixed Assets Register keeping a nominal value of Re.1 for identification

32.2 Physical verification of Fixed Asset as on 31st March 2024 is under progress

33. Provision for Fraud

The Bank has reported 3 cases of frauds in the Financial year ended March 31, 2024. The Bank has provided for the expected loss arising from the frauds and does not have any unamortized provision. Following are the details of fraud and provisioning thereon;

(Rs in 000's)

	FY 2023-24	FY 2022-23
Number of frauds reported	3	5
Amount involved in fraud	23824	36236
Amount of provision made for such frauds	23500	Nil
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

During the year, the bank identified instances of misappropriation. The bank has taken all appropriate actions and have reported these cases to the concerned Law Enforcement Agency (LEA) and matters are under investigation. Staff side action has also been initiated. After conducting internal investigation bank has reported these cases to RBI.

Some instances of embezzlements were identified by Department of Posts (DoP). As per MOU between Bank and DoP, both organizations exchange information to investigate the cases of such instances. In all these incidents of misappropriation, information was provided to DoP as and when asked and DoP conducts the investigation and reporting based on their Policies and procedures. In these cases, there was no involvement of Bank's staff and no financial loss to the Bank or its customers.

34. Transactions with Department of Post (DoP)

34.1 DoP to act as Business Correspondent:

As per MoU dated 4th November 2022, DoP shall act as the Corporate BC for IPPB by providing all customer facing services of IPPB by leveraging its physical infrastructure of around 1.55 lakh Post Offices (as Access Points of IPPB) and the trusted manpower (which includes Postal Assistants, Postmen and GDS) who will also work as End Users or last mile agents for providing services to the IPPB customers in line with the RBI guidelines and clarifications for engaging BCs.

For the above services of DoP, IPPB shall pay a commission linked to the revenue earned by IPPB through DoP and by the last mile agents including DoP staff. As per MoU, the rate of commission shall be benchmarked to prevalent market rates and practices.

The breakup of commission paid to DoP/ GDS (including provisions) charged to Profit & Loss Account is as below.

(Rs in 000's)

Particulars	FY 2023-24	FY 2022-23
Commission to DoP	258295	210526
Incentive to GDS	1099629	767095

34.2 Amount given to DoP Circles for Furnishing/ Branding of IPPB Branches and Access Points:

IPPB had transferred an amount of Rs 66.28 crore to 23 Circles of Department of Posts (DoP) in FY 2017-18 for furnishing IPPB Branches (Rs 16.81 crore) & branding at all IPPB branches/ DoP access points viz H.O., S.O. & B.O. (Rs 49.47 crore).

The bills/ refunds to the tune of Rs.0.17 crore are still receivable from DoP as on 31.03.2024 and the same is shown as receivable under DoP (Capital Commitment). Since the amount is outstanding for more than 3 years, Bank has made provision for an equal amount in the Books of Accounts. Bank is regularly following up with DoP for obtaining remaining Bills/ Refunds referred above.

Bank has further remitted an amount of Rs.3.76 crore to DoP towards furnishing/ renovation activities of IPPB offices. Bank has made a provision of Rs.3.71 crore during the financial year 2023-24 against the amount outstanding for more than 1 year.

34.3 Bank's Services to DoP for IT 2.0 Project:

Public Investment Board (PIB) & Expenditure Finance Committee (EFC) meeting held on 23rd November 2021 has recommended Gradual shifting of POSB services to IPPB & Single IPPB structure for Banking, Insurance and other financial needs. Further, it was also recommended that IPPB shall provide IT 2.0 related services to DoP and DoP shall reimburse the IT cost relating to DoP operations to IPPB on actual basis out of IT 2.0 for cost related Data Centre, Data Recovery Centre, Network, Network (Services), Postal Life Insurance etc. This was with a view to avoid duplication in IT infrastructure cost by both organizations. It is also aimed at providing a

more integrated, inclusive financial and other services to the customers.

The above proposal was approved by Union Cabinet in February 2022.

To enable the above decision, IPPB has entered into agreements with vendors for the service under DoP IT 2.0 as well as new development work. Vendors raises invoices on IPPB for their services. IPPB made payments to these vendors out of its own funds. As per PIB mandate, DoP is reimbursing the amount paid by IPPB on actual basis.

The amount paid by IPPB on behalf of DoP, amount reimbursed by DoP and reimbursement outstanding for reimbursement from DoP as on 31st March 2024 is as below (exclusive of GST);

(Rs in 000's)

Particulars	FY 2023-24	FY 2022-23
Opening Balance receivable from DOP	1081290	Nil
Add: Total amount paid under DoP	1470209	2154046
Less: Amount Reimbursed by DoP	1599278	1072756
Closing Balance Receivable from DoP	952221	1081290

* The balance receivable excluding GST amounting to Rs.95.22 crore is shown under item IX "Receivable from DOP under IT 2.0".

Bank has made a provision of Rs.26.89 crore during the financial year 2023-24 on a prudent basis under "Provisions and Contingencies" against the amount outstanding for more than 1 year.

To address all the issues, the management of the Bank and DOP is in the process of finalising the MOU

34.4 ATM

The Bank has received Ownership of 999 ATMs during the FY 2022-23 from M/s.Infosys at a Nominal of Re.1 each which were previously on lease between M/s.Infosys and Department of Post. Bank is managing DoP ATM on as-is-basis. Bank onboarded M/S AGS Transact Technologies Ltd as a managed service vendor through open RFP and all the acquiring income from these ATM is accounted in DoP books only. DoP accounts/GL's are used for ATM transaction and reconciliation. IPPB is managing the SLA, insurance claim, dispute management and vendor invoice processing.

35. System Integrator (SI) Cost:

IPPB awarded a contract to M/s EIT Services India Pvt. Ltd. and entered into Master Service Agreement (MSA) and Service Level Agreement (SLA) for implementation of "dedicated and customised technology platform" for an amount of Rs. 801 crores (including GST). The contract period is 5 years effective from July 12, 2018 with completion on 11.07.2023.

As per the agreement, the amount was due/ payable within the contract period of 5 years based on the milestones delivered/ fulfilled as per terms & conditions of the agreement. Therefore, vendor also raises its invoices accordingly to IPPB i.e. as and when the payment becomes due/ payable on milestone fulfilled.

IPPB had capitalised the cost/ value of the hardware and software supplied/ delivered and put to use for amounting to Rs. 106.32 crores and Rs. 240.46 crores respectively till 31st March 2019.

Since, vendor did not adhered with the timelines provided under the agreement and also not provided defect free services. As a result, penalties/ liquidity damage had been levied/ recovered from the contractor for such delays and lack of defect free performance. Hence, Bank had terminated the contract vide termination notice dated 10.07.2023 and the bills raised by the contractor for Rs. 163.47 crores approx. have been disputed and withheld by the Bank. The bank charged penalty of Rs.62.27 crore from the vendor and has made provision of Rs.101.20 crore (net of penalty) till 31st March 2023. Further, the Performance Bank Guarantee (PBG) submitted by the vendor amounting to Rs. 68.93 crores have also been invoked by the Bank in September

2023. This amount has been accounted under 'Sundry Account' pending outcome of the litigation.

The vendor had approached the Honourable High Court of Delhi and Court vide its direction dated 9th February 2024, referred the matter for Arbitration through Arbitral Tribunal. The matter is pending with Arbitral Tribunal.

The contractor had made several defaults/non-compliance in complying with the terms & conditions of the agreement/ contract. Bank is reviewing the expected operational as well as financial loss due to defaults/ non-compliances/ termination of contract and if needed a recovery suit will be filed against the contractor.

36. Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act 2013, the Bank is not required to spend towards CSR in the current financial year as the average of the last three year's profit is in negative.

37. The Board of Directors approved for implementation of increase in sitting fee and directed to seek clarification from the Administrative ministry in this regard. Provision in the books of accounts has been made on the basis of revised rate for February and March 2024.

38. Item no. (IV) of Schedule 5 "Other Liabilities and Provisions" includes an amount of Rs.1.21 crore under "Sundry Sweep Out Failed pool account" which includes the customer balances exceeding the threshold limit of Rs. 2 lakhs. As per the policy of the Bank, Interest is being credited to the customer on value date basis.

39. Bank is in the process of implementing Vendor Management System for tracking vendor-wise details which is handled manually at present by respective departments.

40. During the year, Bank has done certain procurements on Nomination basis (including for DoP IT 2.0. In these cases, the Bank/ DoP was already having licenses and were using those hardware/ software applications. In order to have a business continuity and to provide uninterrupted services by both IPPB and DoP, the Bank has directly engaged with the OEM (Original Equipment Manufacturer)/ OSD (Original Solution Developer). The nominations were done by following the due process as mentioned in the Procurement Policy of the Bank.

41. Figures of Previous year have been re-grouped and reinstated wherever necessary to conform to current year classification

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Anoop E S)
Chief Financial Officer

Sd/-
(Pawan Kumar Singh)
Director
(DIN 09434830)

Sd/-
(Navneet Kakkar)
ACB Chairman
(DIN 03475842)

Sd/-
(R Viswesvaran)
MD & CEO
(DIN 10514859)

Sd/-
(Vandita Kaul)
Chairman
(DIN 07854527)

As per our report of even date
For M/s. Thakur, Vaidyanath Aiyar & Co
Chartered Accountants (FRN 000038N)

Sd/-
(C.S. Karki)
Partner, Membership No 089896

Date: 26.06.2024
Place: New Delhi



क्रमांक
No.

कार्यालय
रिप.वि.लेख/एफ-394/IPPBL/2023-24/IS

महानिदेशक लेखापरीक्षा, वित्त एवं संचार
शामनाथ मार्ग, (समीप पुराना सचिवालय) दिल्ली-110054

OFFICE OF THE
Director General Of Audit, Finance & Communication
SHAMNATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

दिनांक 9.10.2024,
Date

सेवा में,

अध्यक्ष,
भारतीय पोस्ट पेमेंट बैंक लि.,
नई दिल्ली-110001

विषय: भारतीय पोस्ट पेमेंट बैंक लि.(IPPBL) के वर्ष 2023-24 के वार्षिक लेखों पर कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के तहत सीएजी की टिप्पणियाँ।

महोदया,

I am to forward herewith Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the annual accounts of IPPBL for the year ended 31st March 2024 for information and further necessary action.

The receipt of this letter may please be acknowledged.

Encl: As above.

सादर

भवदीय,

निराकर
(पुरुषोत्तम तिवारी)
महानिदेशक लेखापरीक्षा
(वित्त एवं संचार)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA POST PAYMENT BANK FOR THE YEAR ENDED 31st MARCH 2024

The preparation of Financial Statements of India Post Payment Bank (IPPB) for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.06.2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IPPB for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company Personnel, and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention, and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

1. Balance Sheet-Assets

Other Assets: Rs.732.63 crore (Schedule-11)

The above head is overstated by an amount of Rs. 26.89 crore due to non-adjustment of the provision created for receivables for more than one year. Instead of reducing the receivables from DoP by Rs.26.89 crore, the Bank has created a provision of Rs.26.89 crore in the accounts.

This has also resulted in overstatement of Other Liabilities and Provisions by the same amount.

2. Balance Sheet-Assets

Other Assets: Rs.732.63 crore (Schedule-11)

Deferred Tax assets (net) Rs.152.43 crore

The above head is understated by an amount of Rs. 10.94 crore due to non-inclusion of provisions made on account of gratuity and doubtful debts while calculating deferred tax.

This has also resulted in the understatement of the net profit by the same amount.

3. Income and Expenditure-Income

Other Income: Rs.657.72 crore (Schedule-14)

The above head is overstated by an amount of Rs. 23.62 crore due to charging of SMSs sent to the customers at the rates higher than the rates prescribed by the Reserve Bank of India.

This has also resulted in understatement of the liabilities and provisions by the same amount.

4. Cash Flow Statement

The cash flow statement is deficient to the following extent:


- i. IPPB has not presented the reconciliation statement of the cash and cash equivalent in compliance with Para 42 of Accounting Standard 3.
- ii. IPPB has included accrued interest, which is a non-cash item, in the Cash Flow from Operations. This has resulted in non-compliance with Accounting Standard 3.

5. Contingent Liabilities: Rs.64.30 crore (Schedule-12)

The above head is understated by an amount of Rs. 203.03 crore due to non-disclosure of claim filed by M/s EIT Service India Pvt. Ltd. before the learned sole arbitrator.

Place: Delhi
Date: 09.10.2024

For and on behalf of the
Comptroller & Auditor General of India


(Purushottam Tiwari)
Director General of Audit
(Finance & Communication)

Comments of C&AG

Comptroller and Auditor General of India has comments under section 143 (6) (b) of the Companies Act, 2013 on the Accounts of the Bank for the year ended 31st March 2024 and the Bank's replies to the comments are furnished as under

Ref	C&AG Comments	Management Reply
1	<p>Balance Sheet- Assets Other Assets: Rs.732.63 crore (Schedule-11)</p> <p>The above head is overstated by an amount of Rs. 26.89 crore due to non-adjustment of the provision created for receivable for more than one year. Instead of reducing the receivables from DoP by Rs.26.89 crore, The Bank has created a provision of Rs.26.89 crore in the accounts.</p> <p>This has also resulted in overstatement of Other Liabilities and Provision by the same amount.</p>	<p>The Financial Statements of Banks in India is prepared as per the Format prescribed under Banking Regulations Act 1949 and is also guided by RBI's Master Direction on Financial Statements - Presentation and Disclosures amended/ updated from time to time.</p> <p>As per the above provisions, netting off is allowed only for provision created against Investments (Schedule – 8) and Advances (Schedule – 9). Following this practice, Banks in India always show the provisions created against items falling under Schedule 10 – Other Assets, in the liability side of the Balance Sheet under Schedule 5 – Other Liabilities and Provisions.</p> <p>Bank has created a provision for amount outstanding from DoP for more than 1 year on a Prudent basis and depicted the same under Schedule 5 – Other Liabilities & Provisions. Creation of this provision is in compliance with the Internal Accounts Policy of the Bank which is based on the RBI circular on 'Operation of Internal/ Office Accounts'</p> <p>Therefore, there is no overstatement of Assets & Liabilities of the Bank.</p>
2	<p>Balance Sheet- Assets Other Assets: Rs.732.63 crore (Schedule-11) Deferred Tax assets (net) Rs.152.43 crore</p> <p>The above head is understated by an amount of Rs.10.94 crore due to non-inclusion of provisions made on account of gratuity and doubtful debts while calculating deferred tax.</p> <p>This has also resulted in the understatement of Net Profit by the same amount.</p>	<p>As per "AS 22- Accounting for Taxes on Income", Deferred tax should be recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.</p> <p>In computation of income under the head Profits and Gains of Business or Profession (PGBP) under Income Tax Act 1961, some of the expenses are allowed U/s. 43B if it is actually paid by the assessee on or before the due date of for furnishing the return of income under section 139(1)</p>

Ref	C&AG Comments	Management Reply
		<p>The provision for gratuity amounting to Rs. 10.67 crore provided in the Books of Accounts as on 31st March 2024 was paid on 31st July 2024 which is on or before the due date of filing income tax return. Thus, there is no disallowance for this provision amount in income tax computation of the Bank for the financial year 2023-24. Accordingly, there is no timing difference applicable for provision of gratuity amounting Rs. 10.67 crore.</p> <p>Bank has made a provision of Rs.26.89 crore towards DoP IT 2.0 during the financial year 2023-24 on a prudent basis. Keeping in view the certainty of realisation of the provision created within a short period no deferred tax asset has been recognised as on the balance sheet date.</p> <p>Therefore, there is no understatement of deferred tax assets by Rs.10.94 crore.</p>
3	<p>Income and Expenditure- Income - Other Income: Rs.657.72 crore (Schedule-14)</p> <p>The above head is overstated by an amount of Rs. 23.62 crore due to charging of SMSs sent to the customers at the rates higher than the rates prescribed by the Reserve Bank of India.</p> <p>This has also resulted in understatement of the liabilities and provisions by the same amount</p>	<p>The Bank started levying SMS charges from customers considering the practice followed in the Banking Industry. The decision of the Bank was based on the fact that all major Banks were levying SMS charges at fixed rates from customers.</p> <p>Based on the above, IPPB was levying SMS charges based on the practice followed in the Banking Industry and the charges were rational considering the Business model of the Bank.</p> <p>Bank had levied SMS charges of Rs.10/- per quarter up to Q2 of FY 2023-24. However, Bank had stopped charging SMS on receipt of the RBI communication, which advised to levy SMS charges on actual usage basis.</p> <p>As such, there is no overstatement of income or understatement of liabilities.</p> <p>Bank has implemented levying of SMS charges on actual usage basis from FY 2024-25.</p>

Ref	C&AG Comments	Management Reply
4	<p>Cash Flow Statement</p> <p>The cash flow statement is deficient to the following extent:</p> <p>This has also resulted in understatement of the liabilities and provisions by the same amount</p> <p>i. IPPB has not presented the reconciliation statement of cash and cash equivalents in compliance with Para 42 of Accounting Standard-3.</p> <p>ii. IPPB has included accrued interest, which is a non-cash item, in the Cash Flow from operation. This has resulted in non-compliance with Accounting Standard 3.</p>	<p>i. The Financial Statements of Banks is prepared as per the Format prescribed under Banking Regulations Act 1949 and is also guided by RBI's Master Direction on Financial Statements - Presentation and Disclosures. However, there is no specific format or method for preparation of Cash Flow Statement by Banks. Hence, the Cash Flow Statement is prepared by the Bank as per the prescribed method specified in Accounting Standard-3.</p> <p>Bank has disclosed the components of cash & cash equivalents along with its reconciliation, mentioning both Opening and Closing Balances along with the increase/ decrease in balances. These balances are reconciled and matched with net cash and cash equivalents i.e. difference between closing balance and opening balance.</p> <p>ii. Being a banking company, interest income forms an integral part of Bank's operating activities and accrued interest is also part of such operating income which cannot be said to be a non-cash item as it will be realised & converted in to cash & cash equivalent within a short period of time. The interests accrued are on the deposits and investments which are not for a long period.</p> <p>Hence, there is no overstatement of cash and cash equivalent vis-à-vis non-compliance of Accounting Standard-3.</p> <p>For the treatment of accrued interest in cash flow statement, the Bank is following the same method as followed by other Banks in the country.</p>
5	<p>Contingent Liabilities: Rs.64.30 crore (Schedule-12)</p> <p>The above head is understated by an amount of Rs.203.03 crore due to non-disclosure of claim filed by M/s EIT Services India Pvt. Ltd. Before the learned sole arbitrator.</p>	<p>The Honourable High Court of Delhi vide petitions dated 18th September 2023 and 9th February 2024, specifies that the total claim of the vendor as Rs.163 crore. Since the vendor has lodged this amount as claim to the Hon'ble High Court of Delhi for the above stated amount, Bank has considered this claim for the preparation of Financial Statements for the year ended 31st March 2024.</p>

Ref	C&AG Comments	Management Reply
		<p>Honourable High Court of Delhi vide its direction dated 9th February 2024, referred the matter for Arbitration through Arbitral Tribunal referring the amount claims of the vendor.</p> <p>However, EIT service India Private Limited had filed a new claim of Rs.424.36 crore before the arbitrator on 7th May 2024. The Bank has not acknowledged the additional claim filed by EIT services India Private Limited as management is hopeful that there would not be any cash out flow in future as the additional claim before arbitrator was not made by the vendor before Hon'ble High Court of Delhi.</p> <p>It is a mere claim and hearing is yet to be started, hence, in the opinion of management the possibility of occurrence of liability is very low/ remote and the Bank has very strong opinion that a mere claim of the Vendor will not be sustained in the Arbitration.</p> <p>However, the Bank will take a view in the matter once the hearing starts and there is a clarity regarding the amount of the claim of the vendor.</p>

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

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

To
The Members,
India Post Payments Bank Limited
Post Office, Speed Post Centre Building Market Road,
New Delhi - 110001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **India Post Payments Bank Limited (CIN U74999DL2016GOI304561)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. Based on our 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 and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:
- The Companies Act, 2013 (the Act) and the rules made thereunder;
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the Audit period);**
 - The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not Applicable to the Company during the Audit Period)**
 - Having regard to the compliance system prevailing in the Company, on the basis of certificate(s) received from the various Departments by the Compliance Department of the Company, we report that the Company has generally complied with the provisions of those Acts, the management has identified and confirmed that are specifically applicable to company, including Banking Regulation Act, 1949, The Reserve Bank of India Act, 1934, Payment and Settlement Systems Act, 2007, Deposit Insurance and Credit Guarantee Corporation Act, 1961 and the rules and regulations made there under, etc., to the extent of their applicability to company.
- C. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
 - Listing Agreements entered into by the Company with Stock Exchange(s). **(Not applicable to the Company during the audit period).**
- D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- The number of independent directors on the Board were not in majority during the Audit Period, as stipulated in the Guidelines for Licensing of Payments Banks and Articles of Association of the Company.

We further report that

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except enumerated in para D above regarding the appointment for independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however, in some cases Notice and agenda papers were sent with shorter notice with the consent of the Board 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.

III. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained and on the basis Compliance Certificate(s) issued by various authorized officials there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

- a. During the audit period the company has allotted 45,00,00,000 Equity Shares of Rs. 10/- each to President of India through Secretary, Department of Post on right issue basis.

Note:

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

For VAP & Associates
Company Secretaries
FRN: P2023UP098500
Peer Review No: 1083/2021

Sd/-
Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323F001191285

Place: Ghaziabad
Date: 11.09.2024

Annexure – ‘A’

To
**The Members,
India Post Payments Bank Limited**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
8. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
9. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates
Company Secretaries
FRN: P2023UP098500
Peer Review No: 1083/2021

Sd/-
Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323F001191285

Place: Ghaziabad
Date: 11.09.2024

Management's Reply to the Comments of the Secretarial Auditor Report for the Financial Year 2023-24

S. No	Comments/ Remarks	Management Reply
01	The number of Independent Directors on the Board were not in majority during the Audit Period, as stipulated in the Guidelines for Licensing of Payments Banks and Articles of Association of the Company.	The Appointment of one more Independent Director of IPPB is under process by the Administrative Ministry.



