



India**Post**
Payments**Bank**

Journey Beyond Barriers



A New direction
to enable
a legacy
institution

Annual Report 2017-18



इंडिया पोस्ट
पेमेन्ट्स बैंक

IndiaPost
PaymentsBank

Journey beyond barriers

India Post Payments Bank took the road less travelled while embarking on the journey of financial empowerment of every citizen. Since independence, the formal banking sector has not been able to include the rural masses into their fold. The opportunity cost for these underbanked and unbanked citizens continues to be high.

IPPB is leveraging the vast Postal network of nearly 1.55 lakh Post Offices and 3.0 lakh postal employees in every district, town and village of the country to increase the size of rural banking infrastructure by almost 7 times. Simple and intuitive applications backed by technology and frugal innovation enables IPPB to address the key challenges of acceptability and digital literacy. The 360-degree payments suite creates transparency, removes corruption and leakages by removing cash from the system, thereby enabling a less cash economy and contributing to India's GDP. A massive training programme undertaken for the postal employees is one of the largest and the only one of its kind financial and digital literacy campaign at the last mile.



2ND ANNUAL REPORT (2017-18)

INDEX

Contents	Page No.
■ IPPB at a glance.....	01
■ Board of Directors.....	14
■ Message from Chairman.....	15
■ Message from MD & CEO	16
■ Director's Report	18
■ Secretarial Audit Report	38
■ Independent Auditor Report.....	42
■ Annual accounts for the Financial Year ended 31st March, 2018	47
■ CAG Audit Report	75
■ Comments and observations of the Comptroller and Auditor General.....	76



Vision

Building the most accessible,
affordable and trusted
bank for the common man

Mission

Spearheading financial inclusion
by removing barriers and
reducing cost for accessing
banking services



Guiding principles

1 Last Mile Comprehensive Financial Inclusion

Leverage the extensive reach of India Post to provide last mile financial services to the unbanked and underbanked

2 Leveraging the existing Post Office customer base

Providing a full suite of interoperable banking services to the existing Post Office customers

3 Digitization and enabling of a "less Cash" eco-system

Complete digitization of Department of Post counters

4 Customer centricity / simplicity of experience

Unified customer experience across channels



New direction to enable a legacy institution



India Post
Payments Bank

- Lean Organization
- Cutting edge Product and Technology organization
- Banking specialization
- Regulatory compliance expertise



Well-defined
management
structure – Circle
led execution

Last Mile

Physical Assets
1,55,000 Post Offices

Human Capital
3,00,000
Postal Employees

Built on the strong foundation of India Post

"Differentiated" banking license awarded to India Post,
integrating it with the banking ecosystem.

IPPB's Service Elements

IPPB's banking services & delivery will be built on the following elements

1

Accessibility

Network of 1.55L post offices (~90% in rural India) and 2.5 L postmen and GDS to deliver door step banking services

2

Affordability

Utilize interoperable public technology infrastructure to offer affordable distribution of financial services at the last mile

3

Ease of Banking

Extending the Bank products and services through Doorstep banking, and intuitively designed digital tools like QR Card and Assisted UPI

4

Digital Ecosystem

Linkage with

- Payment & Settlement Systems - NEFT, RTGS, UPI, IMPS
- Bharat Bill Payment Systems – BBPS
- Government Subsidies - PFMS, ABPS

5

Financial Literacy

Opening an account isn't enough; customers need to know what they can do with it. IPPB will promote financial inclusion through financial literacy – educating customers on how insurance secures the unsecured, how wealth grows from wealth and how even a little saving can go a long way towards building a better future



Ease of Banking

IPPB QR Card

IPPB QR card will catalyze a move towards less cash economy without the costs associated with infrastructure building



Tangible account identity

Physical card which identifies an account holder uniquely and provides a sense of identity



Convenience for customer/ agent

Customer does not have to remember the Account number
No manual entry by the Agent (only scan)



Secure & private

Biometric authentication. No PIN to be remembered.



Nil capital expenditure

No need to create expensive PoS infrastructure. Leverage smartphones for transaction initiation through agent/merchant app

Ease of Banking

Assisted UPI – A first in India

A unique financial inclusion initiative in partnership with NPCI

Challenge today

Enrollment and creation of a virtual payment address:
UPI can only be used by customers having a smartphone
and a Debit card



Solution – Assisted UPI



Seamless onboarding:
Default issuance of a
pre-configured Virtual
Private Address (VPA)
to every IPPB customer
at the time of
onboarding E.g.
mobilenumber@IPPB



Assisted remittance:
Customer can send
money to any VPA by
using Aadhaar and
biometric authentication
at any agent point
(no smartphone required
with customer)



Transaction simplicity:
The customer simply
provides the VPA to
the sender for
receiving funds
(no smartphone
required)

**This will enable penetration of UPI into the rural hinterlands and
will give significant fillip to digital payments**



What has gone into building the bank

Day 1

Operational Readiness

Branches/Controlling offices

650 Branches/Controlling offices (~one branch in each district)

Access Points

3,250 Post offices across urban and rural India activated as banking access points

Counter & Doorstep Services

1600+ Counters across urban and rural India activated

10000+ Postmen/GDS ready to provide doorstep banking services

Day 1

People Readiness (Recruitment, Training and Certification)

IPPB Strength

50,000+ interviews conducted by IPPB to recruit 1,900+ staff at branches, circles, corporate office

DOP Strength

~1200 DoP trainers trained and certified

~15,000 users trained and certified to provide banking services

Manpower Training

800,000 training hours imparted at 650+ locations

Day 1

Technology Readiness

Robust Technology Platform

One of the fastest end to end CORE BANKING DEPLOYMENTS across multiple System Integrators - from conceptualization, design, to implementation.

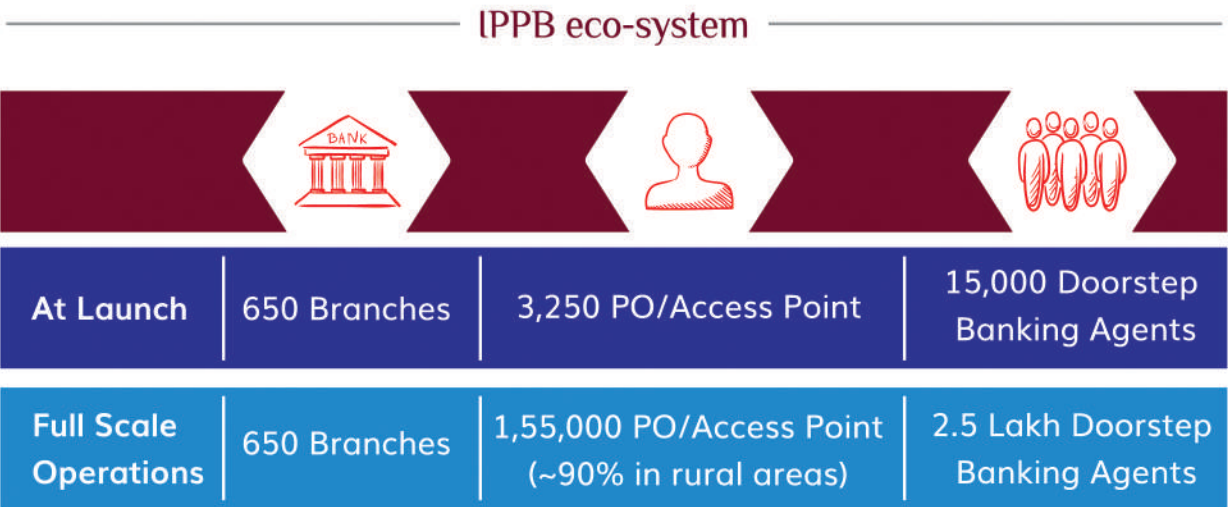


Technology Stack

Simultaneous launch of services across various channels, built on a technologystack of 30+ applications with 200+ internal/external interfaces

Deployed on a Resilient infrastructure

With network integrations across IPPB Data Center, DoP Data Center, IPPB Call Center, IPPB CPC, UIDAI, NPCI, IDRBT, NSDL systems certified for compliance with national payments & settlement systems.



Almost **7x growth**
in Rural Banking
infrastructure

Customer Segments & Service Channels

A step towards financial inclusion and digital economy...

Focus Customer Segments



IPPB Offerings:

DEPOSITS

- Savings Account • Current Account

MONEY TRANSFER

- Simple & Secure • Instant • 24X7

DIRECT BENEFIT TRANSFERS

- MGNREGA • Scholarships • Social welfare benefits and other • Government subsidies

THIRD PARTY PRODUCTS

- Loans • Insurance • Investments • Post Office Savings Schemes

BILL & UTILITY PAYMENTS

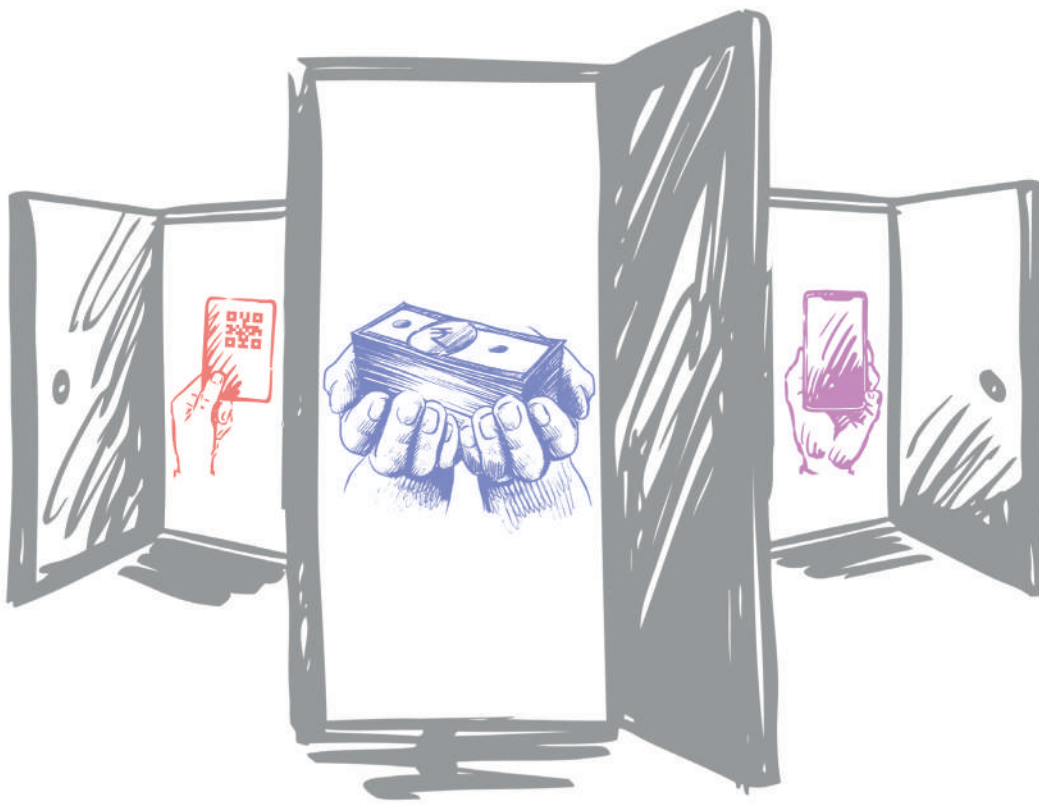
- Mobile and DTH recharge • Electricity, water & gas bills • Donations & insurance premiums

ENTERPRISE AND MERCHANT PAYMENTS

- Postal products • Digital Payment of e-commerce delivery (CoD) • Small merchants/ kirana stores/ unorganised retail • Offline payments • Cash Management Services

Aapka Bank, Aapke Dwaar

Addresses accessibility, simplicity and convenience of personalized banking.



Kholiye Rishtoen Ka Khaata



IPPB National Launch Event, 1st September, 2018

‘आज 01 सितम्बर, देश के इतिहास में
एक नई और अभूतपूर्व व्यवस्था की शुरुआत
होने के नाते याद किया जायेगा।’

‘History will remember
Sep 01, 2018 as the dawn of a new era of
an unprecedented banking order’

‘एकता, समानता, समावेश सेवा और
विश्वास का प्रतीक यह इंडिया पोस्ट पेमेन्ट्स
बैंक अब देश की बैंकिंग व्यवस्था को नहीं,
बल्कि डिजिटल लेन-देन की व्यवस्था को भी
विस्तार देने की ताकत रखता है।’

‘IPPB, as a symbol of Unity, Equality,
Inclusion and Trust not only possesses the
capability to transform the banking infrastructure
in India, but will also significantly enhance
digital acceptance and a less-cash
economy at the last mile’

- Hon'ble PM addressing
the launch event



IPPB National Launch Event, 1st September, 2018

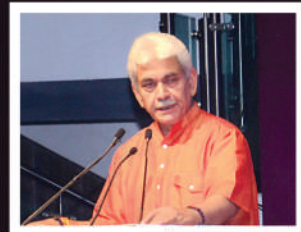
“ तकनीकी दृष्टिकोण से भी सह
समर्थ और सक्षम बैंक है और इसकी तकनीक
इतनी सरल है कि गांव का सामान्य व्यक्ति भी
सुविधापूर्वक इसका उपयोग कर सकता है। ”

“ IPPB has harnessed cutting-edge
technology to deliver a simplified user experience
thereby enabling even a rural citizen to conveniently
use it to enjoy banking services ”

“ इंडिया पोस्ट पेमेन्ट्स बैंक का शुभारम्भ भी
ऐसा ही एक साहसिक कदम है जो हमारे राष्ट्र निर्माण
के सपने को साकार करने में हमारी मदद करेगा और
जिससे हमारा देश राष्ट्रों के समुदाय में अपना सही
स्थान ग्रहण कर पायेगा। ”

“ The launch of IPPB is a landmark
event that will help us in our endeavor of nation
building and will establish India at its rightful
place amongst the nations of the world on
financial inclusion ”

- Hon'ble MoSC(I/C)
addressing the launch event





जोड़िये नाता, खोलिये रिश्तों का खाता



इंडिया पोस्ट
पेमेन्ट्स बैंक

IndiaPost
Payments Bank

आपका बैंक, आपके द्वार

जनसामान्य के लिये सर्वाधिक पहुँच वाला,
किफायती एवं भरोसेमंद बैंक

- ✓ 3,00,000 डाकियों के माध्यम से बैंकिंग सेवाएं सीधे घर तक
- ✓ 1,55,000 डाकघरों द्वारा देश के हर कोने में पहुँच
- ✓ 650 शाखाएं (प्रत्येक जिले में एक)
- ✓ 3250 सेवा केंद्र
- ✓ 13 भाषाओं में बैंकिंग सेवाएं

देश की सेवा में समर्पित



- नरेन्द्र मोदी
प्रधानमंत्री

प्रधानमंत्री नरेन्द्र मोदी द्वारा
इंडिया पोस्ट पेमेन्ट्स बैंक की 650 शाखाओं एवं 3250 सेवा केंद्रों का एक साथ शुभारंभ

• स्थान
तालकटोरा स्टेडियम, नई दिल्ली

• दिनांक •
1 सितंबर, 2018, दोपहर 3.15 बजे

पोस्टल विभाग का बैंकिंग सेक्टर के लिए उपयोग सिर्फ एक नई व्यवस्था नहीं है, बल्कि इससे गरीब को गरीबी के खिलाफ लड़ने के लिए बहुत बड़ी ताकत मिलने वाली है। साथ ही, सरकारी योजनाओं का सीधा लाभ बैंक खातों में जाएगा तो भ्रष्टाचार के खिलाफ लड़ाई में यह एक बहुत बड़ा उपयोगी शस्त्र बनने वाला है।

Board of Directors



■ Mr. A. N. NANDA
Chairman, IPPB



■ Mr. ANSHUMAN SHARMA
Nominee Director



■ Mr. GUARI SHANKAR
Independent Director



■ Dr. K. G. KARMARKAR
Independent Director



■ Mrs. SUSHAMA NATH
Independent Director



■ Mr. VISHNU R. DUSAD
Independent Director



■ Mr. P. SATISH
Independent Director



■ Mr. SANJAY PRASAD
Nominee Director



■ Mr. T. Q. MOHAMMAD
Nominee Director



■ Mr. SURESH SETHI
Managing Director & CEO

Registered Office:

Speed Post Centre Building, Bhai Veer Singh Marg, New Delhi 110 001

Company Secretary: Mrs. Priyanka Bhatnagar

Statutory Auditor: V.K. Sehgal & Associates

Secretarial Auditor: Sadhna Sharma & Associates





SHRI. A. N. NANDA

Message from Chairman

Dear Shareholders,

With its vast network of nearly 1.55 lakh Post Offices and 3 lakh postal employees, the Department of Posts has been at the forefront of providing financial services in every district, town and village of the country, through the Post Office Savings Bank.

India Post Payments Bank is a manifestation of Department of Posts' vision to leverage their trusted network to bring a complete bouquet of banking services and enable last mile comprehensive financial inclusion.

The postman has always enjoyed a trusted relationship with the people he

serves and is seen as a friend, philosopher and guide to them. With India Post Payments Bank, the postman will now become a trusted financial advisor, working hard to ensure that the customers receive money in the fastest way possible, use it with ease to pay for essentials, and save and invest for a bright future.

The latest payments and banking technology, easy to use interface, the trusted network of the post office and its dedicated staff with a local connect will be the USP of the IPPB. This combination of scale, reach, strong and trustworthy brand and technology-led innovation will provide IPPB - DoP a strong competitive advantage.

At India Post Payments Bank, we believe that a nation can only grow when every citizen gets an opportunity to prosper, regardless of their way of life. With simple, diverse and growth oriented offerings, IPPB aims to give every Indian access to efficient banking services.

I am delighted at the prospect of shaping the future of financial inclusion in our country through India Post Payments Bank.

Thank you very much.

A. N. NANDA
CHAIRMAN





SHRI. SURESH SETHI

“For us, every customer is important, every transaction is significant, and every deposit is valuable no matter the value”

Message from MD & CEO

Dear Shareholders

This has been a watershed year for your bank and I am delighted to connect with you to share the progress made over the course of the year. Our vision to build the most accessible, affordable and trusted bank for the common man has finally taken shape, to spearhead the financial inclusion agenda. We have embarked on a mission to remove the barriers for the unbanked and underbanked by equipping the trusted Postman at the last mile as a Financial Services provider. Traditionally, banks have extended banking beyond branches leveraging the business correspondent model. For IPPB, the last mile service partner is the postman, who is the institutional representative of one of the most iconic and trusted entities - the Department of Posts. And this is what we believe sets us apart in our journey to bring people into formal financial economy.

Merely opening an account isn't enough; our customers need to know why they should do it, what they can do with it and how inclusion can help them meet their needs and realize their dreams. IPPB is committed to promoting



financial inclusion through financial literacy – educating customers on how insurance secures the unsecured, how wealth grows from wealth and how even a little saving can go a long way towards building a better future.

DoP has been always been a pioneering institution in enabling financial inclusion through the Post Office Savings Bank. IPPB has created a unique integrated model, thereby enabling the Post Office Savings Account (POSA) holder to have a seamless access to the Banking eco system through a linked IPPB Account. This allows the POSA account holder to avail a full bouquet of banking services across multiple channels extending beyond the Post office counter. These include doorstep banking services, self service through Mobile Banking application, SMS Banking, IVR banking etc.

IPPB's game changing service offerings are an outcome of simple use of technology and innovation. This enables IPPB to address the key challenges of last mile financial inclusion by overcoming the well-known barriers of Accessibility, Affordability, Digital Adaptation, Financial Literacy & awareness and transaction security.

During the current year IPPB is poised to deliver banking services across the country, powered by the strong and trustworthy postal network. Towards this,

I am pleased to inform that IPPB received one of the largest branch expansion approvals of ~ 1.55 lakh Access Points, on the back of demonstrated system and operational capability.

On 1st September, 2018, IPPB was launched at a National scale, graced by the Hon'ble Prime Minister with a live audience of over 2 million people.

Our immediate mission is to scale up and extend our services across 1.55 lakh Post Offices, and over 3,00,000 postal employees providing doorstep services in every district, town and village of the country to serve you, and truly bringing **"Aapka Bank, Aapke Dwaar"**.

ACKNOWLEDGEMENT

On behalf of your Company's Board of Directors, I wish to convey my deep gratitude to you, as our valued shareholder for your continued support and trust. This motivates us to excel in all our pursuits and constantly create value for you as well as for the nation. I appreciate the unstinted support and valuable guidance received from Ministry of Communication and Department of Post, Government of India.

Thank you very much.

SURESH SETHI
MANAGING DIRECTOR & CEO



Director's Report

To,
The Members,

Your Directors are pleased to present the Second Annual Report of the Company ("IPPB") together with the audited financial statements for the financial year ended 31st March, 2018 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:

	Amount in Rs.	
	Financial year ended	Financial year ended
	31st March, 2018	31st March, 2017
Total Revenue	39,80,53,249	44,98,40,286
Total Expenditure	38,78,28,643	42,76,22,678
Profit available for Appropriation	(97,53,705)	2,22,17,608
Transfer to Reserve(Net):		
- Statutory Reserve		55,54,402
Balance Carried to Balance Sheet	69,09,501	2,22,17,608
Earning Per Share(Basic)	(0.03)	0.16
Earning Per Share (Diluted)	(0.03)	0.16
Shareholding of Govt. of India (%)	100%	100%

PERFORMANCE HIGHLIGHTS AND OVERVIEW

During the period, the Company has recorded a total Revenue of Rs. 39,80,53,249 and total expenditure of Rs. 38,78,28,643. Total loss during the year is Rs.97,53,705. In the previous year Company has incurred a profit of Rs. 2,22,17,608.

PUBLIC DEPOSIT

(Rs. In 000)

Particulars	31.03.2018	31.03.2017
Total Deposit of Twenty Largest depositors	1828	1272
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	15.18%	53.67%



DIVIDEND

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

HUMAN RESOURCES AND DEVELOPMENT

Availability of Talent play an important role in achieving the exceptional challenges set by Government for the bank. Bank employs various staffing methods to meets its manpower requirement. Functional experts are deputed from PSBs. Various positions in Middle management are hired from competitive exam and interviews. Specialized and niche positions are also recruited on Contract positions. IPPB also engaged retired General Managers from PSBs in various capacities to leverage their experience and expertise for guiding and grooming IPPB managerial cadre.

Training

- The Training intervention for Direct Recruits at Corporate office at the Middle Management level included Technical Capability programs curaed function wise on topics like Payments System, AML /KYC, CVC Guidelines, IMPS /UPI, Operational Risk Management etc. to enhance their exist-ing technical capabilities.
- On the Behavioural Training front employees were nominated for programs like Developing Women Leadership , Enhancing Bank Employees 'Performance and Wellbeing through Leadership ,Justice, Support & Spirituality etc.
- To encourage the culture of E- Learning the bank has launched the Self Learning Portal for its employees & 3,00,000 Business Correspondents.
- An Extensive Induction Training Program for Six Days was conducted at IICA for all the Field staff and DOP employees on deputation Joining the Bank at Scale I ,II & III.
- Training Intervention for the around 4000 Department of Post (DoP) Master Trainers was con-ducted at Postal Training Centre (PTC) , to sensitize them about IPPB & its offerings & further train & certify them to further train around 3,00,000 End Users who shall be acting as Business Correspondents for the Bank .

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under re-view 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 safe-guarding the assets of the Company; and for prevention and detection of fraud and other irregu-larities;
- 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 ad-equate and operating effectively.



STATUTORY AUDITORS

The Statutory Auditors of your Company, M/s. V.K. Sehgal & Associates Co., Chartered Accountants (FRN – 011519N) were appointed as Statutory Auditors of your Company for the financial year 2017-18 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, 2018.

Pursuant to section 139 of Companies Act 2013, The Comptroller and Auditor General of India Vide letter dated 14th September, 2018 has reappointed M/s. V.K. Sehgal & Associates Co., Chartered Accountants (FRN – 011519N) as the Statutory Auditor/ Branch Auditor of the Company for the FY 2018-19. Your Directors recommend their appointment on terms recommended by the Audit Committee. The Company has received requisite certificate to the effect that their reappointment, if made, at the ensuing AGM would be in accordance with Section 141(3)(g) of the Companies Act, 2013. The Notes on Financial Statements referred to in the Annual Report are self-explanatory and do not call for any further comments.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements of the Company for the financial year ended 31st March, 2018 and the Management's Replies thereon and the comments of Comptroller & Auditor General of India on Financial Statements for the period ended 31st March, 2018 under Section 143(6)(b) of the Companies Act, 2013 along with the Management's Replies thereon 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 Sadhna Sharma & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for the Financial Year ended 31st March, 2018 is annexed as Annexure 1 to the Report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in their report.

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 area 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.

QUORAM FOR THE BOARD MEETINGS

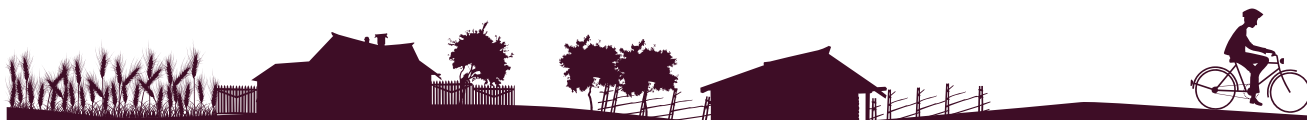
The quorum for the Board Meetings shall be one-third of the total strength or two Directors, whichever is higher subject to at least one Director being a nominee of the Central government.

Board of Directors of the Company as on 31st March 2018:

S.No	Name of the Director	Designation	Period of occupancy with effect
1	ANANTA NANDA NARAYAN	CHAIRMAN & DIRECTOR	25/05/2017
2	ANSHUMAN SHARMA	DIRECTOR	17/08/2016
3	MADHUMITA G DAS	DIRECTOR	17/08/2016
4	SURESH KUMAR SETHI	MD & CEO	27/10/2017
5	KRISHNA GOPAL KARMAKAR	INDEPENDENT DIRECTOR	28/06/2017
6	GAURI SHANKAR	INDEPENDENT DIRECTOR	28/06/2017
7	PRAMOD KUMAR DAS	INDEPENDENT DIRECTOR	01/12/2017
8	VISHNU RAMPRATAP DUSAD	INDEPENDENT DIRECTOR	30/01/2018
9	PILLARISETTI SATISH	INDEPENDENT DIRECTOR	30/01/2018
10	SUSHAMA NATH	INDEPENDENT DIRECTOR	30/01/2018

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
1	ANANTA NANDA NARAYAN	CHAIRMAN & DIRECTOR	25/05/2017
2	SURESH KUMAR SETHI	MD & CEO	27/10/2017
3	KRISHNA GOPAL KARMAKAR	INDEPENDENT DIRECTOR	28/06/2017
4	GAURI SHANKAR	INDEPENDENT DIRECTOR	28/06/2017
5	PRAMOD KUMAR DAS	NOMINEE DIRECTOR	01/12/2017
6	VISHNU RAMPRATAP DUSAD	INDEPENDENT DIRECTOR	30/01/2018
7	PILLARISETTI SATISH	INDEPENDENT DIRECTOR	30/01/2018
8	SUSHAMA NATH	INDEPENDENT DIRECTOR	30/01/2018
9	MADHUMITA G DAS	DIRECTOR	17/08/2016
10	ANSHUMAN SHARMA	DIRECTOR	17/08/2016



The following persons ceased to be Director/KMP during the year under report /
from the date of last AGM totill date:

S.No	Name of the Director	Designation	Date of appointment	Date of Resignation
1	B.V. SUDHAKAR	CHAIRMAN & DIRECTOR	01.09.2016	28.04.2017
2	A.P.SINGH	MD & CEO	27.01.2017	24.10.2017
3	SANDEEP DAVE	NOMINEE DIRECTOR	05.01.2017	21.07.2017

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	SAVITA GUPTA	CHIEF FINANCIAL OFFICER	01/03/2017
2	PRIYANKA BHATNAGAR	COMPANY SECRETARY	16/01/2017

BOARD MEETINGS

During the year 2017-18 the Board of Directors of the Company met Eleven (11) times on:

9th Board Meeting 25th May, 2017	10th Board Meeting 28th June, 2017	11th Board Meeting 17th July 2017	12th Board Meeting 13th September, 2017
13th Board Meeting 4th October, 2017	14th Board Meeting 12th October, 2017	15th Board Meeting 25th October 2017	16th Board Meeting 1st December, 2017
17th Board Meeting 3rd January, 2018	18th Board Meeting 20th February, 2018	19th Board Meeting 26th March, 2018	

Director's Attendance at the Board Meeting

Name of The Director	Attendance at your Bank's Board Meeting (Total No. of Meeting held- 11)
ANANTA NANDA NARAYAN	11 out of 11
SURESH KUMAR SETHI	4 out of 4
KRISHNA GOPAL KARMAKAR	10 out of 10
GAURI SHANKAR	9 out of 10
PRAMOD KUMAR DAS	3 out of 3
VISHNU RAMPRATAP DUSAD	2 out of 3



PILLARISETTI SATISH	3 out of 3
SUSHAMA NATH	3 out of 3
MADHUMITA G DAS	11 out of 11
ANSHUMAN SHARMA	6 out of 11

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
- 3) Risk Management Committee
- 4) Customer Service Committee
- 5) Stakeholders Relationship Committee
- 6) Recruitment Advisor Committee

All the Committees of the Board except Recruitment Advisory Committee were constituted on 28th June, 2017. Recruitment Advisory Committee was constituted on 01st December, 2017.

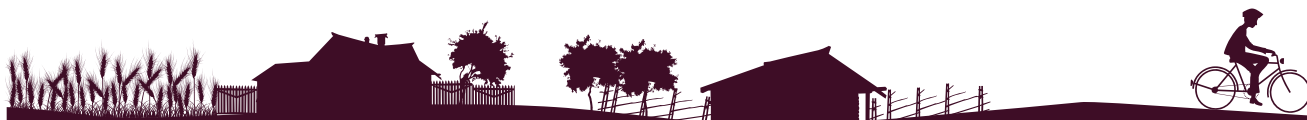
AUDIT COMMITTEE

The Audit Committee of the Company has been constituted on 28th June, 2017 and consists of two Independent Director and one Nominee Director along with MD & CEO as permanent special Invitee. During the year 2017-18 four (o4) Audit Committee meetings were held.

1st Audit Committee 13th September, 2017	2nd Audit Committee 04th Octoer, 2017	3rd Audit Committee 01st December 2017	4th Audit Committee 20th February, 2018
---	--	---	--

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 include 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 openness, 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 has been constituted on 28th June, 2017 and consists of two Independent Director, one Nominee Director, MD & CEO and Lead Risk and Compliance Officer as a special Invitee. The Company has duly implemented Risk Management Policy. During the year 2017-18 One (o1) Risk Management Committee meetings were held.

1st RMC 20th February, 2018

Nomination & Remuneration Committee

The Nomination Remuneration Committee of the Company has been constituted on 28th June, 2017 and consists of two Independent Director and one Nominee Director. During the year 2017-18 One (o1) Nomination & Remuneration Committee meetings were held.

1st NRC 12th December, 2017

Customer Service Committee

The Customer Service Committee of the Company has been constituted on 28th June, 2017 and consists of two Independent Director, one Nominee Director, MD & CEO and Lead Customer Service Officer as a special Invitee. During the year 2017-18 Two (o2) Customer Service Committee meetings were held.



1st CRC 03rd October, 2017	2nd CRC 26th March, 2018
-------------------------------	-----------------------------

Recruitment Advisory Committee

The Recruitment Advisory Committee of the Company has been constituted on 01st December, 2017 and consists of two Independent Director, one Nominee Director, MD & CEO and Chief Human Resource Officer as a special Invitee. During the year 2017-18 Two (02) Recruitment Advisory Committee meetings were held.

1st RAC 03rd December, 2017	2nd RAC 07th February, 2018
--------------------------------	--------------------------------

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company has been constituted on 28th June, 2017 and consists of One Independent Director, one Nominee Director and MD & CEO. During the year 2017-18 no meetings were held.

INDEPENDENT DIRECTORS DECLARATION

The Company has received the necessary declaration from each ID 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

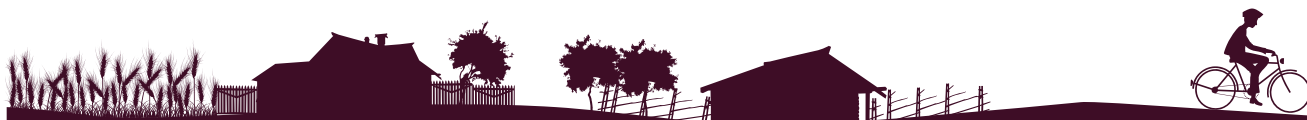
IPPB being a Government Company, the provisions of section 197 of the Companies Act, 2013 and relevant Rules shall not apply in view of the Gazette notification dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India. The terms and conditions of the appointment of Functional Directors 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: 1,00,00,00,000 Equity Shares of Rs. 10/-each.

(II) PAIDUP CAPITAL: 27,50,00,000 Equity Shares of Rs.10/-
Each

RIGHT ISSUE OF EQUITY SHARES

The Company has made right issue of 15,00,00,000 Equity Shares to President of India through Secretary of Posts, existing equity shareholder in proportion of existing shareholding of the Shareholders.

EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return in Form MGT 9 as on 31st March, 2018, pursuant to subsection (3) of section 92 of the Companies Act, 2013 and forming part of this report is annexed to this report.

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 ACT, 2005

Your Company has set up an elaborate mechanism throughout the Organization to deal with the requests received under the 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 securing access to information and filing of first appeals under the Act. Proactive disclosures have been made on IPPB's website inline with Section 4(1)(b) of the Act, disseminating various categories of information so that citizens have minimum need to resort to the Act for the purpose of obtaining information.

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 is also in process to launch its website in Hindi also.



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.

RISK MANAGEMENT

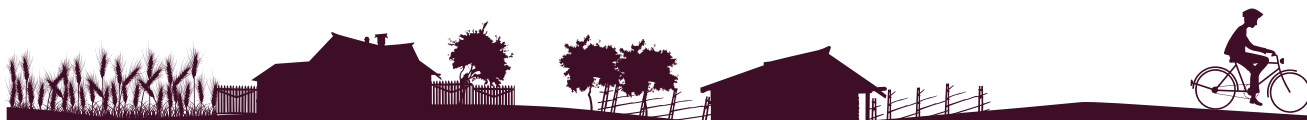
The Company has in place a risk management policy which aims to have balance between risk and return. It entails the identification, measurement and management of risks in the business of the Company. As per the policy monitoring and corrective actions are taken on a continuous basis.

INDUSTRIAL RELATIONS

During the year under review, the relations between the Management and the workmen 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 2017-18, no complaints were received by the Company.

Your Directors further state that during the year' under review, there were no cases filed Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 Post),Financial Institutions, Banks, Customers and allother stakeholders. The Board of Directors acknowledge with thanks the valued cooperation received from C&AG and the Statutory Auditors, Sec-retarial 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 thatwith 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

Place: Delhi
Date:05.12.2018

A.N. NANDA
CHAIRMAN
DIN- 07810425
C-1 Block 6,
New MotiBagh,
New Delhi

SURESH SETHI
MANAGING DIRECTOR& CEO
DIN -06426040
C/901, Lodha Bellissimo,
Appolo Mills Compound
N.M. Joshi Marg,
Mahalaxmi, Mumbai



FORM NO. MGT. 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the
Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) CIN	U74999DL2016GOI304561
ii) Registration Date	17th August, 2016
iii) Name of the Company	India Post Payments Bank Limited
iv) Category/ Sub-Category of the Company	Company limited by shares / Union Government Company
v) Address of the Registered office and contact details	Post Office, Speed Post Centre Building, Market Road, New Delhi – 110001
vi) Whether listed company	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Payments Bank	Group 649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	NA	Group 649	100%		



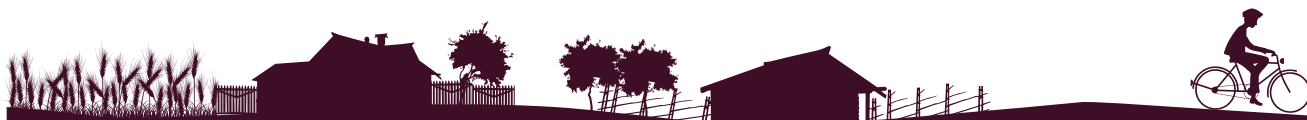
V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF (Nominee of President of India)	-	6	6	.01%	-	6	6	.01%	-
b) Central Govt State Govt (s)		274999994	274999994	99.99%	-	399999994	399999994	99.99%	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+ (A) (2)		27,50,00,000	27,50,00,000	100	-	40,00,00,000	40,00,00,000	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-



1. Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-	-	-
g) Foreign	-	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-	-
2.Non-Institu- tions	-	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual* shareholders holding nominal share capital uptoRs. 1 lakh	-	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-	-
i) Foreign	-	-	-	-	-	-	-	-	-	-
ii) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
iii) Directors	-	-	-	-	-	-	-	-	-	-
iv) Non Resident Indians	-	-	-	-	-	-	-	-	-	-



v) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
vi) Clearing members	-	-	-	-	-	-	-	-	-
vii) Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		27,50,00,000	27,50,00,000	100	-	40,00,00,000	40,00,00,000	100	-

* 6 individuals holding 01 shares each as nominee of President of India

ii. Shareholding of Promoters (Equity)

Equity

Sn. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	President of India through Secretary of Posts	27,49,99,994	100	-	39,99,99,994*	100	-	-
2	Madhumita Gudduluru Das (Nominee of President of India)	1	0.000	-	1	0.000	-	-
3	Neelam Sanghi (Nominee of President of India)	1	0.000	-	1	0.000	-	-
4	Ajay Kumar Roy (Nominee of President of India)	1	0.000	-	1	0.000	-	-
5	Usha Chandra Shekhar (Nominee of President of India)	1	0.000	-	1	0.000	-	-



6	B.P. Sridevi (Nominee of President of India)	1	0.000	-	1	0.000	-	-
7	Sachin Kishore (Nominee of President of India)	1	0.000	-	1	0.000	-	-
	Total	27,50,00,000	100	-	40,00,00,000	100	-	-

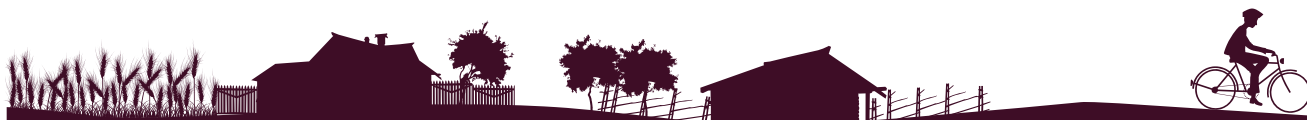
*Includes 06 equity shares held by nominees of President of India

iii. Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Madhumita G. Das				
1	At the Beginning of the year	01	.01%	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	01	.01%	-	-



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Mr. Suresh Sethi	27.67 lacs pa
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify (Performance Incentive)	-	-

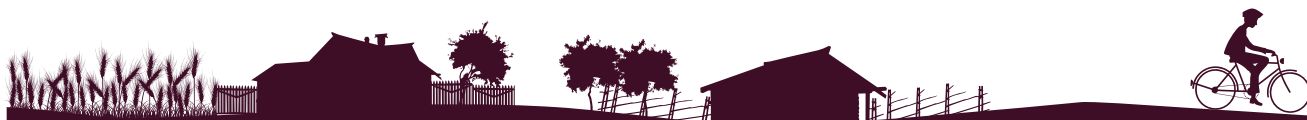


B. Remuneration to other directors: (as on 31/3/2018)

Sn. No.	Particulars of Remuneration	Name of MD/MTD/ Manager			Total Amount (Rs.)		
1	Independent Directors	Mr. Gauri Shankar	Dr. K.G. Karmakar	Mr. Vishnu Dusad	Mr. P. Satish	Ms. Sushama Nath	
	• Fee for attending board /committee meetings • Commission • Others, please specify	Rs. 2,20,000/- plus GST - -	Rs. 2,40,000/- plus GST - -	Rs. 20,000/- Plus GST - -	Rs. 20,000/- Plus GST - -	Rs. 20,000/- Plus GST - -	Rs. 5,20,000/- plus GST - -
	Total (1)	2,20,000	2,40,000	20000	20000	20000	5,20,000
2	Other Non-Executive Directors	Mr. A.N.Nanda	Ms. Madhumita G. das	Mr. Sandeep Dave	Mr. Anshuman Sharma	Mr. Sandeep Dave	-
	Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/MTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	8.79 Lacs pa	23.68 Lacs pa	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify(Performance Incentive)	-	-	-	-



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors

Place: Delhi
Date:05.12.2018

A.N. NANDA
CHAIRMAN
DIN- 07810425

SURESH SETHI
MANAGING DIRECTOR& CEO
DIN -06426040

C-1 Block 6,
New MotiBagh,
New Delhi

C/901, Lodha Bellissimo,
Appolo Mills Compound
N.M. Joshi Marg,
Mahalaxmi, Mumbai

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	Installation of Energy efficient equipment
Steps taken for utilisation 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

Management's Reply to the Comments of the Statutory Auditors/ CAG Audit for the Financial Year 2017-18

S.No.	Comments/Remarks	Management Reply
01	The company has not conducted physical verification of fixed assets. The locations of the assets are also not mentioned in the record. Thus the internal control of the organization is weak	the corrective action in respect of the maintenance of Physical Fixed Assets Register has been initiated by IT Department for IT Assets and for Non-IT assets by the HR/Administration Department. (Respective Departments)



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31STMARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the companies
(Appointment and Remuneration 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 (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.

Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have examined the books, papers, minute books, forms and returns and other records maintained by India Post Payments Bank Limited for the financial year ended on 31stMarch, 2017 in accordance with the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(Not Applicable during the Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(Not Applicable during the Audit Period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable during the Audit Period)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :- (Not Applicable during the Audit Period)
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Management has also identified and confirmed the following laws as specifically applicable to the company;
- (a) Banking Regulation Act, 1949;
 - (b) Reserve Bank of India Act, 1934 and the rules and regulations made there under;

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to meeting of Board of Directors (SS-1) issued by The Institute of Company Secretaries of India, being effective from July 01st, 2017

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Women Director.
2. The Compliance of applicable Financial Laws & matters including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
3. All the decisions of the Board were taken unanimously.
4. The Company has obtained all necessary approvals where necessary.
5. The Compliance regarding all specific laws which are applicable to the company has been complied with.
6. The Company has filed all required forms with the Registrar of Companies/Central Government during the period under review. No form has been filed with Regional Director, the Tribunal Court or other Authorities
7. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We Further Report that

- (i) 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.
- (ii) During the audit period the company has allotted 15, 00, 00,000 equity shares of Rs. 10 each to President of India through Secretary, Department of Post on dated November 8, 2016.



For Sadhna Sharma & Associates
(Company Secretaries)

Sadhna Sharma
(Proprietor)

Membership No: A46639
CoP No: 17870

21st August, 2017, New Delhi

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms integral part of this report.



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

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 we were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sadhna Sharma & Associates
(Company Secretaries)

Sadhna Sharma
(Proprietor)

Membership No: A46639
CoP No: 17870

21st August, 2017, New Delhi



Independent Auditor's Report

To the President of India

For India Post Payment Bank Limited

Report on the audit of standalone Financial Statements

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of INDIA POST PAYMENT BANK LIMITED (the 'Bank') which comprise the Balance Sheet as at 31 March 2018 the Profit and loss Account the Cash Flow Statement for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit 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 Companies Act, provisions of Section 29 of the Banking Regulation Act 1949 and the circulars, guidelines and directions issued by the 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 the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the standalone financial statements 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of standalone financial statements of the Bank in accordance with the Standards on Auditing (the 'Standards') specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the standalone financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Bank's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to 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 the auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Banking Regulation Act 1949 as well as the Act in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at 31 March, 2018 and its profit and its cash flows for the year ended on that date.

- i We have conducted the audit of accounts of India Post payment Bank Limited for the year ended 31st March 2018 in accordance with the directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

According to the information and explanations given to us and on the basis of our examination of the records of the Company:

- (a) The Company does not have any title deeds/lease deeds for freehold and leasehold land respectively as on 31.03.2018.
- (b) There are no cases of waiver / write off of debts/loans/interest etc. as on 31.03.2018.
- (c) There are no inventories lying with third parties as on 31.03.2018 and no assets have been received as gifts/grants from government or other authorities as on 31.03.2018.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 read with Section 133 of the Act.

As required by sub-section (3) of Section 30 of the Banking Regulation Act 1949 we report that:

- (a) 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;
- (b) The transactions of the Bank which have come to our notice have been within the powers of the



Bank; and

- (c) Since the key operations of the Bank are automated with the key applications integrated to the core banking systems the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further as required by Section 143 (3) of the Act we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act 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 as on 31 March 2018 taken on record by the Board of Directors none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Bank and the operating effectiveness of such controls refer to our separate Report in 'Annexure A' and;
- (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 in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Bank does not have any pending litigations and hence there is not impact of the same on its financial position in its standalone financial statements;
- (ii) The Bank has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts;
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank.
- (vi) The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

For V.K. Sehgal & Associates
Chartered Accountants
Firm's registration no. 011519N

Anuj Maheshwari
Partner
Membership No. 096530

Place: New Delhi
Date: July 20, 2018



TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA POST PAYMENT BANK LIMITED

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act 2013

We have audited the internal financial controls over financial reporting of INDIA POST PAYMENT BANK LIMITED (the 'Bank') as at 31 March 2018 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to 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 Companies Act 2013 (the 'Act').

AUDITOR'S RESPONSIBILITY

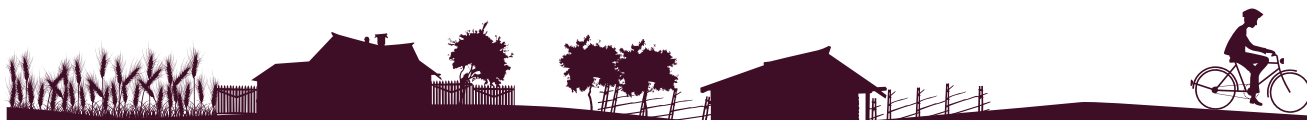
Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (the 'Standards') issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A bank's internal financial control over financial reporting 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 internal



financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the 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 authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use or disposition of the bank's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion 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 2018 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 issued by the ICAI.

For V.K. Sehgal & Associates
Chartered Accountants
Firm's registration no. 011519N

Anuj Maheshwari
Partner Membership No. 096530

Place: New Delhi
Date: July 20, 2018



INDIA POST PAYMENTS BANK LIMITED
BALANCE SHEET AS ON 31ST MARCH 2018
(₹in Rs)

CAPITAL & LIABILITIES		As on 31.03.2018	As on 31.03.2017
Capital	1	4,000,000,000	2,750,000,000
Reserves & Surplus	2	3,999,978,207	259,731,912
Deposits	3	12,042,943	2,370,079
Borrowings	4	-	-
Other Liabilities and Provisions	5	106,466,830	115,849,145
TOTAL		8,118,487,980	3,127,951,136
ASSETS		=====	=====
Cash and Balances with Reserve Bank of India	6	3,340,292	247,757
Balances with Banks & Money at call & short notice	7	897,876,208	1,479,253,208
Investments	8	6,437,877,634	1,555,441,976
Loans & Advances	9	-	-
Fixed Assets	10	67,439,438	47,860,355
Other Assets	11	711,954,408	45,147,840
TOTAL		8,118,487,980	3,127,951,136
		=====	=====
Contingent Liabilities	12	2500000	0
Bills for Collection		0	0

(Suresh Sethi)
Managing Director & CEO (DIN no. 06426040)
R/o, C/901, Lodha Bellissimo, N M Joshi Marg
Apollo Mill Compound, Mahalaxmi, Mumbai

(Anant Narayan Nanda)
Chairman (DIN no. 07810425)
R/o, C1, Block 6, New Moti Bagh, New Delhi

(Priyanka Bhatnagar)
Company Secretary (PAN No. AQKPB7572L)
R/o C-8 Flat No. 9, Chander Nagar
Ghaziabad, UP

(Savita Gupta)
Chief Financial Officer (PAN No. AGOPG2529A)
R/o B5/96, Safdarjung Enclave, New Delhi

As per our report of even date
For V K Sehgal & Associates
Chartered Accountants - FRN No. 011519N

(Anuj Maheshwari)
Partner
Membership No. 096530

Dated: 20/07/2018
Place: New Delhi



INDIA POST PAYMENTS BANK LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018
(₹in Rs)

Schedule		Year Ended 31.03.2018	Period Ended 31.03.2017
I. INCOME			
Interest earned	13	395,265,857	50,141,265
Other Income	14	2,787,392	399,699,021
TOTAL		398,053,249	449,840,286
II. EXPENDITURE			
Interest expended	15	386,486	10,840
Operating expenses	16	386,317,223	416,864,397
Provisions and Contingencies		1,124,934	10,747,441
TOTAL		387,828,643	427,622,678
Extraordinary Items		19,978,311	-
Prior Period Expenditure			
Net Profit/Net Loss	-	9,753,705	22,217,608
Balance in Profit & Loss Account (Carried Forward)		16,663,206	-
Profit available for Appropriation		6,909,501	22,217,608
APPROPRIATIONS			
Transfer to Reserves (Net) :			
Statutory Reserve	-	5,554,402	
Balance carried over to Balance Sheet		6,909,501	16,663,206
TOTAL		6,909,501	22,217,608



(Suresh Sethi)
Managing Director & CEO (DIN no. 06426040)
R/o, C/901, Lodha Bellissimo, N M Joshi Marg
Apollo Mill Compound, Mahalaxmi, Mumbai

(Anant Narayan Nanda)
Chairman (DIN no. 07810425)
R/o, C1, Block 6, New Moti Bagh, New Delhi

(Priyanka Bhatnagar)

(Savita Gupta)

Company Secretary (PAN No. AQKPB7572L)
R/o C-8 Flat No. 9, Chander Nagar
Ghaziabad, UP

Chief Financial Officer (PAN No. AGOPG2529A)
R/o B5/96, Safdarjung Enclave, New Delhi

As per our report of even date
For V K Sehgal & Associates
Chartered Accountants - FRN No. 011519N

(Anuj Maheshwari)
Partner
Membership No. 096530

Dated: 20/07/2018
Place: New Delhi



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

SCHEDULE 1 - CAPITAL

(₹ in Rs)

	As on 31.03.2018	As on 31.03.2017
Authorised Capital	10,000,000,000	10,000,000,000
100,00,00,000 Equity Shares of Rs 10 each		
Issued & Subscribed		
40,00,00,000 (Previous Year		
27,50,00,000) Equity Shares of Rs 10 each	4,000,000,000	2,750,000,000
Paid up Capital		
40,00,00,000 (Previous Year	4,000,000,000	2,750,000,000
27,50,00,000) Equity Shares of Rs 10 each		
TOTAL	4,000,000,000	2,750,000,000
	=====	=====

SCHEDULE 2 - RESERVES & SURPLUS

I. Statutory Reserve

Opening Balance	5,554,402	-	
Addition during the year	-	5,554,402	
	5,554,402		5,554,402

II. Capital Reserve

a). Revaluation Reserve

Opening Balance	-	-	
Addition during the year	-	-	
Deduction during the year	-	-	
(being Depreciation on revalued portion of Property)			
	-	-	

b. Others (Government Grants)

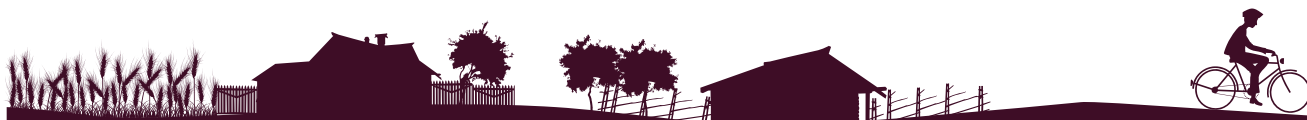
Opening Balance	237,514,304	-	
Addition during the year	3,750,000,000	250,000,000	
Deduction (used) during the year	-	2,485,696	
(see Note No. 15 to Notes of Accounts)			
	3,987,514,304		237,514,304



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

(₹in Rs)

III. Revenue and Other Reserve	As on 31.03.2018	As on 31.03.2017
a. Investment Reserve		
Opening Balance	-	-
Addition during the year	-	-
Less: Trf to P & L Account	-	-
	-	-
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	6,909,501	16,663,206
Total I,II,,III,IV,V,VI, VI	3,999,978,207	259,731,912



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

(₹in Rs)

SCHEDULE 3 - DEPOSITS

	As on 31.03.2018	As on 31.03.2017
A. I DEMAND DEPOSITS		
(i) From Banks	-	-
(ii) From Others	-	-
	-	-
II SAVINGS BANK DEPOSITS	12,042,943	2,370,079
III TERM DEPOSITS		
(i) From Banks	-	-
(ii) From Others	-	-
	-	-
TOTAL of I, II, III	12,042,943	2,370,079
	=====	=====
B. (i) Deposits of branches In India	12,042,943	2,370,079
(ii) Deposits of branches outside India	-	-
	-	-
TOTAL of i, ii	12,042,943	2,370,079
	=====	=====

SCHEDULE 4 - BORROWINGS

I. Borrowings in India

- (i) Reserve Bank of India
- (ii) Other Banks
- (iii) Other Institutions and Agencies
- (iv) Bonds (including Tier-I, Tier-II, Subordinate Bonds)

II. Borrowings Outside India

	-	-
TOTAL of I, II	-	-
	=====	=====
Secured Borrowings included in I & II above	-	-

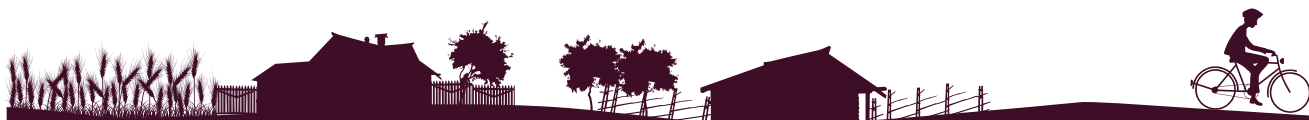


SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	-	-
IV. Deffered Tax Liability (Net)	-	4,026,246
V. Others (including Provisions)	106,466,830	111,822,899
TOTAL OF I, II, III, IV & V	106,466,830	115,849,145
	=====	=====

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	(₹in Rs)	
	As on 31.03.2018	As on 31.03.2017
I. Cash in hand	142,792	147,757
II. Balance with Reserve Bank of India		
in Current account	3,197,500	100,000
(ii) in Other Accounts	-	-
	3,197,500	100,000
TOTAL Of I, II	3,340,292	247,757
	=====	=====



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

I. In India

(i) Balance with Banks:

(a) In Current accounts	41,638,820	47,474,060
(b) In Other Deposit accounts	856,237,388	1,431,779,148
	897,876,208	1,479,253,208

(ii) Money at Call and Short Notice:

(a) with Banks	-	-
(b) with Other Institutions	-	-
	-	-
TOTAL (i & ii)	897,876,208	1,479,253,208

II. Outside India

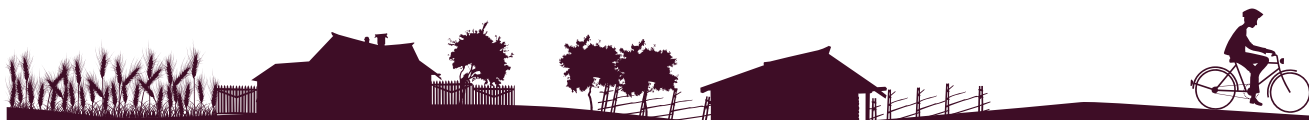
(i) In Current accounts	-	-
(ii) In Other Deposit accounts	-	-
(iii) Money at Call & Short Notice	-	-

TOTAL	-	-
GRAND TOTAL (I & II)	897,876,208	1,479,253,208
	=====	=====



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

	(₹ in Rs)	
	As on 31.03.2018	As on 31.03.2017
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in		
(i) Government Securities 1,555,441,976 (Refer Note 2 in Notes to Accounts)	6,437,877,634	
(ii) Other approved securities	-	-
(iii) Shares	-	-
(iv) Debentures and Bonds	-	-
(v) Investment in Associates/ Subsidiaries	-	-
(vi) Others (Various Mutual Funds & Commercial Paper etc.)	-	-
TOTAL of I 1,555,441,976	6,437,877,634	
II. Investments outside India		
(i) Government Securities	-	-
(ii) Investment in Associates/Subsidiaries	-	-
(iii) Other investments	-	-
TOTAL of II	-	-
III. Investments in India		
I) Gross value of Investments 1,555,441,976	6,437,877,634	
ii) Less: Aggregate of Provisions for Depreciation	-	-
iii) Net Investment 1,555,441,976	6,437,877,634	
	=====	=====
IV. Investments outside India		
I) Gross value of Investments	-	-
ii) Less: Aggregate of Provisions for Depreciation	-	-
iii) Net Investments	-	-
GRAND TOTAL of (I), (II)	6,437,877,634	1,555,441,976
	=====	=====



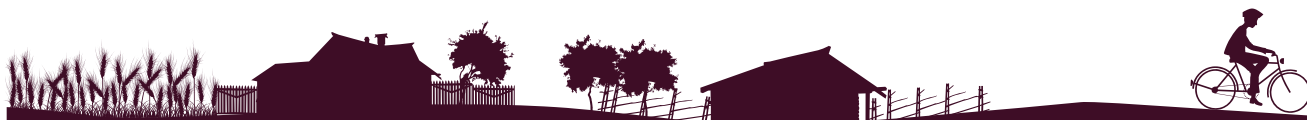
SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

	(₹ in Rs)	
SCHEDULE 9 - ADVANCES	As on 31.03.2018	As on 31.03.2017
A. i) Bills Purchased and discounted	-	-
ii) Cash Credits, overdrafts and loans repayable on demand	-	-
iii) Term Loans	-	-
Total	-	-
B. i) Secured by Tangible Assets (including advances against book debts)	-	-
ii) Covered by Bank/Govt.Guarantees	-	-
iii) Unsecured	-	-
Total	-	-
C. (I) Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	-
Total	-	-
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)	-	-



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

	(₹ in Rs)	
SCHEDULE 10 - FIXED ASSETS	As on 31.03.2018	As on 31.03.2017
I. Premises (including Land)		
-At cost as on 1st April of the year	-	-
-Additions during the year	-	-
Less :Deductions during the year	-	-
-Revaluation	-	-
Less :Depreciation to date	-	-
	-	-
II. Other Fixed Assets (including furniture & fixtures)		
-At cost as on 1st April of the year	2,870,859	-
-Additions during the year	27,798,331	2,870,859
Less: Deductions during the year	-	-
Less:Depreciation to date	2,044,133	159,317
	28,625,057	
2,711,542		
III. Computer Software		
-At cost as on 1st April of the year	46,835,969	-
- Additions during the year	12,768,180	46,835,969
- Deductions during the year	20,749,597	-
Less: Amortised to date	8,686,781	1,687,156
(Refer Note No. 38 to the Notes to Accounts)	30,167,771	
45,148,813		
IV. Leased Assets		
-At cost as on 1st April of the year	-	-
-Additions during the year	-	-
-Deductions during the year	-	-
Less:Depreciation to date	-	-
	-	-
V. Work in Progress	8,646,610	-
Refer Note No. 37 in the Note of Accounts		
TOTAL OF I, II, III, IV	67,439,438	47,860,355



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

	(₹ in Rs)	
	As on 31.03.2018	As on 31.03.2017
SCHEDULE 11 - OTHER ASSETS		
I. Interest accrued 22,673,752	6,532,252	
II. Tax paid in advance/tax deducted at source (net of provisions)	-	-
III. Stationery and Stamps	-	-
IV. Non Banking assets acquired in satisfaction of claims	-	-
V. Deferred Tax asset (net)	913,735	-
VI. Incorporation Expenses Capitalized 22,002,088	-	
VII. Security Deposits 447,000	5,778,600	
VIII. Advance given for Capital Commitment (Refer Note No. 37 in the Note of Accounts)	656,042,091	-
IX. Others 25,000	42,687,730	
TOTAL of I, II, III, IV, V, VI, VII, VIII, IX 45,147,840	711,954,408 =====	 =====
SCHEDULE 12 - CONTINGENT LIABILITIES		
I.(i) Claims against the Bank not acknowledged as debts	-	-
I (ii). Disputed income tax and interest tax demands under appeal, references, etc.	-	-
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. Acceptance, Endorsements and Other obligations	-	-
VI. Other items for which the Bank is contingently liable	2,500,000	-
TOTAL of I, II, III, IV, V, VI	2,500,000 =====	 =====



SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

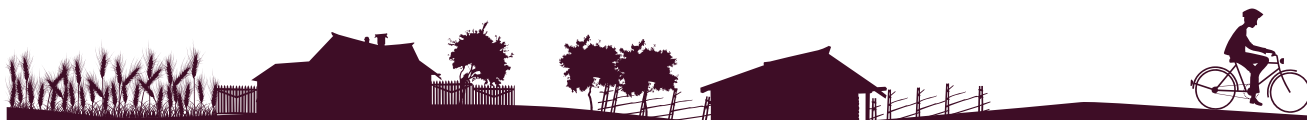
(₹ in Rs)

SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED

	Year Ended 31.03.2018	Year Ended 31.03.2017
I. Interest/discount on Advances/Bills	-	-
II. Income on Investments	378,840,915	5,849,906
III. Intt on balances with Reserve Bank of India & other inter-bank funds	16,424,942	44,291,359
IV. Others	-	-
TOTAL of I, II, III, IV	395,265,857	50,141,265
	=====	=====

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange & Brokerage	-	-
II. Profit on sale of land, buildings and other assets	-	-
Less: Loss on sale of land, buildings and other assets	-	-
III. Dividend Income from Mutual Fund	-	-
V. Profit on Exchange Transaction	-	-
Less: Loss on Exchange Transaction	-	-
V. Profit on sale of Investments	-	-
Less: Loss on sale of investments	-	-
VI. Recruitment Income	2,238,326	399,696,200
VII. Miscellaneous Income	549,066	2,821
TOTAL of I, II, III, IV, V, VI, VII	2,787,392	399,699,021
	=====	=====

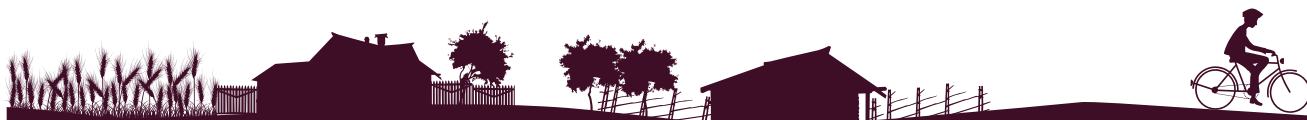


SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

	(₹ in Rs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	386,486	10,840
II. Interest on Reserve Bank of India/ inter-bank borrowings	-	-
III. Others	-	-
TOTAL of I, II, III	386,486	10,840
	=====	=====
SCHEDULE 16 - OPERATING EXPENSES		
I . Payment to and provisions for employees	149,535,701	1,394,880
II. Rent, Taxes and Lighting	2,243,183	390
III. Printing & Stationery	1,149,345	103,776
IV. Advertisement & Publicity	5,181,772	347,276
V. Depreciation on bank's property	9,655,728	1,846,473
Less: Adjusted with Revaluation Reserve	-	-
	9,655,728	1,846,473
VI. Directors' Fees, allowances and expenses	560,000	-
VII. Auditors' fees and expenses (including statutory auditor of subsidiaries, branch auditors' fees & expenses)	104,600	69,000
VIII. Law charges	114,576	-
IX. Postage, Telegrams, Telephones, etc.	1,282,261	93,964
X. Repairs & Maintenance	83,202	-
XI. Insurance	719,800	54,293
XII. Professional Fee	72,369,809	65,187,959
XIII. Recruitment Expenditure	9,038,466	310,484,362
XIV. Training Expenditure	26,959,810	-
XV. Other expenditure	85,316,882	31,781,502
XVI. Incorporation Expenditure Write Off	22,002,088	5,500,522
TOTAL of I to XVI	386,317,223	416,864,397
	=====	=====



Cash Flow Statement for the year ended 2017-18				
Particulars		Amount (in Rs)		Amount (in Rs)
		(2017-18)		(2016-17)
8 A. Cash Flow from Operations				
i) Net Profit After Tax		-9,753,705		22,217,608
Add: Provision for Tax (inculding deffered Tax)		1,124,934		10,747,441
Profit before Tax	i)	-8,628,771		32965048. 9967473
ii) Adjustments:				
Depreciation on Fixed Assets		9,655,728		1,846,473
Incorporation Expenses Written Off		22,002,088		5,500,522
Prior Period Item Written Off		19978310.74		0
Less: Amount withdrawn from Grants		-		-12,485,696
Total Adjustments	ii)	51,636,126		-5,138,701
Operating profit before changes in Operating Assets & Liabilities		43,007,356		27,826,348
iii) Adjustments for net change in Operating Assets & Liabilities				
Increase in Investments (Net)		-4,882,435,658		-1,555,441,976
Increase in Other Assets (Net)		-687,894,921		-50,648,362
Increase in Deposits (Net)		9,672,864		2,370,079
Increase in Other Liabilities (Net)		-7,484,759		107,263,465
Total adjustment for net change in Operating Assets & Liabilities	(iii)	-5,568,142,474		-1,496,456,794
Cash Flow used from Operations (i)+(ii)+(iii)		-5,525,135,118		-1,468,630,446
Tax Paid		-3,936,226		-2,161,761
Net Cash Flow used from Operations	A	-5,529,071,344		-1,470,792,207
B. Cash Flow used in Investing Activities				
Purchase of Fixed Assets		-49,213,121		-49,706,828
Net Cash Flow used in Investing Activites	B	-49,213,121		-49,706,828
C. Cash Flow generated from Financing Activites				
Issue of Share Capital		1,250,000,000		2,750,000,000
Receipt of Grants		3,750,000,000		250,000,000
Net Cash Generated from Financing Activities	C	5,000,000,000		3,000,000,000
Net Changes in Cash & Cash Equivalent (A)+(B)+(C')	D	-578,284,465		1,479,500,965
Cash and Cash Equivalent at the beginning of the year				



Cash and Balance with RBI	247,757		-	
Balance with Banks & Money at Call & Short Notice	1,479,253,208		-	
		1,479,500,965		
Cash and Cash Equivalent at the end of the year				
Cash and Balance with RBI	3,340,292		247,757	
Balance with Banks & Money at Call & Short Notice	897,876,208		1,479,253,208	
		901,216,500		1,479,500,965
		-----		-----
		-578,284,465		1,479,500,965
		-----		-----



SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION:

The financial statements have been prepared on historical cost basis and conform, in all material aspects, to Generally Accepted Accounting Principles (GAAP) in India unless otherwise stated encompassing applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), circulars and guidelines issued by Reserve Bank of India (RBI) from time to time, Banking Regulation Act 1949, Accounting Standards (AS) and pronouncements issued by The Institute of Chartered Accountants of India (ICAI) and prevailing practices in Banking industry in India.

The financial statements have been prepared on going concern basis with accrual concept and in accordance with the accounting policies and practices consistently followed unless otherwise stated.

2. 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 in the current and future periods unless otherwise stated.

3. Revenue Recognition

Income & Expenditure are accounted for on accrual basis.

4. Investments

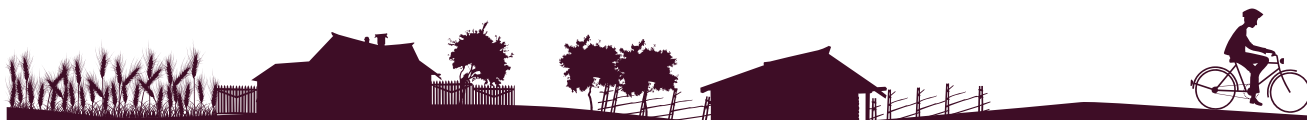
4.1 The banks follow the trade date method of accounting for purchase and sale of investments, except for Government of India and state government securities where settlement date method of accounting is being followed in accordance with RBI guidelines.

4.2 Investments are classified into six categories as stipulated in form A of the third schedule to the Banking Regulation Act, 1949.

4.3 Investments have been categorized into "Held to Maturity", "Available for Sale" and "Held for Trading in terms of RBI guidelines.

4.4 In determining acquisition cost of an investment

- a. Brokerage, commission, Securities Transaction Tax (STT) etc. paid inconnection with acquisition of securities are treated as revenue expenses upfront and excluded from cost.
- b. Interest accrued up to the date of acquisition/sale of securities i.e. broken period interest is excluded from the acquisition cost/sale consideration and the same is accounted in interest accrued but not due account.
- c. Cost is determined on the weighted average cost method for all categories of investment.



4.5. Investments are valued as per RBI/FIMMDA guidelines

4.6 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"

5. FIXED ASSETS

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

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

5.3 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.

5.4. DEPRECIATION

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 will be followed by IPPB

Asset	Estimated useful life specified under Schedule II of the Companies Act, 2013
Owned Premises	60 years
Computers	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

1. B. Depreciation is being charged over the estimated useful life of the asset on a straight-line basis.
2. C. In case of acquisition or disposal of assets, depreciation will be charged proportionately based on the number of days the asset has been used during the year.
3. D. Assets costing upto INR 5,000/- will be fully depreciated in the year of purchase.
4. E. In case of revalued/impaired assets, depreciation will be provided over the remaining useful life of the assets with reference to revised assets values.

6. EMPLOYEE BENEFITS

Regular employees are covered in the group medical insurance scheme.



Terminal Benefits

- i) Provident Fund: All eligible employees are covered under the Employees Provident Fund.
- ii) 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 termination 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.

7. 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.

8. 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 out flow 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.

9. 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. Therefore, the grant received is for creation of Capital Assets and the grant amount has been treated as shareholder's fund and credited to Capital Reserves. As such the bank is adopting the Capital Approach method as per AS-12 on Government Grants



**SCHEDULE 18
NOTES TO ACCOUNTS**

1. Capital

(Rs in 000)

S No.	Particulars	31.03.2018	31.03.2017
i.	Common Equity Tier I Capital*	7968897	2942581
ii.	Common Equity Tier 1 Capital ratio (%)	767.99	755.47
iii.	Tier 1 Capital ratio (%)	767.99	755.47
iv.	Tier 2 Capital ratio (%)	0.00	0.00
v.	Total Capital ratio (CRAR) (%)	767.99	755.47
vi.	Percentage of the shareholding of the Government of India in the Bank	100.00%	100.00%
vii.	Amount of equity capital raised	1250000	2750000
viii.	Amount of Additional Tier 1 Capital raised, of which:	Nil	Nil
	Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	Perpetual Debt Instrument (PDI)	Nil	Nil
ix.	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))	Nil	Nil

* After deducting incorporation expenditure not written off/deferred Tax Assets and computer software.

2. Investments

(Rs in 000)

S No.	Particulars	31.03.2018	31.03.2017
(1)	Value of Investments		
i	Gross value of Investments	6437878	1555442
a	In India (T Bills)	6437878	1555442
b	Outside India	0	0
ii	Provision for Depreciation	0	0
a	In India	0	0
b	Outside India	0	0



iii	Net Value of Investments	6437878	1555442
a	In India	6437878	1555442
b	Outside India	0	0
(2)	Movement of Provisions held towards depreciation on investments		
i	Opening Balance	0	0
ii	Add: Provision made during the year	0	0
iii	Less: Write Off/Write-back of excess provisions during the year (Net)	0	0
iv	Closing Balance	0	0

3. Repo Transactions (in face value Terms)

4. Non-SLR Investment Portfolio

4a. Issuer composition of Non SLR Investments

4b. Non-performing Non-SLR Investments

4c. Sale and transfers to/from HTM category

5. Derivatives

5a. Forward Rate Agreement/Interest Rate Swap

5b. Exchange Traded Interest Rate Derivatives

5c. Disclosure on risk exposure in Derivatives

6. Asset Quality

6a. Non-Performing Assets

6b. Particulars of Accounts Restructured

6c. Details of financial assets sold to Securitisation/Reconstruction Company (SC/ RC) for Assets Reconstruction

6d. Details of non-performing financial assets purchased/sold from/to other bank.

6e. Provision on Standard Assets

In case of S
No. 3 to S
No. 6 all the
disclosure
are Nil/Not
Applicable

8. Asset Liability Management

Particulars		31.03.2018	31.03.2017
i)	Interest Income as a percentage to Working Funds	5.35%	1.67%
ii)	Non-Interest Income as a percentage to Working Funds	0.04%	13.32%
iii)	Operating Profit as a percentage to Working Funds	0.15%	1.10%
iv)	Return on Assets	-0.13%	0.74%



v)	Business (Deposit plus advances) per employee (Rs in 000)	11	790
vi)	Profit/ (Loss) per employee (Rs in 000)	(9)	7405

8. Asset Liability Management

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Next Day	---	NIL	---	NIL	NIL	NIL
2-7 days	---	NIL	---	NIL	NIL	NIL
8-14 days	1204 (237)	NIL	499065 (Nil)	NIL	NIL	NIL
15-30 days	----	NIL	NIL	NIL	NIL	NIL
31 days to 2 months	---	NIL	3996890 (Nil)	NIL	NIL	NIL
Over 2 months to 3 months	---	NIL	3996890 (Nil)	NIL	NIL	NIL
Over 3 months to 6 months	---	NIL	1236195 (533537)	NIL	NIL	NIL
Over 6 months to 1 Year	---	NIL	NIL (47677)	NIL	NIL	NIL
Over 1 Year to 3 Years	10839 (2133)	NIL	---	NIL	NIL	NIL
Over 3 Years to 5 Years	---	NIL	---	NIL	NIL	NIL
Over 5 Years	---	NIL	---	NIL	NIL	NIL
Total	12043 (2370)	NIL	6437878 (1555442)	NIL	NIL	NIL

Figures given in the brackets are for the last year.

9. Exposures:

9a. Exposure to Real Estate Sector

9b. Exposure to Capital Market

9c. Risk Category wise Country Exposure

In case of S No. 9 (a) to S No. 9 (c) all the disclosure are Nil/Not Applicable

9d. Details of Single Borrower Limit and Group Borrower Limit exceeded by the bank.:

Not Applicable



9e. Unsecured Advances: Not Applicable

10. Disclosure of penalties imposed by RBI: Nil

Other disclosure required by Accounting Standards

11. AS-6 Depreciation Accounting:

Break up of Total Depreciation for the year ended March 2018 for each class of the assets

(Rs in 000)

Class of Assets	31.03.2018	31.03.2017
Other Fixed Assets	1885	159
Computer Software	7771	1687
Total	9656	1846

12. AS-9 Revenue Recognition: Revenue Recognition is done on accrual basis.

13. AS-11 Change in foreign exchange rates: Nil

14. AS-12 Government Grants Utilisation

The utilisation of the grant for the year ended 31st March 2018 is given below:

(Rs in 000)

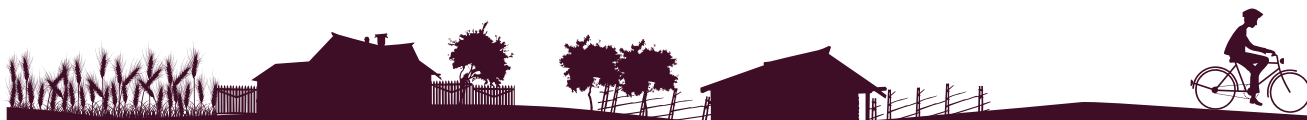
Particulars	31.03.2018	31.03.2017
Opening Balance	237514	----
Addition during the year	3750000	250000
Used during the year	-----	12486
Closing Balance	3987514	237514

15. AS-15: Employee Benefits: The bank has not made any provision towards the employee benefits except the medical insurance.

16. Segment Reporting for the year ended 31st March 2018

(Rs in 000)

Part A: Business Segments			
S No	Particulars	Year Ended 31.03.2018 (Audited)	Year Ended 31.03.2017 (Au- dited)
i.	Segment Revenue		
	a) Treasury	5. 395266	6. 5850
	b) Corporate/Wholesale Banking	7. ----	8. ----
	c) Retail Banking	9. ----	10. ----
	d) Other Banking Operations	11. 2787	12. 443990



	Total	13. 398053	14. 449840
ii.	Segment Results		
	a) Treasury	15. 32964	16. -5156
	b) Corporate/Wholesale Banking	17. ----	18. ----
	c) Retail Banking	19. ----	20. ----
	d) Other Banking Operations	21. -21615	22. 38121
	Total	23. 11349	24. 32965
iii.	Unallocated Expenses		25. -----
iv.	Operating Profit	26. 11349	27. 32965
v.	Provision for tax	28. 1125	29. 10747
vi.	Extraordinary Item (Prior Period Expenditure)	30. 19978	31. ----
vii.	Net Profit	32. -9754	33. 22218
Other Information:			
viii.	Segment Assets		
	a) Treasury	34. 7338951	35. 1555542
	b) Corporate/Wholesale Banking	36. ----	37. ----
	c) Retail Banking	38. ----	39. ----
	d) Other Banking Operations	40. 779537	41. 1572409
	Sub Total	42. 8118488	43. 3127951
	e) Unallocated Assets	44. ----	45. ----
	Total Assets	46. 8118488	47. 3128124
ix.	Segment Liabilities		
	a) Treasury	48. 107130	49. 58791
	b) Corporate/Wholesale Banking	50. ----	51. ----
	c) Retail Banking	52. ----	53. ----
	d) Other Banking Operations	54. 11380	55. 59428
	Sub Total	56. 118510	57. 118219
	e) Unallocated Liabilities	58. ----	59. ----
	Total Liabilities	60. 118510	61. 118219



Part B – Geographic Segments

As the bank is operating only in India, no geographic segment is required to be done.

17. Disclosure of Related parties as per AS-18 issued by ICAI: Nil

18. Accounting for leases – AS-19 Nil

19. Earnings per share – AS-20

S No.	Particulars	31.03.2018	31.03.2017
A	EPS – Basic/Diluted (in Rs)	-0.03	0.16
B	Amount used as numerator Profit/(Loss) (after tax) (Rs in 000)	(9754)	22218
C	Nominal Value of Share	Rs 10 each	Rs 10 each
D	Weighted average number of equity shares used as the denominator	369863014	136164384

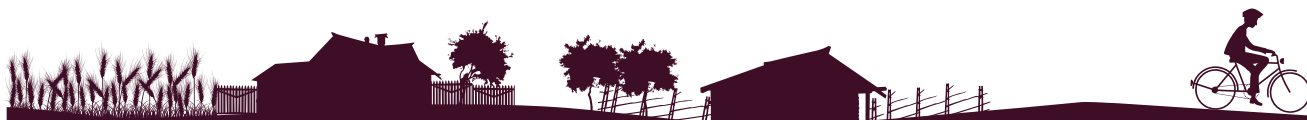
20. Accounting for taxes on Income – AS 22:

The Bank has recognized deferred tax assets and liability as per accounting policy. Major components of which are set out below:

(Rs in 000)

Particulars	31.03.2018	31.03.2017
Deferred Tax Assets		
Incorporation Expenditure	4249	
Total	4249	Nil
Deferred Tax Liabilities		
Depreciation on Fixed Assets	3335	4026
Total	3335	4026
Deferred Tax Liabilities (Net)	----	4026
Deferred Tax Assets (Net)	914	----

21. Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)	In case of S No. 21 to S No. 24 all the disclosure are Nil/Not Applicable
22. AS-24, Discontinuing Operations	
23. AS-28, Impairment of Assets	
24. AS-29, Provisions, Contingent Liabilities and Contingent Assets	



25. Break up of "Provisions and Contingencies" shown under the head Expenditure in Profit and Loss Account is as follows:

(Rs in 000)

Particulars	31.03.2018	31.03.2017
Provisions for depreciation on investment (net)	-----	-----
Provision towards NPAs (net)	-----	-----
Provision towards standard assets	-----	-----
Provision made towards Income Tax	1125	10747
Other Provisions & Contingencies	----	-----
Total	1125	10747

26. Break up of floating provisions: Nil

27. Draw Down from Reserves: Nil

28. Disclosure of complaints and unimplemented awards of Banking Ombudsman including customer complaints pertaining to ATM.

a. Customer Complaints

	Particulars	31.03.2018	31.03.2017
a)	No. of complaints pending at the beginning of the year	Nil	Nil
b)	No. of complaints received during the year	75	7
c)	No. of complaints redressed during the year	66	7
d)	No. of complaints pending at the end of the year	9*	Nil

* resolved as on date

b. Awards passed by the Banking Ombudsman

	Particulars	31.03.2018	31.03.2017
a)	No. of unimplemented awards at the beginning of the year	Nil	Nil
b)	No. of awards passed by the Banking Ombudsman during the year	Nil	Nil
c)	No. of awards implemented during the year	Nil	Nil
d)	No. of unimplemented awards at the end of the year	Nil	Nil

29. Disclosure in respect of Insurance Business undertaken by the bank: Nil

30. I. Concentration of Deposits, Advances, Exposure and NPAs:



a) Concentration of Deposits

(Rs in 000)

Particulars	31.03.2018	31.03.2017
Total Deposit of Twenty largest depositors	1828	1272
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	15.18%	53.67%

b. Concentration of Advances c. Concentration of exposures d. Concentration of NPAs e. Provision Coverage Ratio	In case of S No. 30 (I) (b) to (e) all the disclosure are Nil/Not Applicable
--	--

II. Sector-wise advances III. Movement of NPAs IV. Overseas Assets, NPAs and Revenue	In case of S No. 30 (II) to (IV) all the disclosure are Nil/Not Applicable
--	--

31. Reward Points of Credit Card & Debit Card 32. Disclosures relating to Securitization 33. Credit Default Swaps 34. Transfer to Depositor Education and Awareness Fund (DEAF) 35. Unhedged Foreign Currency Exposure (UFCE) 36. Intra-Group Exposures	In case of S No. 31 to S No. 36 all the disclosure are Nil/Not Applicable.
--	--

Other Notes:

37. Advances to DOP

During the year IPPB has remitted an amount of Rs 3,14,74,279/- to Department of Posts (DOP) for the purpose of the civil & electrical work of IPPB corporate office, Speed Post Centre, Delhi. Further, IPPB has remitted an amount of Rs 29,44,835/- for the civil & electrical work of Central Processing Centre at Civil Lines, Delhi. In addition to the above, Rs 63,19,06,156/- has been remitted to various DOP-Circles for providing for furniture & branding at 650 IPPB branches in DOP premises and branding for various access points of DOP.

The civil and Electrical work at the Central Processing Centre & corporate office was under implementation as on March 31, 2018. Further the DOP-Circles are yet to complete the major portion of procurement of furniture and branding of IPPB Branches and branding of DOP-Access points as on March 31, 2018 and the requisite invoice/bills are yet to materialize. Therefore, the balance amount of Rs 65,60,42,091/- remitted to DOP Circles for furniture and branding including the entire amount of Rs 29,44,835/- and Rs 3,14,74,279/- remitted to DOP-Delhi Circle for CPC & corporate Office respectively is being shown as Advances to DOP (Capital Commitment).

38. Reversal of Capital Expenditure & Prior Period Item

IPPB had entered into a MOU with PNB to facilitate and operationalize pilot launch of IPPB in January 2017. PNB has been raising bills on IPPB under Cost-to-Cost arrangement between PNB and IPPB envisaged under the MOU. During the year ended 31.03.2017, an amount of Rs 4.57 crore for the



software license/Servers had been capitalized. While negotiating for extension of PNB MOU beyond January 2018, it has emerged that the shelf life of some of the Software license/Servers aggregating Rs 2.07 crs had expired. Therefore, as a remedial measure, the amount of Rs 2.07 crs capitalized last year has been reversed as revenue expenditure net of reversal of depreciation charged thereon for Rs 0.07 crs. Accordingly, net amount of Rs 2.00 crs has been written off during the year as prior period expenditure under the head extraordinary item.

39. Technology Platform

IPPB has awarded the contract for implementation of its dedicated and customized technology platform for an amount of Rs 801 crore (including GST). The life of the contract is 5 years effective from August 14, 2017. The vendor has started the implementation process and deployment of Hardware, Softwares, Customization and testing of the platform was at advanced stage as on March 31, 2018. The payment milestones, as per the contract, are yet to be triggered by March 31, 2018. IPPB technology platform is expected to Go-Live shortly. In view of the above, IPPB has not capitalized any expenditure for this technology platform in FY-2017-18



क्रमांक रिप-पीएसयू-लेखा/एफ-181/आई.पी.पी.बी./2017-18/545

कार्यालय

महानिदेशक लेखापरीक्षा, डाक व दूरसंचार

शाम नाथ मार्ग, (समीप पुराना सचिवालय), दिल्ली -110054

OFFICE OF THE

DIRECTOR GENERAL OF AUDIT, POST & TELECOMMUNICATIONS

SHAM NATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

दिनांक

DATE

सेवा में

प्रबंध निदेशक व मुख्य कार्यकारी अधिकारी

इंडिया पोस्ट पेमेंट बैंक लिमिटेड

डाकघर, स्पीड पोस्ट सेंटर बिल्डिंग,

मार्केट बिल्डिंग, मार्केट रोड,

नई दिल्ली -110001

विषय: इंडिया पोस्ट पेमेंट बैंक लिमिटेड के 31 मार्च 2018 को समाप्त खातों पर कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के तहत भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

उपरोक्त विषय से सम्बंधित कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के अंतर्गत इंडिया पोस्ट पेमेंट बैंक लिमिटेड के 31 मार्च 2018 को समाप्त खातों पर "COMMENTS इस पत्र के साथ संलग्न है:

संलग्नक: यथोपरी

भवदीय,

(राजेश रंजन)

निदेशक (एएमजी-1)

दूरभाष/ऊतज्ज्दहा

23814747/4623/2666

ई-मेल / E-mail

dgapt@cap.gov.in

फैक्स / Fax:

011-23813822



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 MAYMENTS BANK LIMITED (IPPB), NEW DELHI FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of M/s India post Payments Bank Limited (IPPB), New Delhi for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 in 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 10 July 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act. of the financial statements of M/s India Post Payments Bank Limited, New Delhi for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor 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:

General

The Company has not conducted physical verification of fixed assets. the location of assets are also not mentioned in the record. thus the internal control of the organisation is weak. Statutory Auditor has also not mentioned the same in his report.

(Sangita /choure)
Director General of Audit
(Post & Telecommunication)



Addendum to the Independent Auditor's Report

To
President of India
For India Post Payment Bank Limited
Report in the Audit of Standalone Financial Statements

We have issued our Independent Audit report under section 143(2) and (3) of the Companies Act 2013 dated July 20, 2018. Thereafter, The CAG has conducted supplementary audit under section 143(6) of the Companies Act, 2013

In view of the CAG Observations we hereby report as under:

Qualified Option

"The Company has not conducted physical verification of fixed assets. The locations of the assets are also not mentioned in the record. Thus the internal controls of the organization in weak.:

Our earlier report dated July 20, 2018 should be read with the above said qualification.

For V.K. Sehgal & Associates
Chartered Accountants

Anuj Maheshwari
Partner

Date: October 11, 2018
Place: New Delhi

