

Prosperity with Gratitude

Profit with a Purpose



2022-23
Annual Report



LAUNCH OF NIVESHAK DIDI CAMPAIGN INDIA'S FIRST FLOATING FINANCIAL LITERACY CAMP AT DAL LAKE, SRINAGAR, JAMMU AND KASHMIR



इंडिया पोस्ट
पेमेंट्स बैंक

India Post
Payments Bank

Preface

India Post Payments Bank was pilot launched on 30th January 2017 in Ranchi, Jharkhand & Raipur, Chhattisgarh to sow the initial seeds of digital banking at locations that truly represent Bharat. It was dedicated to the nation through Pan-India rollout on September 1st 2018 by Hon'ble Prime Minister. IPPB has been touching and transforming lives since its inception, marching along with the mission to deliver modern banking services at the doorsteps of every household in India. Woven into the theme of 'Banking for All', IPPB stands resolute & firm over its relentless commitment to serving the common people of the country.

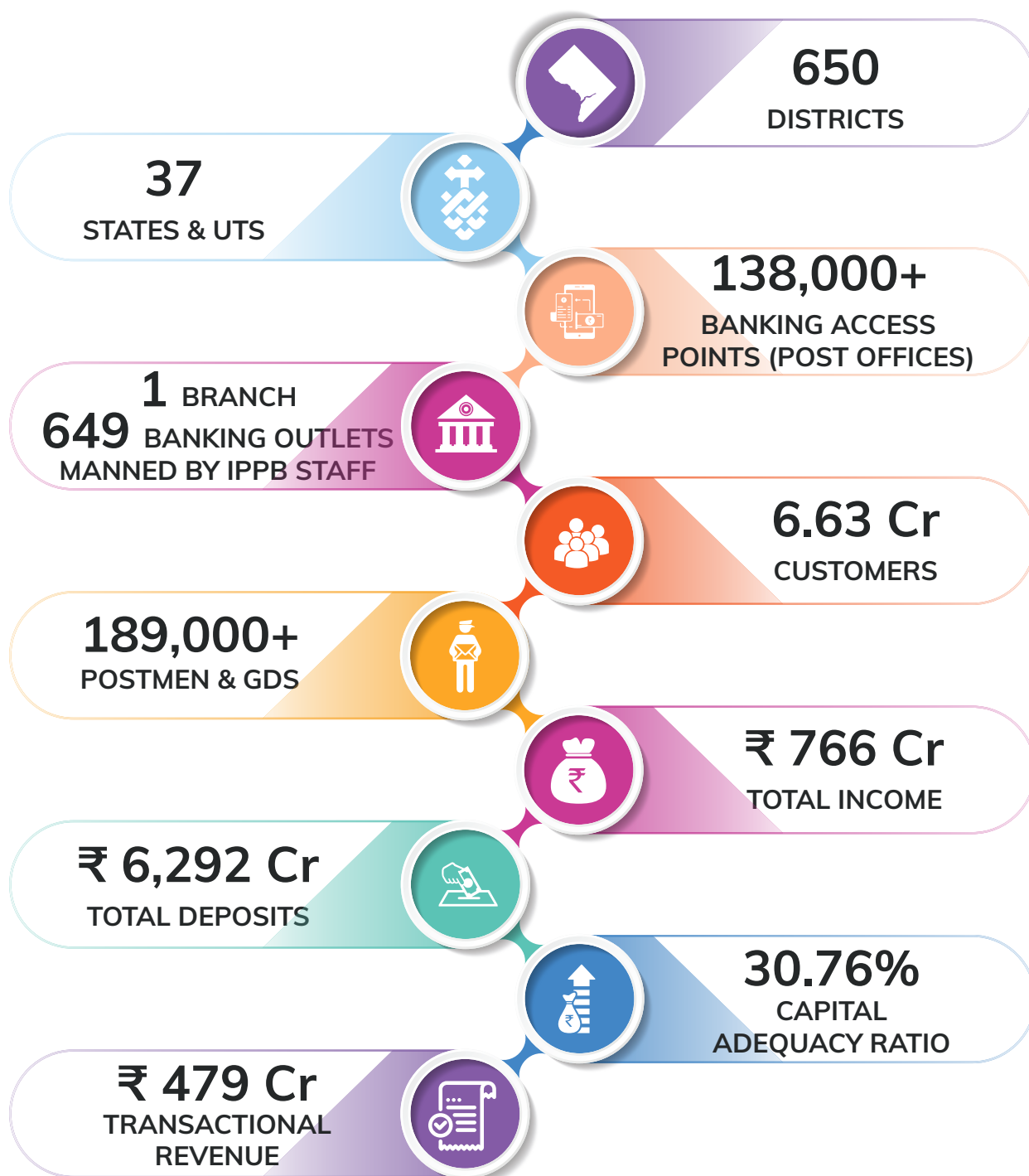
2022-23 has been a year of many greats & firsts for IPPB. Right from setting up 'Fincluvation' for collaboration with fin-tech startups to co-create the solutions for financial inclusion, to marking many new successful initiatives like 'Niveshak Didi' in collaboration with IEPFA (Ministry of Corporate Affairs), a one-of-its-kind financial literacy initiative for the women, by the women. In fact, it is India's first floating financial literacy camp on the Dal Lake, Srinagar that became a testimony of fusion of financial inclusion drive with innovation – the initiative was appreciated by Hon'ble Prime Minister through a tweet from his personal handle. Also, IPPB generated its first maiden profit of Rs.20.16 crore in the FY 2022-2023, a tremendous feat achieved by the Bank in less than a five-year journey.

Many new products and services were launched during the course to enhance the offering bouquet and bring comprehensiveness in the financial services offered to the customers. From providing facility for digital premium payment for Postal/ Rural Postal Life Insurance customers using IPPB Mobile Banking App to setting up facility to offer loan products referral service by collaborating with scheduled commercial banks and NBFCs, the approach has always been to bring convenience to the customers. Newer channel of banking like WhatsApp Banking was added to facilitate the customer journeys and adding dash of convenience leading to superlative customer experience. IPPB has been firm in its commitment towards serving the people, enabling them with contemporary banking services with much ease, at their doorstep.

India Post Payments Bank (IPPB) is a digital-first organization & has revolutionized the way it offers services to its customers and non-customers alike, leveraging technology & distribution network of Dakiyas. In the era of digitisation, IPPB acknowledges that the access to fundamental banking and financial services has become a right of every individual, be it the last standing person of the society to the digital natives, thereby extending its reach to the last mile through technology-led operations. IPPB's is striving to become an indispensable contributor in shaping a progressive India, where every citizen is welcomed within the boundaries of formal banking.



Numbers that defines the Bank





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Chairman's Message



I take this opportunity to express my appreciation & congratulate on the impressive growth India Post Payments Bank has achieved in the fiscal year. Anchoring on the enormously branched network of India Post, IPPB has made an impressive journey contributing to the dream of accessible banking for all. I would like to express my gratitude to the Postal Workers of the India Post who have selflessly joined hands to make the ambition of doorstep banking a reality in India.

In alignment with our commitment to financial inclusion, IPPB continues to play a pivotal role in extending banking services to the farthest corners of our nation. The annual report encapsulates the remarkable strides made in this direction, highlighting the dedication to serving every citizen's banking needs, regardless of geographical location. IPPB has proven its relentless commitment to banking the unbanked and being a beacon of hope for the under-represented section of the society.

Applauding the impressive services and offerings, I'm proud to report that IPPB has generated its first maiden profit during the fiscal year 2022–2023, marking a significant turning point in its banking journey.

Leveraging the all-embracing network of India Post and 189000+ of Postal Worker/ Dakiyas, diligently working in the field, IPPB is making its presence known in the remotest corner of India. This outstanding growth of banking services in every State is an affirmation of IPPB's dedication to serving the diverse financial needs of the populous and dynamic States.

IPPB's collaboration with various stakeholders, innovative digital initiatives, and unwavering focus on customer satisfaction have paved the way for its recognition as a banker by choice for financial empowerment. The diversified range of products, partnerships, and customer-centric approach highlighted in this report reflect IPPB's continuous efforts to elevate the banking experience for millions across the nation.

Vineet Pandey

Secretary (Posts) & Chairman,
India Post Payments Bank



MD & CEO's MESSAGE



I feel immense pleasure to present the Annual Report for the FY 2022-2023 and extend my heartfelt appreciation for the remarkable progress we have made last year.

Bridging the gap between aspirations and opportunities, leveraging the all-encompassing network of India Post, cutting-edge technology and utilizing every instrument at our disposal for banking the unbanked, each year we are making new strides in our story of success, each leaflet inked with glorious feats.

The Bank generated a maiden profit of Rs.20.16 Cr, an impressive achievement in less than five-year journey of IPPB, demonstrating our dedication to long-term financial viability. The Bank observed an overall increase in revenue by 66.12%, outpacing a rise in overall operating expenditures of 17.36%. These impressive growth streaks underscore IPPB's customer-centric and cost effective-banking model.

IPPB continues to solidify its stature as the Most Affordable, Accessible and Trusted Bank for the common people in India. This has been made possible by harnessing the formidable network of India Post, the largest postal network in the world, comprising 155,000 Post Offices (135,000 in rural areas) and the dedicated efforts of 300,000 postal employees. This extensive network complemented with a strong Digital Public Infrastructure has enabled IPPB to deliver customer-centric banking services directly at the doorsteps.

In addition to the financial success achieved by the Bank, another key milestone for IPPB includes a CASA (Current Account and Savings Account) deposit of 5000 crores in December 2022. Our outreach is a testimony of our dedication to inclusivity and empowerment. We successfully seeded 99% of accounts with Aadhaar, establishing a strong and secure digital financial ecosystem, and we are proud to say that 49% of our beneficiaries are women.

Furthermore, we witnessed an impressive growth in a number of critical metrics. During the fiscal year, we observed a startling 93% growth in Digital Financial Transactions, a 47% increase in Direct Benefit Transfer (DBT) beneficiaries, 70% growth in total deposits, and an increase of 18% in Post Office Savings Account (POSA). This growth has resulted in a 26% increase in our customer base, which now stands at 6.63 crores, up from 5.26 crores.

Finally, we would like to express our gratitude and humility for the numerous honors and accolades we have earned in recognition of our dedication to excellence in offering affordable doorstep financial services to all segments of society.

J Venkatramu

MD & CEO,

India Post Payments Bank



Board of Directors

(As on 31st March, 2023)



Shri Vineet Pandey
Secretary (Posts) &
Chairman, India Post Payments Bank



Shri J Venkatramu
Managing Director & Chief Executive Officer



Shri Sanjay Prasad
Nominee Director



Shri Shrikant Namdeo
Nominee Director



Shri Pawan Kumar Singh
Nominee Director



Dr. Jatin Kumar Mohanty
Independent Director



Shri Veenay Ganoo
Independent Director



Shri Navneet Kakkar
Independent Director



Shri Kaliannan A.
Independent Director



Smt. Jayshree Vrajlal Doshi
Independent Director

Company Secretary : Mrs. Priyanka Bhatnagar
Statutory Auditor : PK Chopra & Co., Chartered Accountants
Secretarial Auditor : VAP & Associates
Chief Financial Officer : Shri Anoop E. S.

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



IPPB at a Glance

About India Post Payments Bank (IPPB)

India Post Payment Bank was founded on 30th January 2017 with pilot branches in Ranchi, Jharkhand and Raipur, Chhattisgarh. It was established on the vision of Digital India initiative, a path envisioned by Hon'ble Prime Minister Shri Narendra Modi. IPPB observed its nationwide launch on 1st September 2018 and is providing digital banking services going last mile with 1 Branch, 649 Banking Outlets manned by IPPB staff and 138000+ Banking Access Points all over the country. With a robust presence across the nation, IPPB offers a broad spectrum of services, tailored to meet the diverse financial needs of its customers. The FY 2022-2023 proved to be remarkable year for the organization as it marked its first maiden profit of Rs. 20.16 crores, a significant landmark in the banking journey.

In today's era of digitisation, IPPB acknowledges the significance of affordable and quick financial services, and it offers various channels of accessibility for the same. Customers can easily access their accounts through digital channels like WhatsApp, Online Platforms, and Mobile Banking Services, ensuring that banking services are just a few click away. However, IPPB goes above and beyond by facilitating banking for individuals even in the absence of internet access. Utilizing SMS Banking, Phone Banking, or Missed Call Banking, beneficiaries can experience a hassle-free banking services at their fingertips, making transactions, checking balance and fund transfers by simply sending an SMS or a missed call, eliminating the reliance on internet.

IPPB's product portfolio includes Savings Accounts and Current Accounts. In the Savings Account category, customers have the flexibility to choose from a range of options - Premium Savings Account, Regular Savings Account, Basic Savings Account and Digital Savings Account. IPPB has also added Insurance and Loan Referral Services to its bouquet of products, further assisting its customers in financial needs when required.

Aadhaar Enabled Payment Services (AePS) has completely revolutionized money transfer and transactions, enabling customers to carry out basic financial transactions with their Aadhaar-linked accounts by providing their fingerprint impressions through a Business Correspondent. This service works as a Micro ATM, enabling beneficiaries to avail cash services at their doorsteps. In addition to this, IPPB offers other services catering to every stratum of the society. Digital Life Certificate (DLC) for pensioner to receive the pension money at their doorsteps, online Bill Payments and Fund Transfers, Direct Benefit Transfers (DBT) for the farmers, Child Lite Client (CLEC) Services for Aadhaar seeding of children at home, and Domestic Money Transfer (DMT) for urban migrants are some of the financial services provided by the Bank.



Furthermore, IPPB also offers a platform for the merchants, empowering them with digital banking facilities. The Merchants can easily open a current account with IPPB and become a 'Digital Dukaandar' to enjoy the various benefits. Using UPI QR based digital payment facility they can receive transactions directly transferred to their bank accounts, enabling them to serve their customers better. The 6.63 crore customer base stand as a testament to IPPB's dedication of financial inclusivity and trust garnered in the hearts of the common people. IPPB is a pioneer in delivering egalitarian and accessible financial services. Its extensive reach, broad product offerings, and dedication to serving the needs of various consumer segments makes it a trusted partner for millions across India.





इंडिया पोस्ट
पेमेंट्स बैंक

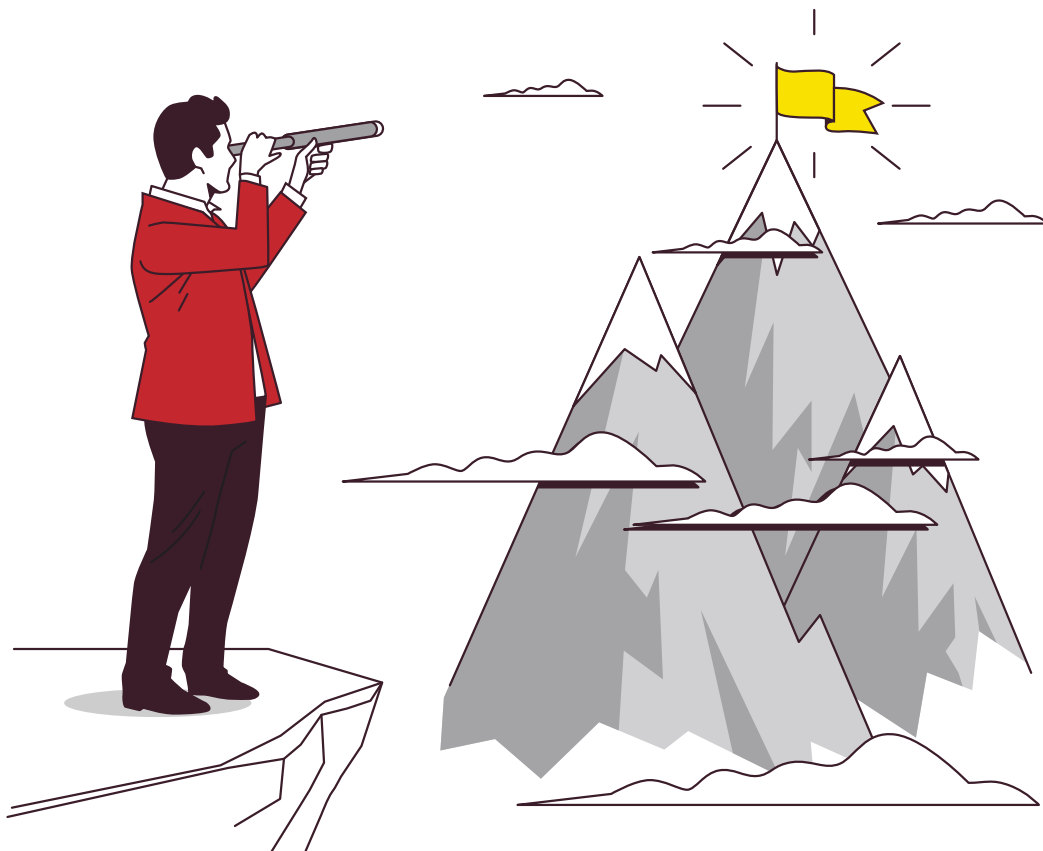
India Post
Payments Bank

Vision

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

Mission

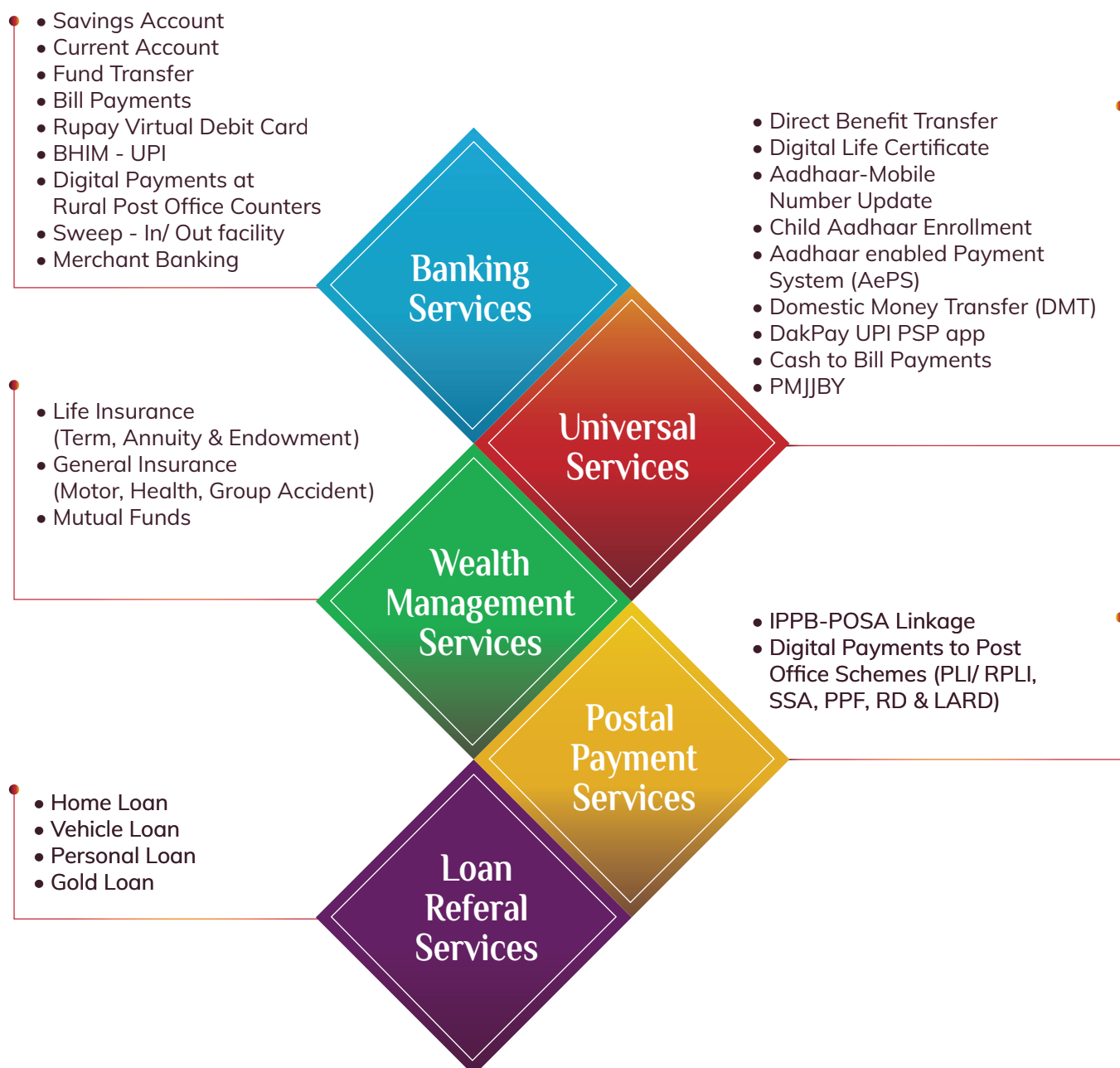
Spearheading Financial
Inclusion by Removing
Barriers and Reducing Cost for
Accessing Banking Services





Comprehensive Suite of Products and Services

IPPB's unwavering commitment is reflected in the customer-centric banking services and the enriched customer base. With an array of product services aligning with the multitude of needs of the beneficiaries, IPPB is committed to bring value to and seamlessly refine the banking journey. Our comprehensive products and service lineup encompasses Savings Account, Current Account, Money Transfer, Utility Bill Payments, QR based payment facility, Doorstep-Pension Services, Doorstep Cash Facility, Aadhaar enabled Payment System, Virtual Debit Card, Government to Citizen services etc.



Customer Segments

IPPB offers tailored services to serve its diversified customer base. IPPB provides Digital Life Certificate (DLC) services for Senior Citizens, making it easier for them to obtain their pension money at their doorsteps. DLC is an important requirement for the disbursement of pension money and we have issued 15 lakh certificates in the FY 2022-2023. Small business owners benefit from the Bank's Digital Dukaandar and UPI QR code payment solutions, enabling cashless transactions and enhancing operational efficiency. Farmers can easily receive government subsidies and benefits through IPPB's Direct Benefit Transfers (DBT), ensuring prompt and transparent financial support. In order to ensure that financial limitations do not impede students' academic advancement, IPPB facilitates scholarship disbursements, helping them pursue their educational goals.

Homemakers can efficiently manage finances utilizing IPPB's online bill payment and fund transfer services. Also, with the help of Child Enrolment Lite Client (CELC) Services, the beneficiaries can easily get their children of up to 5 years Aadhaar-seeded at their doorsteps. In addition to that, IPPB offers an array of services including Remittances and Fund Transfers, NEFT (National Electronic Funds Transfer) and Immediate Payment Services (IMPS). IPPB serves its customers and non-customers alike, empowering them with doorstep banking facility.

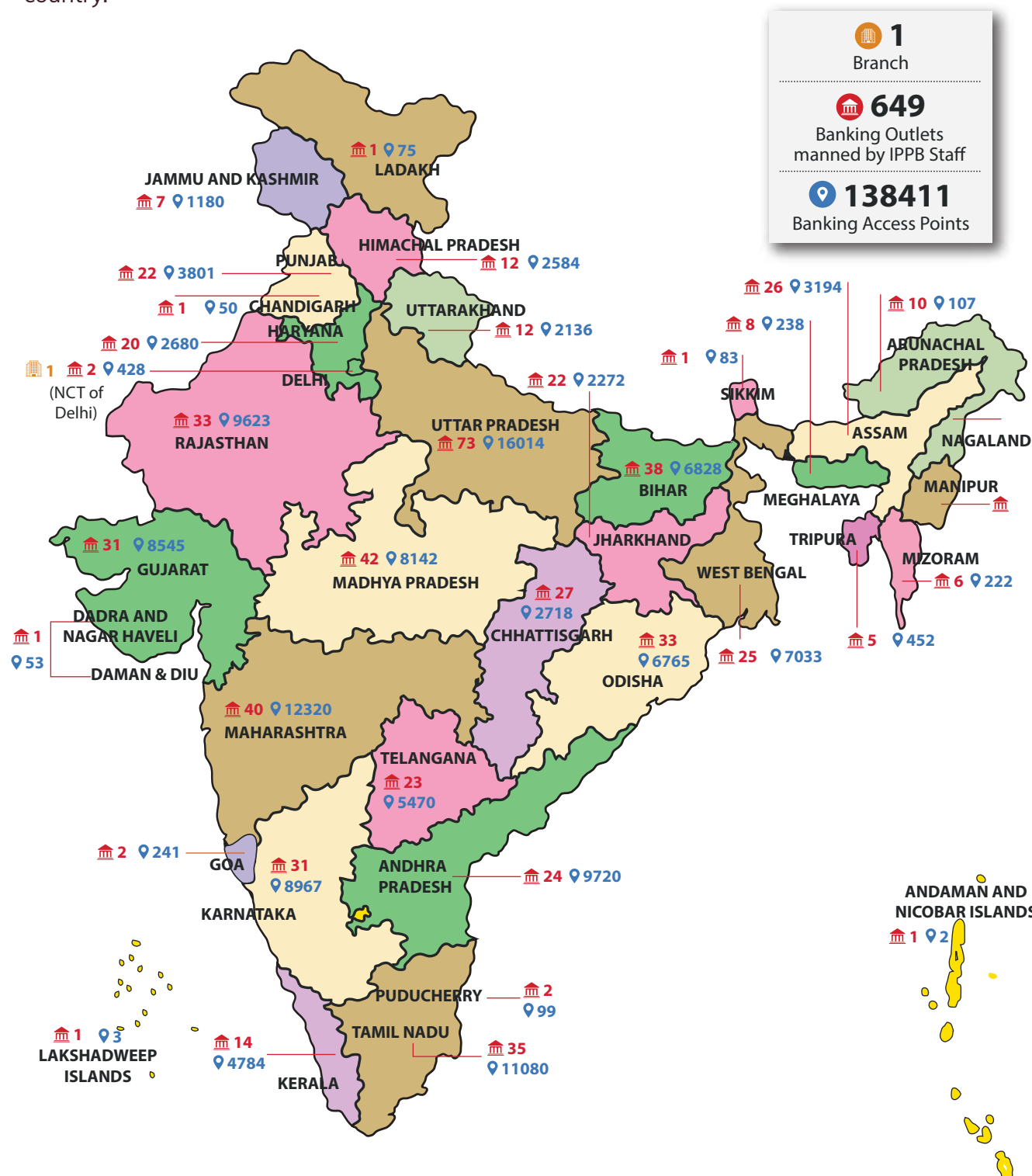
In its mission of leaving no one behind, banking the unbanked and the under-banked, IPPB offers Domestic Money Transfer (DMT) and Aadhaar Enabled Payment Services (AePS), helping in money transfer to the people with no bank accounts all across India. This service has especially benefitted the urban migrants, enabling millions of unbanked citizens to meet their families' financial needs by regular money transfer in time of need. AePS works like a Micro ATM facility, enabling cash-withdrawal facility at one's doorstep from their Aadhaar-linked bank accounts. Walk-in customers (who do not hold an account with IPPB) can also use the fund transfer (cash to account) facility.





Expanding Footprint

India Post Payments Bank has made a significant impact on traditional banking industry with a Pan-India reach, surpassing geographical terrains to serve the financial requirements of over 4 crore beneficiaries in the 37 States and the Union Territories. Amid the rapid evolution of digital technologies, India's financial landscape is undergoing unprecedented changes. IPPB is poised to lead this transformation harnessing a formidable network of 1 Branch and 649 Banking Outlets manned by IPPB Staff, over 138,000 Banking Access Points and the robust network of India Post. With a strong physical presence and digital prowess, we are pioneering innovative methods to extend banking services to the farthest corners of the country.

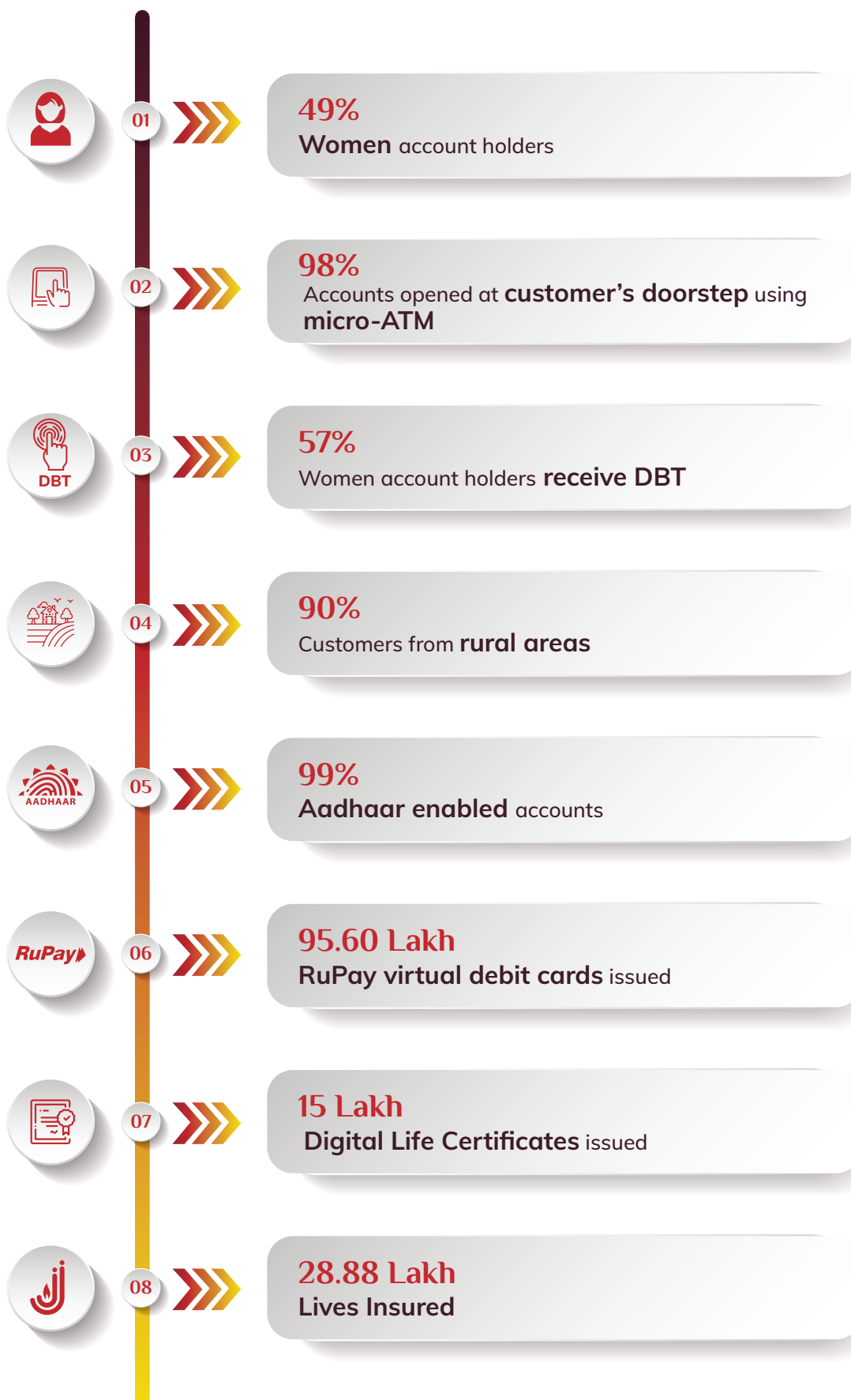


Major Business Highlights

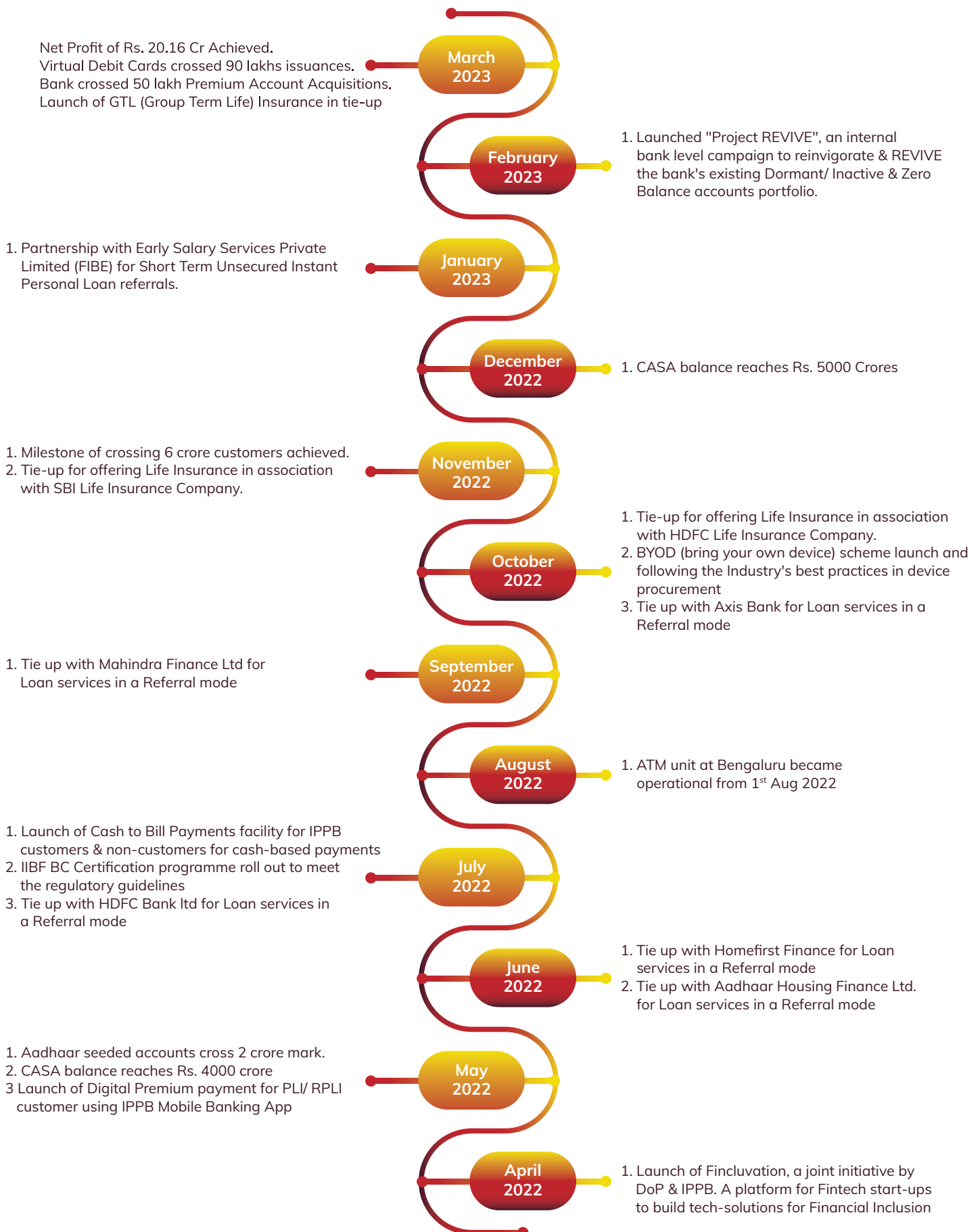
	As of March 31, 2022	As of March 31, 2023	Y-o-Y growth in %
Total number of customers (in Crore)	5.26	6.63	26%
Total deposits (in Rs. Crore)	3,691	6,292	70%
Value of digital financial transactions (in Rs. Crore)	1,54,367	3,20,579	108%
Number of digital financial transactions (in Crore)	83.84	162	93%
Value of AePS transactions (in Rs. Crore)	20,939	27,443	31%
Total DBT beneficiaries (in Crore)	1.06	1.56	47%
Value of transactions on digital payments to DoP savings schemes (PPF/ SSY/ RD/ LARD PLI/ RPLI) (in Rs. Crore)	5,416	9,072	68%
Number of mobile app downloads (in Lakh)	1.34	1.99	49%
Number of IPPB accounts linked with POSA enabling interoperable banking (in Lakh)	28.68	33.85	18%



Leaving Footprints of Growth & Transformation



Key Milestones & Achievements





Marketing

The FY 2022 was quite robust for Marketing Department and we witnessed numerous new initiatives and updates. Few of them are as under:

Announcements

Release of 1000 Crore ke Paar jingle- In order to infuse enthusiasm among the Sales Force and to keep everyone in the organization aligned of current year's business goal, an audio visual with a war-cry theme of '1000 Crore ke Paar' was released on 3rd June 2022.

Push notifications for promoting various IPPB Products & services launched on 28th June 2022.

Launch of digital payment facility for Postal Life Insurance/ Rural Postal Life Insurance premium through IPPB Mobile Banking App on 27th May 2022.

Pilot testing of Lead Generation form on IPPB Website

In order to generate leads for various services/opportunities with IPPB, pilot testing of lead generation form was done on IPPB Website. The lead generation form is currently enabled to receive requests for joining us as Individual Business Correspondents, enrolling for Internships, Fintechs partnering with us through Fincluvation initiative and Doorstep requests for customers interested in Third Party Products offered by the Bank. Leads thus received are further shared with the field team for closure. From October 2022 till March 2023, 18.44 lakh leads have been shared with the field teams.

MoU with KOO

IPPB has signed an MoU with KOO, a multilingual microblogging platform on 12th September 2022. The MoU aims to bring together the synergies of both IPPB & KOO to drive financial inclusion and literacy amongst the users. Signed in the presence of Shri. J Venkatramu, MD & CEO, IPPB and Shri Aparameya Radhakrishnan, Co-Founder & CEO, KOO, the MoU will help in reaching out to large customer base and communicate via KOO's unique language communities across the country using Multi Lingual Koo (MLK) features. Both the organizations will work jointly to drive the following:

Drive financial inclusion and literacy in tier 2, tier 3 & remote cities and hinterlands.

New customer acquisition through outreach and communication via KOO's unique language communities across the country and Multi Lingual KOO (MLK) features. BTPL to propose and implement mechanisms to augment visibility.

Customer relationship for IPPB users via KOO's grievance redressal system

Reach of KOO to IPPB customers across offline (PO network) & digital touchpoints.

Display of Digital Content in Access Points

There are many walk-in customers who visits access points for their financial needs. In order to engage them and make them aware about our offerings, digital content has been displayed at all the access points of Delhi Circle. It has been planned to run the digital content at all the access points Pan-India wherever the digital assets are available. Content has already been provided for Hindi-speaking areas while the vernacular language content will be released shortly.

Social Media Campaigns

Social Media campaigns were done extensively for Digital Life Certificate, Individual Business Correspondents, Premium Khata, UPI & other Products and Services.



Creatives on Fraud alerts were also posted on all IPPB handles. Apart from this, creatives for all festivals/ significant days were also posted. All campaigns earned good engagements and created awareness.

Email Campaigns

Following email campaigns were done on various products and services-

Digital Life Certificate campaign- Around 1.25 lakh Senior Citizens were targeted. DLC creative with clickable links for redirection on IPPB website & social media handles for more information about the services was sent.

Cyber Security campaign- It was an awareness campaign and sent to around 10 lakhs customers.

Campaign for Digital SB Account conversion- In order to increase conversions of Digital SB Accounts, a campaign was launched and it covered around 4.5 lakh customers.

AePS Campaign- Campaign popularising AePS services was launched.

DakPay logo revamping

In order to make it aesthetic and modern, DakPay logo has been revamped both in English and Hindi language.



Launch of WhatsApp Banking Service

India Post Payments Bank launched the WhatsApp Banking Service on 88007 56000 on 31st March 2023. This facility will enable our customers to access the banking services at their convenience. Aim is to make banking more accessible and convenient for our customer in the digital age. With launch of this service, banking needs can be accessed through the secure and easy-to-use messenger platform.

Our customers can now get information about our Products & Services anytime, anywhere with a few clicks. One can now use this service to open savings account, get account balance, mini statements, loan referral services, Government to Customer (G2C) services, Insurance, locate your Post Office near you etc. from the comfort of their home.



Products

Newly Launched Products and Services

Premium KHATA: The latest FLAGSHIP product of IPPB has been rolled out in 2022-23. Premium account provides customers free services and exciting cashbacks. Customers are getting benefits like free doorstep banking, free cash deposits and withdrawals and various cashbacks. Premium Savings Bank account can be opened by new customers. Existing customers can also upgrade to this product. The Bank has acquired 55 Lakhs premium customers in 2022-23.

Bharat Bill Payment Services: IPPB has secured license from Reserve Bank of India to act as an operating unit in the National Payments Corporation of India (NPCI) of Bharat Bill Payment Services ecosystem. IPPB launched upgraded version of BBPS to offer many value added services in bill payments lately. Recent value additions to BBPS products are:

Bank has been certified by NPCI as a BOU-Biller Operating Unit, to onboard and enable new billers into BBPS eco system by the Bank.

Engaging with multiple existing BBPS billers to collect the bills in cash through IPPB access points.

Cash Management Solutions: Cash management is a key operations' issue for many businesses, especially operating in the rural areas. IPPB has combined the physical cash management capability of Dope with its scalable and advanced technology backbone to provide a robust cash management solution to bulk customers. IPPB has tied up with Share Micro Finance, Aadhaar Housing Finance, Mahindra and Mahindra Financial Services Ltd to offer cash management and collection services through our banking access points and postal service providers. With the unparalleled reach of the Post Offices across the country, IPPB has the potential to offer this service through a single central tie up.

Ria Money transfer at IPPB Branch: IPPB has tied up with Ria Money Transfer to facilitate the payout of inward foreign remittance under the Money Transfer Service Scheme (MTSS) of the RBI. This will allow the beneficiaries in India to receive remittances from their relatives abroad for personal use. The service is currently launched at 630 identified IPPB banking outlets on the software platform provided by Ria. The same will be expanded to the Micro ATMs in next financial year.

Postal Life Insurance (PLI)/ Rural Postal Life Insurance (RPLI) premium payments through IPPB: This service was a major requirement of customers pan India and by launching it IPPB has catered to and fulfilled the desires of a lot of customers. Now PLI/ RPLI premium payments could be made conveniently in a jiffy through IPPB channels. Along with ad-hoc premium payments, IPPB has also introduced the facility to set up auto-payments (standing instructions) for PLI/ RPLI premium payments. With this any IPPB Account Holder can pay premium/ set up standing instructions for PLI/ RPLI Payments through IPPB Mobile Banking or by visiting IPPB access Points (CBS/ MATM) or by utilizing doorstep services (MATM).

Mandate for Tamil Nadu Old Age Pensioners: IPPB is now serving the old age pensioners of Tamil Nadu under the state level social security scheme at their doorstep by providing cash withdrawal services for free. All such pensioners can now open an IPPB account and can avail cash withdrawal services at their doorstep for free. Monthly pensions are received in these accounts which can then be disbursed to the pensioners at their ease.



Aadhaar Pay: It is a digital payment acceptance solution from IPPB which enables merchant to accept payments for goods and services from customers having aadhaar linked to any bank account by authenticating customer's biometric (fingerprint).

Enhanced Mobile App Security Features: To safeguard our users from unauthorized access to their mobile banking app by fraudsters, we have implemented certain security features such as reading OTP during registration. We have also introduced login using Fingerprint (Android) and Face ID (IOS).

BALIC Group Term Life Insurance: We have expanded our current offering in the term segment and reintroduced Group Term Life Insurance Product – A Non-linked Non-Participating Group Term Insurance Plan to provide immediate and long-term financial assurance. This product offers life cover to our customers in very affordable prices.

Minimum and maximum sum assured for Group Term Insurance Plan is 5 lakhs and 10 lakhs respectively. Group Term Insurance Plan will be made available through the wide network of IPPB's Bank Staff and DoP's Gramin Dak Sevaks/ Postmen for driving the core objective of financial inclusion of IPPB and Department of Post together. All policies get issued on real time basis.

Enabled UPI Mode of Payment at Branch Post Offices- The Department of Post (DoP) has been using RICT handheld device application for postal operations at BOs. IPPB has introduced UPI modes of payments in the branch offices in line with the Digital India campaign. 1,25,000 Branch Offices are using the UPI based digital payment mode developed by India Post Payments Bank to accept payments for providing postal services to the citizens.

Launch of POSB SEVA – ePassBook: To bring convenience at fingertips, customers are now able to view the **Account Balance and Mini-Statement of POSB/Other DoP accounts** at any time throughout the day using IPPB enabled services.

Developments at New Channel: Individual BC

Bank has onboarded Individual BCs for offering various services like AePS, Card+Pin Transactions, DMT through micro ATMs.

Bank has enabled Domestic Money Transfer services along with already in production - AePS and Card+PIN services via Individual BCs. This will help bank to extend its reach beyond postal network. 26K+ agents got on-boarded till 31st March 2023.

TXN TYPE	COUNT	DMT Charges Collected	DMT Incentive Paid
DMT TXNS	9545	3.2 lakhs	1.46 lakhs

AePS ISO to XML migration was successfully completed on 17th November 2022 with no major production issues/ show stoppers and substantial improvement in AePS technical declines post migration.

Customer Service

IPPB has contributed immensely to the mandate of financial inclusion by ensuring access to financial products and services to wide cross-section of the society. IPPB continuously invests in innovative products and state-of-the-art platforms that leverage emerging technologies to make banking easier, safer.

With new product offerings and excellence in customer service at the crux of the strategy, IPPB provide seamless banking experience to the customers and continuously adhering to the spirits of the vision of building the most accessible, affordable, and trusted bank for the common man. Over the years, Bank constantly adopted a customer centric approach, focusing on delightful customer experience in every interaction while being trusted for integrity and highest standards of governance.

The Bank's Apex Customer Service Committees continuously evaluate complaints and feedback received from customers and provide requisite directions to increase efficiency of resolution and also change in process for any service improvement.

IPPB has taken various initiatives in the area of customer service in FY 2022-23 which include:

IPPB through its robust and scalable operating framework has designed the best-in-class bouquet of products and services which include different direct benefit transfer schemes and doorstep services to its customers.

In the endeavour to provide uninterrupted services to customers, Common Service Center which includes banking correspondents and merchants. The banking outlets are linked online to provide the ease of real-time banking services and insurance products. Further the Bank plans to strategically expand and deepen its presence across the geographies.

The Bank has shown sustained improvement in quality score card, which is key matric for measuring the customer satisfaction.

IPPB contact center continues to provide 24*7*365 assistance to their customer through Noida, Chennai, and Kolkata centers which supports 13 languages through IVR and inbound and outbound calling (Hindi, English and other 11 vernacular languages). It is equipped to handle emergencies like unauthorized Debit transactions and Virtual Debit Card Blocking, enquires for which dedicated number has been deployed 18008899860 and 155299 for other grievances.

The evolving digital landscape is a key driver that is changing the way in which customers interact with their banks. Doorstep Banking and Mobile Banking has been made available to Customers and Non-Customers through PSP application and other services with existing multiple frequently used options and functionalities. The PSP application and existing mobile application are being enhanced with new functionalities in order to provide better user experience.

In line with the vision, IPPB continued to offer excellent banking services by facilitating the latest customer-friendly and secure technological solutions to its customers through WhatsApp Banking (8800756000), Missed Call banking, SMS Banking services.

In line with regulatory directives and motto, the Bank has conducted customer education and workshops on Safe use of Digital Banking which further aligns with customer centric approach in providing effective and efficient customer service.

This year total number of complaints received is 16780 (i.e.822 complaints outstanding as on 01.04.2023, 16229 complaints were resolved up to the satisfaction of the complainant, till 31st March, 2023).



Complaints received during FY 2022-23 & FY 2021-22

Disclosure on Status of complaints and unimplemented awards of Banking Ombudsman				
Sl No		Particulars	Current Year 2022-23	Previous Year 2021-22
Complaints received by the bank from its customers				
1		No of complaints pending at the beginning of the year	271	259
2		No of complaints received during the Year	16780	20170
3		No of complaints disposed during the year	16229	20158
	3.1	Of which, number of complaints rejected by the Bank	422	219
4		No of complaints outstanding at the end of the year	822	271
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	205	115
	5.1	Of 5, number of complaints resolved in favour of the bank by Bos	200	115
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Bos	5	Nil
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note:

All open 822 complaints are closed as on date.

The number of transactions of the Bank has increased multifold and new products have been launched by bank during the FY22-23.

In its quest for being the most accessible, affordable and trusted bank for the common man the Bank has adopted a customer-centric approach, focusing on excellent customer service and a comprehensive suite of best-in-class financial solutions. India Post Payments Bank continues its drive towards improvement in service quality across all customer touch-points. The Bank endeavours to stay true to our motto 'Every customer is important, every transaction is significant and every deposit is valuable, no matter the value.

HR & Admin

Yoga Day was celebrated on 21st June 2022 at Corporate Office Delhi and CPC Office with a central theme of “Yoga for humanity”. Yoga is universal — it can be practiced anywhere, at any time, and by anyone irrespective of age, gender, culture or nationality.



The Prevention of Sexual Harassment (POSH) Training was conducted for creating awareness among employees and co-workers at workplace aiming to provide a healthy work environment that is safe, empowering, and satisfying.

Ladies Room inaugurated on 23rd February 2023 at Corporate Office Delhi, by respected Board Members.



Fire drills conducted at IPPB Corporate Office on 22nd March 2023 at CPC and GM Finance premises.



IPPB, in collaboration with IIBF, organized **“Executive Development Program”** for all women officers of the Bank on 6th March 2023.

With topics covering leadership skill, cultivating a winning mind, goal setting and career planning, work life balance-personal and professional challenges, stress management and aptitude vs attitude. This was a unique experience for all the participants coming together on a single platform and discussing their common issues and concerns, thereby fostering relationship building amongst the women officers of the Bank, spread across every nook and corner of the country.



Information & Cyber Security

Information security controls deployed at IPPB aim to protect critical infrastructure and build capabilities to prevent and respond to cyber threats, reduce vulnerabilities and minimize damage from various security/ cyber incidents. Since the inception of the Bank in 2018, there has been a continuous focus to ensure that information and cyber security practices are aligned with industry standards.

Cyber Security

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

The Bank also lays emphasis on customer elements like protection from phishing, adaptive authentication, awareness initiatives and above all easy-to-use protection and risk configuration ability in the hands of the customers.

Information Security and Cyber Risk Management

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

A board approved Cyber Security & Information Security Policy is in place which provides guidelines on various cyber security related initiatives. The Bank also has Cyber Crisis Management Plan (CCMP) in place to provide the strategy, direction and roadmap towards cyber threat mitigation. The cyber security governance is part of the Bank's Information Security framework.

IPPB, in coordination with the system integrator has ensured that constant 24x7 surveillance is done by Security Operations Centre (SOC) and it keeps regularly updated on the latest nature of emerging cyber threats. The Bank is using security incident and event management monitoring tool for the process of identifying, monitoring, recording and analyzing security events or incidents in a real-time IT environment.

To manage any type of cyberattacks, the Bank has put in place advanced security solutions and implemented anti-advanced persistent threat solution, server protection solution, network protection solution etc. to handle various malicious attacks. A quarterly vulnerability assessment exercise is carried out to assess the vulnerabilities, if any, in the IT systems and to ensure that these vulnerabilities are mitigated and the risks are managed.

IPPB has a fully equipped disaster recovery set-up in place which is supplemented by periodic disaster recovery drills. Further, stringent controls are followed at the time of induction of new applications.



Based on the changing cyber security threat landscape, the Bank has procured a cyber-insurance policy which is reviewed and renewed every year and new risk areas are included if deemed necessary. The Bank also conducts and participates in cyber security drills to continuously fine tune its response mechanisms.

Employees are kept updated about latest security threats and best security practices. The Bank provides cyber security awareness to its employee's customers on a regular basis through various channels like SMS/ email/ learning portal website/ etc.

The CISO office and the system integrator maintain a close working relationship to ensure a holistic approach to risk management. The Bank regularly undergoes multiple assessments of its security by internal as well as external auditors through specific thematic assignments and regulators to continuously check its security approach and strengthen its controls.





Information Technology

India Post Payments Bank continues to be at the forefront of the digital banking domain with a steady stream of innovative products across various channels. It has a multi-channel delivery model, offering customers a wide range of choice.

To continue its innovative legacy and best customer experience, Information Technology department has taken multiple steps to address agility and risk concerns.

Change of System Integrator

Since the inception of the Bank, systems and its maintenance are being managed by its system integrator (SI) M/s DXC technologies. To improve its IT capability and best customer service, IPPB has started moving from single SI based model to one to one application-based vendor onboarding, which will improve Bank's IT capabilities and open the sphere for more innovative and agile developments as per market needs and customers' expectations.

Network and IT Infrastructure Improvement

The Bank's IT team is relentlessly working to enhance the capacity of both networks and compute to support ever increasing transactions and application landscape. Various enhancement in bandwidth and compute has been done periodically. In addition, looking into the criticality of locations accessing the applications redundant links are also being provisioned.

In addition, management and upgradation of backend software with security patches are periodically being done. Special access controls mechanism is being implemented for network device access controls.

m-ATM, m-Banking and CBS

The Bank enabled m-ATM login controls and **Device Binding** during Micro ATM Login in order to mitigate risk and safeguard our m-ATM end-users and to prevent unauthorized transactions in customer accounts. In addition to that, Bank has also enabled the SIM Binding in m-Banking App to enhance security from fraudsters.

Rollout of new functionality like Premium Khata, Antyodaya scheme is now available on m-ATM app for end-user to provide facility to valued customers. AADHAAR VAULT has been introduced as a regulatory requirement to reduce Aadhaar footprint.

Utilization of IPPB technology information for POSB & PLI

As per the Cabinet mandate, the IPPB structure is to be used as a single technology platform for banking and other financial products of DoP. In line with the Cabinet directions, IPPB now managing,

DoP Data Centre Facility (DCF) and Network Integrator (NI) contracts w.e.f. 01.04.2022 onwards

DoP ATM project w.e.f. 01.07.2022 onwards

DoP Financial Services Integrator (FSI) i.e. Core Banking Solutions (CBS) & Postal Life Insurance (PLI) Projects w.e.f. 30.08.2022 and 01.10.2022 onwards, respectively.



Risk Management

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

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

Operational Risk Management

The Bank is exposed to Operational Risks, such as the possibility of suffering a loss due to internal processes, personnel, or system failures or as a result of uncontrollable external occurrences. The Bank has framed an Operational Risk Management Policy along with supporting framework for managing the Operational Risk in an effective manner such as

- Loss Data Management (LDM) framework
- Product & Change Approval Framework
- Risk and control Self-assessment (RCSA)
- Key Risk Indicators (KRI) to monitor risk issues (KRI).

The Operational Risk Management policies and supporting frameworks such as Loss Data

Market Risk and Asset Liability Management

The Bank is exposed to Market risk, i.e. the possibility of loss caused by changes in the market variables in addition to Asset-Liability Management (ALM) related risks such as liquidity and interest rate risk in banking book. IPPB has put in place a board approved Market Risk Management, ALM & Investment policy aligned with RBI regulations and operating guidelines governing Payment Banks and Executive level Committees, viz. Investment Committee and Asset-Liability Management Committee (ALCO), that supports the RMCB in dealing with the day to day affairs, associated issues/ concerns, if any, in a comprehensive manner.

Fraud Risk Management

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

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

Anti- Money Laundering

The Bank follows extensive RBI recommendations on Know Your Customer, Anti-Money Laundering (AML) requirements, Combating the Financing of Terrorism (CFT), and Banks' Obligations under the PMLA, 2002.

With the aim of preventing the Bank from being used, either intentionally or unintentionally, by criminal elements for money laundering, terrorist financing, or any other activity not permitted by law, the bank has developed an appropriate policy framework on KYC and AML measures. With the aid of this policy framework, IPPB is also better equipped to comprehend its customers' financial transactions and know how to better manage its risks.

Capital Adequacy requirement

In line with guidelines of the Reserve Bank of India, IPPB has adopted Standardized Approach (SA) for Credit Risk, Basic Indicator Approach (BIA) for Operational Risk & Standardized Duration Approach (SDA) for Market Risk for computing the Capital to Risk Weighted Assets Ratio (CRAR). The Bank has been also computing the CRAR and Leverage Ratio (LR) in line with the regulatory guidelines and the same is reported to the regulator on set frequency.

Other Pillar II Risks

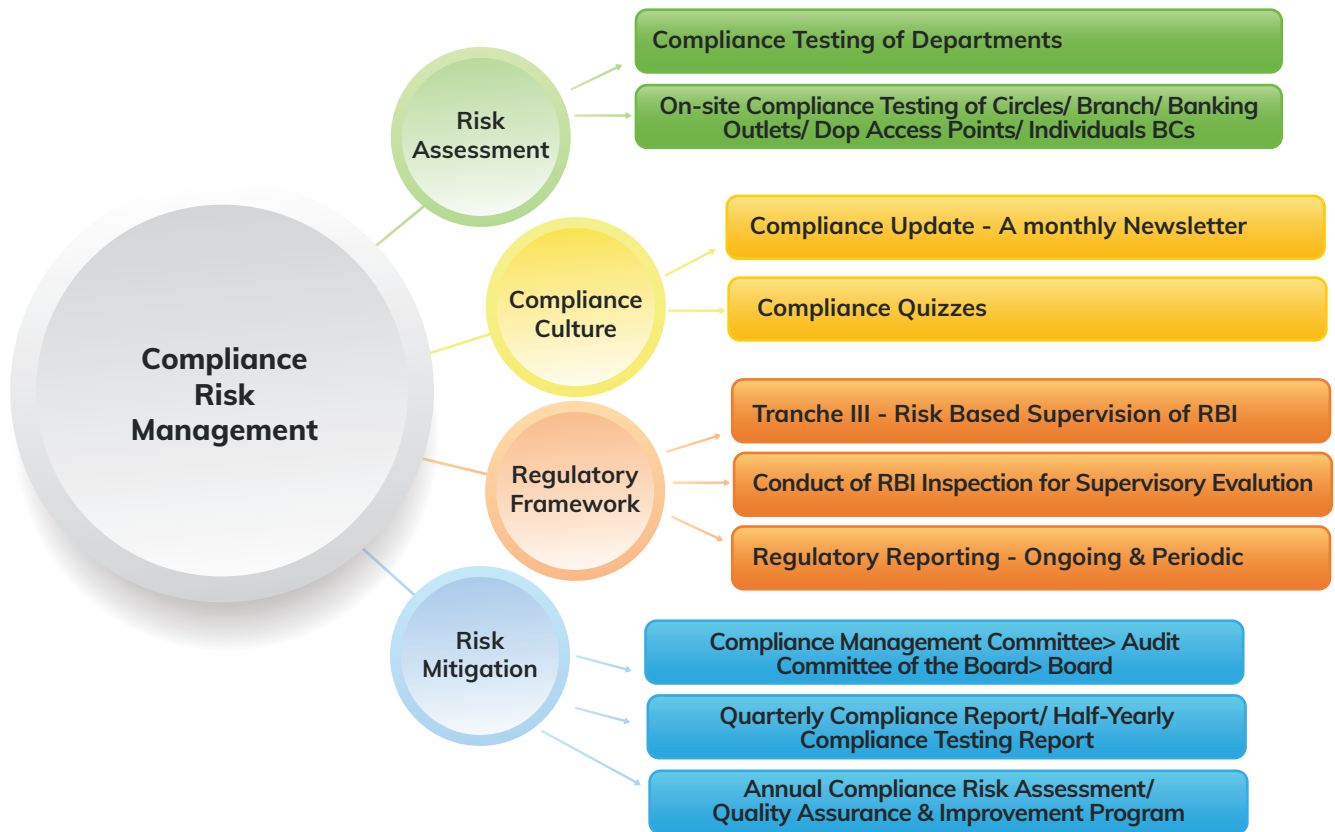
In order to comply with Pillar II guidelines of the RBI/ Basel capital adequacy framework, your Bank has also formulated a Policy on Internal Capital Adequacy Assessment Process (ICAAP) & for the assessment of all material risks the Bank is exposed to & the risk management processes which are put in place to manage and mitigate those risks and also to evaluate its capital adequacy commensurate with such risks. In line with RBI guideline and as per the Stress Testing Policy of the Bank, the Bank conducts Stress Testing analysis on set frequency on various risks like Liquidity Risk, Interest Rate Risk and Operational risk and assesses the impact on capital adequacy & profitability.





Compliance

Major initiatives taken by Compliance Department in the FY 2022-23



Vigilance Administration

Set-up of Vigilance Department:

The Vigilance Department of the Bank is set-up at Corporate Office headed by Chief Vigilance Officer (CVO), who is appointed by Appointments Committee of the Cabinet (ACC), Department of Personnel & Training (DoPT) in consultation with Central Vigilance Commission (CVC). The CVO acts as an advisor to the MD & CEO in all matters pertaining to vigilance. He also provides a link between the Bank and CVC/ CBI.

Initiatives of Vigilance Department During 2022-23:

Identification of sensitive posts in the Bank in association with IPPB management.

Circulation of “Vigilance Awareness Monthly Series” for all employees based on CVC’s booklets on “Ethics and Good practices”.

Circulation of message/graphics having Vigilance related information/ ethics and values etc. on the official social media platforms of IPPB on monthly basis.

Inspection of circle office and branch offices along with participation in camps arranged by the branches.

CVO/ IPPB contributed an article on “Dispute Resolution Mechanism in Public Procurement” in the CVC’s Newsletter ‘VIGEYE VANI’ relating to Special issue on Public Procurement during October-2022.

Vigilance Awareness/ Ethics & Values sessions for the Bank employees at various forums.

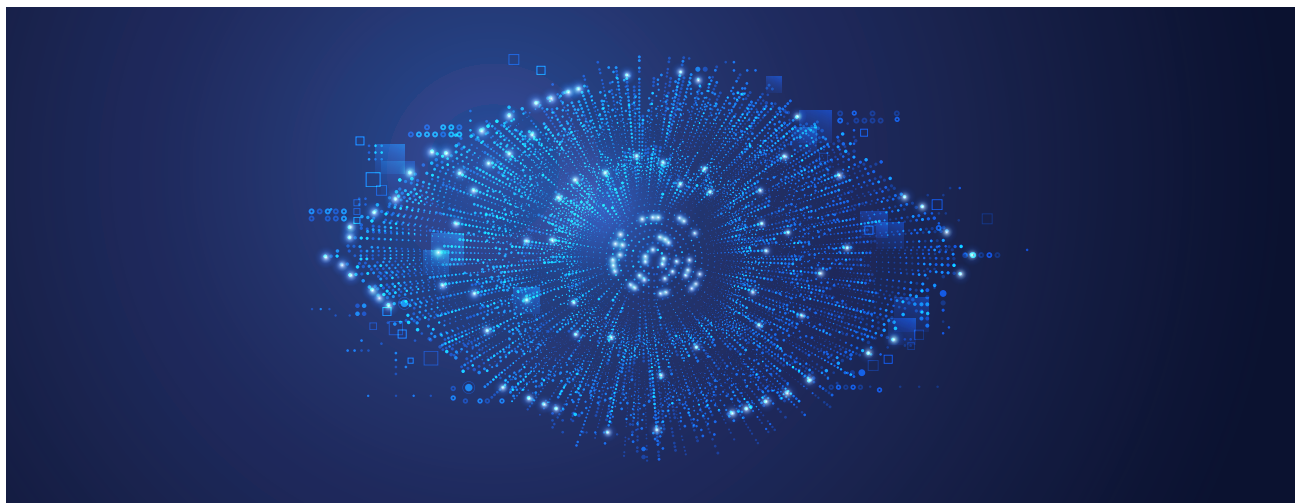
Systemic improvements advised in the areas of Record Management and maintenance of Roster Registers, Modification in Internal Whistle Blower Policy, Requests for permission regarding Foreign Travel visits by staff, Framing of gift policy, Constitution of Tender Committee- member with direct reporting to another member of the committee, large number of members in the committee, Minutes of the Tender Committee- proper recording of reasons for decision(s) taken, Proper estimate budget of Procurement etc.

Vigilance Awareness Week 2022: (30 Oct 2022- 05 Nov 2022)

Sr. No.	Date	Event
1.	31 st Oct’22	Vigilance Awareness Week Celebrated at IPPB Corporate Office, Circle Offices and its 650 branches
2.	1 st Nov’22	CVO/ IPPB held a presentation on “Vigilance Awareness” through online mode with all 650 branches, Circle Offices and Corporate Office
3.	2 nd Nov’22	Online Slogan Writing competition held among IPPB Staff with key words “IPPB, India, Develop, Wealth & Duty”
4.	3 rd Nov’22	Online all-India essay writing competition organised with topics- “Be the change you want to see in the world” and “Workplace Ethics and Values” in English, and “स्वयं में वो बदलाव लाइए जो आप दुनिया में देखना चाहते हैं” and कार्यस्थल नैतिकता और मूल्य in Hindi
5.	4 th Nov’22	All-India MCQ Quiz competition organized comprising 50 questions on the theme of “vigilance, ethics and general awareness”
6.	5 th Nov’22	Online interactive session held by CVO on “Ethics and Values through Story telling”



During Vigilance Awareness Week-2022, IPPB organized activities across branches such as displaying banners and posters, distributing pamphlets at Financial Literacy camps, conducting interactive sessions, and hosting workshops. at School, Colleges, Gram Sabhas and workshops/ sensitization programmes held at branches and DoP premises. All the IPPB staff members took the pledge of Integrity. Shri Rahul Ray Chaudhuri, Senior Manager was recognized with a 'Certificate of Appreciation' by CVC during the Vigilance Awareness Week 2022 for his preventive actions taken during 2021-22.



Distribution

Niveshak Didi – An Initiative to spread Financial Awareness: “For the Woman, By the Woman”

Female GDS/ Postman across the country are guiding the rural masses on investment and protection needs of the citizens helping them in their goals of financial freedom.

Niveshak Didi Financial Literacy/ Awareness Camps focus on spreading the investor education and awareness.

Female Dakiyas wear a IPPB-IEPFA co-branded Jacket as procured especially during these Camps and are branded as Niveshak Didi. This brings upon the X-Factor and highlight these Camps specially as Niveshak Didi is one of the most trusted persons in the village and is the exclusive driver for these camps.

Niveshak Didi interacts as well as train the local female attendees available at these camps spreading the message, “For the Woman, By the Woman”. This has created a deep connect between the people and Niveshak Didi, eventually she has become the Single Point of Contact for all future financial/ banking assistance

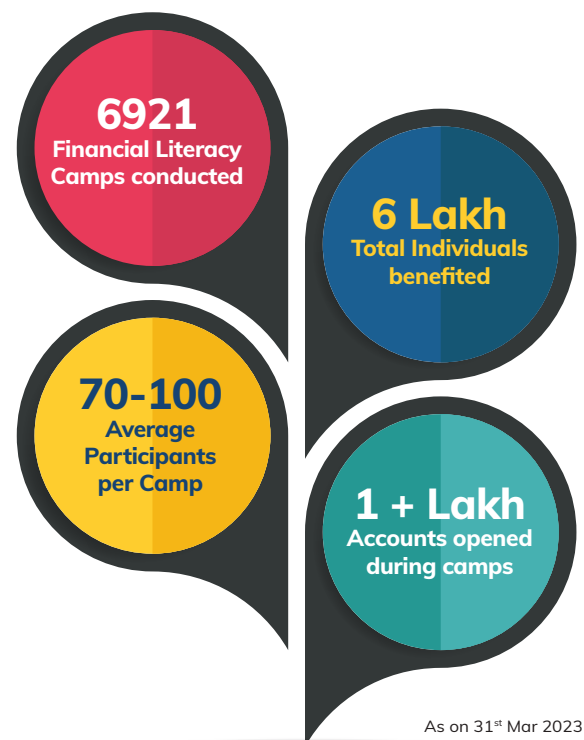
Total **5539** Trained & Certified Niveshak Didis are available and conducted **18** camps as on 31.03.2023. From Nationwide launch in J&K (Oct, 2022) – with India’s First Floating Financial Literacy Camp at Dal Lake to Special Launch Event at North-East Mizoram (Feb 2023) earlier this year, Niveshak Didis along with conducting camps on Financial Literacy are also spreading strong messages of Social and Economic Importance among masses.



NABARD Financial and Digital Literacy Camps by Banking Outlets of India Post Payments Bank

NABARD has funded the camp activities with the major objective of increasing financial literacy among the customers in rural areas. The Bank is having major exposure in rural segment and IPPB performed the camp activities in coordination with NABARD officials. Many camps have been visited by NABARD officials and they have shown their satisfaction towards the conduct of the business.

NABARD Financial Inclusion Fund (FIF) is utilised for putting in place the required financial inclusion infrastructure, as well as for providing much needed financial literacy. With active participation and concerted efforts of all stakeholders, NABARD camps have brought notable progress in both spheres i.e, creating financial awareness and delivery of financial services.





Awards & Recognition

MD & CEO, IPPB, Shri J Venkatramu was felicitated with the '**FE Visionary Leadership Award**' for his exemplary contributions to the BFSI sector.



- IPPB declared winner in 3rd Annual BFSI Technology Excellence Award under the category '**Best Digital Financial Inclusion Initiative**'.
- Shri Gursharan Rai Bansal, CSMO was conferred with '**Banking Personality of the Year**' award.



- IPPB wins the title of '**Most Future Ready Bank of The Year 2022**' in BFSI Leadership Awards by Krypton Group.
- **Elets BFSI Tech Innovation Award 2023**- IPPB was declared winner in Elets BFSI Innovation Award 2023 under the category "**Outstanding Payments Solutions Provider**". Mr. Easwaran V, COO received the award on behalf of India Post Payments Bank on 10th February 2023 at Mumbai.

- **Utkarsh Puraskar-** IPPB won 'Utkarsh Puraskar' for achieving 1st highest percentage of Digital Payments transactions at Digital Payments Utsav 2023. MD & CEO, IPPB received the award from Shri Ashwini Vaishnaw, Honorable Minister for Electronics & Information Technology, Communications and Railways.



Key Events

Fincluvation, a joint initiative of India Post Payments Bank and Department of Posts to collaborate with Fintech Start-up community to co-create disruptive and innovative solutions for financial inclusion, was launched by Honourable Minister of Railways, Communications, Electronics & IT, Shri Ashwini Vaishnaw in august presence of Shri Devusinh Chauhan, Hon'ble Minister of State for Communications, Electronics & IT, on 21st April 2022 at India Habitat Centre, New Delhi.





Aarohan 4.0: 4th edition of Department of Posts (DoP) & India Post Payments Bank (IPPB) 'Synergy Meet' was organised on 26th- 27th May 2022 at Shimla. The theme of the meet was 'Shared Vision, Mutual Interdependence, Collaborative Alliance and Trust & Communication'.

The 2-day meet of senior functionaries of DoP and IPPB was organized to discuss and deliberate ways to further deepen Financial Inclusion drive in the country and to provide banking solutions to every citizen of India. DoP & IPPB reinforced their commitment to work on the vision of Prime Minister's Digital India initiative to promote the digital payments and bring digital banking services to every nook and corner of the country in a customer-friendly manner.



International Day of Yoga (IDY) 2022 celebrations- IPPB celebrated IDY 2022 across all its offices. Ms. Seema Singh, Chief Human Resource Officer conducted Yoga sessions which was live streamed at all offices. Employees actively participated in the session and importance of Yoga was acknowledged by all participants.



Participation in Digital India Week 2022- India Post Payments Bank participated in Digital India Week celebrations organized by MeitY & NPCI at Gandhinagar, Gujarat. A pavilion was created to showcase major work done by the ecosystem in the digital payment space. Honourable Prime Minister Shri Narendra Modi graced the event with his presence. IPPB had a stall at the event and showcased its initiatives like AePS, DLC, CELC, Doorstep Banking Services & Mobile App etc.

Press Interaction with MD & CEO, IPPB- Shri J Venkatramu, MD & CEO, IPPB interacted with Press (Economic Times & Hindustan) and advised the media about current and future projects. Financial Inclusion with Doorstep Banking Services & WhatsApp Banking initiatives were discussed at length.

4th Anniversary Celebrations of IPPB- IPPB celebrated 4th Anniversary of the National Launch on 1st September 2022 with zeal and fervour across all its offices. A Townhall was organized and MD & CEO, IPPB & Senior Management addressed the staff members on the occasion. The event was live telecasted on IPPB YouTube channel. MD & CEO congratulated the staff members for their relentless efforts towards achieving the business targets last year and taking the Bank to newer heights. He urged the staff members to rise to the occasion and cross 1000 crore revenue this year.

Launch of 'Niveshak Didi' at Jammu & Kashmir- IPPB in association with IEPFA had launched 'Niveshak Didi' on 27th & 28th October 2022 at Jammu & Kashmir, an initiative where female postman having intense social connect will conduct awareness activities on Financial Literacy targeting rural and urban population. The event was graced by Chief Guest Shri Rao Inderjit Singh, Union Minister of State for Ministry of Corporate Affairs & Guest of Honour Dr. Farooq Abdullah, Member of Parliament (Srinagar) and attended by senior officials of IEPFA, Department of Posts, CSC e-governance, Institute of Company Secretaries of India, Kashmir Chamber of Commerce & Central Reserve Police Force & India Post Payments Bank. The launch of Niveshak Didi was marked by holding India's first floating financial literacy camp in the Dal Lake, Srinagar, Jammu and Kashmir.

Participation in Huddle Global 2022- IPPB participated in Huddle Global, a marquee startup conference organized by 'Kerala Startup Mission, Govt. of Kerala', from 15th to 16th December 2022 at Kovalam, Kerala. The event witnessed more than 5000 startups.

Participation in Digital Payments Utsav- IPPB participated in 'Digital Payments Utsav' organised by MeitY in coordination with NPCI in the month of February 2023. Digital Payments Utsav is celebrated every year to mark a milestone in India's digital transformation journey. The event was graced by the presence of Shri Ashwini Vaishnaw, Hon'ble Minister for Electronics & Information Technology, Communications and Railways.

The event was organized to promote series of digital payments nationwide, especially in the cities of Delhi, Bengaluru, Hyderabad, Pune, and Lucknow, as a crucial part of the G20 Digital Economy Working Group (DEWG) event for the period of 9th February 2023 to 9th October 2023.

In addition to this, Digital Sandesh Yatra was flagged off by the Honorable Minister for creating awareness about Digital Payments & Frauds. IPPB participated with a branded vehicle which was run across Delhi.





Key Media Coverage



<https://www.zeebiz.com/india/news-cabinet-decision-rs-820-crore-approved-for-india-post-payments-bank-financial-inclusion-183650>



<https://www.news18.com/news/business/savings-and-investments/govt-mulls-tie-up-between-india-post-payments-bank-and-whatsapp-see-whats-on-cards-5395315.html>

IPPB's collaboration with WhatsApp with the aim of WhatsApp banking.



<https://www.news18.com/news/business/savings-and-investments/keeping-money-in-post-office-know-new-service-fee-by-india-post-payments-bank-5376067.html>

Informing customers how to deposit money with IPPB in detailed steps. Also informing about additional services like Virtual Debit Cards



<https://www.news18.com/news/business/savings-and-investments/keeping-money-in-post-office-know-new-service-fee-by-india-post-payments-bank-5376067.html>

Launch of Fincluvation in the august presence of Hon'ble Cabinet Minister, Shri Ashwin Vaishnav.



<https://www.goodreturns.in/classroom/how-to-book-doorstep-banking-services-online-with-ippb-1244958.html>

Step by Step guide for booking Doorstep Banking services with IPPB.



<https://news18.com/2023/03/15/ippb-through-its-650-branches-provided-services-in-all-districts-through-1-38-lakh-post-offices-access-points-govt-informs-lok-sabha/>



<https://www.gktoday.in/fincluvation-ippbs-new-fin-tech-initiative/>
Explaining the workings of Fincluvation and how one can benefit from it.



<https://www.gktoday.in/financial-support-to-ippb/>



<https://www.gktoday.in/rbhi-ippb-collaboration-for-innovation/>
Collaboration with RBHI and what the joint initiative signifies.



<https://www.gktoday.in/ippb-indias-first-floating-financial-literacy-camp/>
On the launch of Niveshak Didi in Srinagar, J&K.



<https://www.abplive.com/business/india-post-payments-bank-ippb-alert-its-customers-from-cyber-fraud-now-details-2278824>
Precautionary measures for the customers.



<https://www.tv9marathi.com/utility-news/from-lending-to-banking-facilities-now-at-your-doorstep-india-post-payments-bank-has-launched-the-service-but-the-work-needs-to-be-done-au152-897423.html>



<https://indianexpress.com/article/business/india-post-payments-bank-partners-airtel-to-launch-banking-services-on-whatsapp-8531222/>



<https://indianexpress.com/article/business/india-post-payments-bank-partners-airtel-to-launch-banking-services-on-whatsapp-8531222/>



<https://www.fortuneindia.com/enterprise/india-post-payments-bank-rbih-join-hands-for-financial-product-services/110123>

Statutory Reports and Financial Statements

To,
The Members,

Your Directors are pleased to present the Seventh Annual Report of the Company ("IPPB") together with the audited financial statements for the financial year ended 31st March, 2023 together with the report of the Auditors and Review of the Comptroller & Auditor General of India thereon.

FINANCIAL RESULTS

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

(Rs in Crores)

Particulars	FY 2022-23	FY 2021-22
Total Deposits	6292.36	3691.72
Total Assets / Liabilities	7619.87	4501.11
Total Income	766.15	461.20
Total Expenditure	745.99	620.82
Net Profit/Net Loss for the year	20.16	-159.62
Networth	506.11	277.76
Shareholding of Government of India (%)	100.00	100.00
Capital Adequacy Ratio (CRAR) (%)	30.76	40.83
Tier 1 Capital ratio (%)	30.62	40.83
Earnings per Share – Basic / Diluted (in Rs.)	0.13	-1.22

PERFORMANCE HIGHLIGHTS AND OVERVIEW

During the period, the Company has recorded a total income of Rs. 766.15 Crores and total expenditure of Rs. 745.99 Crores. Total Net Profit during the year is Rs. 20.16 Crores. In the previous year Company has incurred a loss of Rs. 159.62 Crores.

PUBLIC DEPOSIT

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



DIVIDEND

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors confirm that:

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

STATUTORY AUDITORS

The Statutory Auditors of your Company, M/s. PK Chopra & Co, Chartered Accountants (FRN – 06747N) were appointed as Statutory Auditors of your Company for the financial year 2022-23 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, 2023. The Auditors Report does not contain any qualification, reservation or adverse remark and the points raised in the Audit report are self-explanatory.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report and addendum report on the Financial Statements of the Company for the financial year ended 31st March, 2023 and the comments of Comptroller & Auditor General of India on Financial Statements for the period ended 31st March, 2023 under

Section 143(6)(b) of the Companies Act, 2013 are enclosed to the Board's Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s VAP & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit along with management reply for the Financial Year ended 31st March, 2023 is annexed to the 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 areas of the Bank.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

QUORUM FOR THE BOARD MEETINGS

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

**BOARD OF DIRECTORS OF THE COMPANY AS ON 31ST MARCH 2023:**

S. No.	Name of the Director	Designation	Period of occupancy with effect
1	Vineet Pandey	Chairman & Director	09/06/2021
2	Pawan Kumar Singh	Nominee Director	15/12/2021
3	J Venkatramu	MD & CEO	29/10/2020
4	Sanjay Prasad	Nominee Director	05/12/2018
5	Dr Jatin Kumar Mohanty	Independent Director	11/09/2022
6	Jayshree Vrajlal Doshi	Independent Director	28/09/2022
7	Kaliannan A.	Independent Director	11/09/2022
8	Veenay Ganoo	Independent Director	11/09/2022
9	Navneet Kakkar	Independent Director	11/09/2022
10	Shrikant Namdeo	Nominee Director	18/01/2023

THE FOLLOWING PERSONS WERE APPOINTED AS DIRECTOR/ KEY MANAGERIAL PERSONNEL (KMP) DURING THE YEAR / FROM THE DATE OF LAST AGM TO TILL DATE UNDER REPORT:

S. No.	Name of the Director	Designation	Period of occupancy with effect
1	Shrikant Namdeo	Nominee Director	18/01/2023

THE FOLLOWING PERSONS CEASED TO BE DIRECTOR/KMP DURING THE YEAR UNDER REPORT / FROM THE DATE OF LAST AGM TO TILL DATE:

S. No.	Name of the Director	Designation	Date of appointment	Date of Resignation
1	Anindita Sinharay	Nominee Director	28/07/2020	15/12/2022

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	J. Venkatramu	MD & CEO	29/10/2020
2	Anoop E. S.	Chief Financial Officer	01/04/2022
3	Priyanka Bhatnagar	Company Secretary	16/01/2017

BOARD MEETINGS

During the year 2022-23 the Board of Directors of the Company met eight (08) times on:

47st Board Meeting 18 th April, 2022	48th Board Meeting 30 th June, 2022	49th Board Meeting 29 th September, 2022	50th Board Meeting 12 th November, 2022
51st Board Meeting 26 th November, 2022	52nd Board Meeting 07 th December, 2022	53rd Board Meeting 13 th December, 2022	54th Board Meeting 23 rd February, 2023

Director's Attendance at the Board Meeting

Name of The Director	Attendance at your Bank's Board Meetings (Total No. of Meetings held-08)
Vineet Pandey	07 out of 08
Sanjay Prasad	03 out of 08
Pawan Kumar Singh	08 out of 08
J Venkatramu	08 out of 08
Anindita Sinharay	01 out of 07
Shrikant Namdeo	01 out of 01
Navneet Kakkar	05 out of 05
Kaliannan A.	05 out of 05
Veenay Ganoo	05 out of 05
Jayshree Vrajlal Doshi	05 out of 05



Dr. Jatin Kumar Mohanty

04 out of 05

COMMITTEES

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

- 1) Audit Committee of the Board (ACB)
- 2) Nomination & Remuneration Committee of the Board
- 3) Risk Management Committee of the Board
- 4) Customer Service Committee of the Board
- 5) HR Steering Committee of the Board (formerly known as Recruitment Advisor Committee)
- 6) IT Strategy Committee of the Board

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in accordance with provisions of Section 177 of the Companies Act, 2013. The Committee has six members with Mr. Navneet Kakkar, Independent Director as Chairman. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Bank and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Bank. During the year 2022-23 Six (06) Audit Committee meetings were held.

26th Audit Committee 29 th June, 2022	27th Audit Committee 19 th September, 2022	28th Audit Committee 12 th November, 2022
29th Audit Committee 06 th January, 2023	30th Audit Committee 22 nd February, 2023	31st Audit Committee 20 th March, 2023

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

1. recommendations for remuneration of Auditors of the Company;
2. review and monitor the Auditor's independence and performance, and effectiveness of the

audit process;

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

VIGIL MECHANISM

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

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

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

Risk Management Committee

The Risk Management Committee of the Company had been constituted on 28th June, 2017. The Committee has six members with Mr. Veenay Ganoo, Independent Director as Chairman. The Company has in place a risk management policy which aims to have balance between risk and return. It entails the identification, measurement and management of risks in the business of the Company. As per the policy monitoring and corrective actions are taken on a continuous basis. The committee has overall responsibility of managing entire risk of the bank, devising suitable risk management policy including market and operational risks, risk integration, implementation of best risk management practices, setting up various risk limits and review of the cyber security of the bank. The Company has duly implemented Risk Management Policy. During the year 2022-23 five (05) Risk Management Committee meetings were held.



12 th RMC 13 th May, 2022	13 th RMC 23 rd June, 2022	14 th RMC 19 th September, 2022	15 th RMC 5 th January, 2023	16 th RMC 22 nd March, 2023
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Nomination & Remuneration Committee

The Nomination Remuneration Committee of the Company had been constituted on 28th June, 2017 in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has five members with Ms. Jayshree Vrajilal Doshi, Independent Director as Chairman. The Committee is constituted for undertaking due diligence to determine the "Fit and Proper Criteria" status of the persons to be elected as Directors under clause (j) of sub section 3 of Section 9 of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Further, Govt. of India wide notification dated 30.08.2019 directed to constitute a single Nomination and Remuneration Committee for carrying out the functions of both Nomination and Remuneration Committee with the composition as specified by RBI Master Direction dated 02.08.2019. During the year 2022-23 two (02) committee meeting was held.

04 th NRC 29 th September, 2022	05 th NRC 21 st March, 2023
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Customer Service Committee

The Customer Service Committee of the Company had been constituted on 28th June, 2017 to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee has five members with Dr. Jatin Kumar Mohanty, Independent Director as Chairman and Lead Customer Service Officer as a special Invitee. During the year 2022-23 two (02) committee meetings was held.

08 th Customer Service Committee 29 th September, 2022	09 th Customer Service Committee 22 nd March, 2023
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HR Steering Committee (Formerly known as - Recruitment Advisory Committee)

The HR Steering Committee of the Company had been constituted on 01st December, 2017. The Committee has three members with Ms. Jayshree Vrajilal Doshi, Independent Director as Chairman and Chief Human Resource Officer as a special Invitee. During the year 2022-23 three (03) HR Steering Committee meetings were held.

18 th HRSC 19 th September, 2022	19 th HRSC 07 th January, 2023	20 th HRSC 21 st March, 2023
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IT Steering Committee

The IT Steering Committee of the Board had been constituted on 05th December, 2018. The Committee has six members with Mr. Kaliannan A. Independent Director as Chairman. CTO is the permanent invitee to the committee. The Broad functions of the IT Steering Committee of the Board are to:

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

During the year 2022-23, five (05) IT Steering Committee meetings were held.

12 th ITSC 23 rd June, 2022	13 th ITSC 13 th December, 2022	14 th ITSC 06 th January, 2023
15 th ITSC 23 rd February, 2023	16 th ITSC 21 st March, 2023	

INDEPENDENT DIRECTORS DECLARATION

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



INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 REGARDING EMPLOYEES REMUNERATION

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

STATEMENT UNDER SECTION 134(3)(p) OF THE COMPANIES ACT, 2013 REGARDING FORMAL ANNUAL EVALUATION MADE BY BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

RELATED PARTY TRANSACTIONS

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

HOLDING & SUBSIDIARY COMPANY

There is no Holding or Subsidiary Company.

CHANGES IN AUTHORIZED AND PAID SHARE CAPITAL OF THE COMPANY

(I) AUTHORIZED CAPITAL : 1,85,50,00,000 Equity Shares of Rs. 10/-each.

(II) PAID UP CAPITAL : 1,65,50,00,000 Equity Shares of Rs.10/- each.

RIGHT ISSUE OF EQUITY SHARES

The Company has made right issue of **20,00,00,000** Equity Shares to President of India through Secretary Department of Posts, existing equity shareholder in proportion of existing shareholding of the Shareholders.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

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

RIGHT TO INFORMATION ACT, 2005

Your Company has set up an elaborate mechanism throughout the Organization to deal with the requests received under the Right securing access to information and filing of first appeals under the Act. Proactive disclosures have been made on IPPB's website in line 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's website is available both in English and Hindi.

INFORMATION UNDER SECTION 134(3)(q) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(5)(viii) OF COMPANIES (ACCOUNTS) RULES, 2014 REGARDING ADEQUACY OF INTERNAL FINANCIAL CONTROLS.

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

STATUTORY DISCLOSURE BY DIRECTORS:

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



INDUSTRIAL RELATIONS

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a healthy environment and thus does not tolerate any discrimination and/ or harassment in any form. The Company has adopted an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2022-23, 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.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT

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

SECRETARIAL STANDARDS

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

DISCLOSURE ABOUT COST AUDIT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

Annexure - A

ACKNOWLEDGEMENT

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

For and on behalf of Board of Directors

Vineet Pandey
Chairman
Din-09199133
B2 Tower 5,
New Moti Bagh,
New Delhi

V. Easwaran
MD & CEO
Din-08055728
B 101, Polaris Galaxy,
LBS Marg, Mulund(West)
Mumbai-400080

Place: Delhi

Date: 01/12/2023



Annexure - A

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

(A) Conservation of energy:

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

(B) Technology absorption:

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

(C) Foreign exchange earnings and Outgo:

Foreign Exchange used: Rs. Nil

Foreign Exchange earned: Rs. Nil

INDEPENDENT AUDITOR'S REPORT OF INDIA POST PAYMENTS BANK LIMITED

TO THE PRESIDENT OF INDIA

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of India Post Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('Act') in the manner so required for banking companies and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



We have determined the matters described below to be the key audit matters to be communicated in our report.

- (a) Our audit approach consisted testing of the operating effectiveness of the Internal controls and the substantive testing for determining the accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances are as follows:
 - (i) Selected a Sample of revenue items and tested the operating effectiveness of the internal controls and the inbuilt system controls relating to identification of the revenue items and treatment of the same in the books of accounts. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.
 - (ii) Tested the relevant information technology systems' access and change management controls relating to revenue and related information used in recording and disclosing revenues.
 - (iii) Where we identified the need to perform additional independent procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.
- (b) In our assessment there is a potential business risk due to inactive and dormant accounts standing as on 31-3-2023.
- (c) As per explanation and information provided by the Treasury department dealing on Investment, the product Finacle system of accounting is in operation and features of Finacle captures the events of the Investment portfolio and the audit trail is being maintained. In our view, IPPB has to ensure and fulfil the requirement of Audit trail feature in the Accounting software in operation in other departments, wherever applicable, as per Notification of MCA Dated 24th March 2021 and subsequent notification dated April 1, 2022, has made it mandatory for every company to fulfill the requirement of an audit trail feature in their accounting software from 1st April, 2023.
- (d) Internal controls are generally commensurate with the size of the company and the nature of business. However, in the certain areas of transactions with the Branches in relation to collection from the customers and deposit the same with DOP, needs strengthening monitoring and timely reconciliation as a continuous Process.

Emphasis of Matter

We draw attention to the following

4. Note No. 13 of Schedule 18 Related Party Disclosures are derived from government approved arrangements through MOU between DOP and IPPB. IPPB was not reporting its transactions with DOP as related party transactions as per exemption provided to state controlled enterprises interest as per para 9 and para 10.13 of AS 18. IPPB was reporting transactions with its Directors and Key Managerial Personnel as related party transactions in the financial statements.
5. Note No.36 in the Schedule No.18 “SI Cost” of accompanying standalone financial statements regarding treatment of implementation of its dedicated and customised technology platform.

Our opinion is not modified in respect of these matters.

Other Information

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

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

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

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

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

- (a) The Bank’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of



India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- (b) In preparing the 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.
- (c) Those Board of Directors is also responsible for overseeing the Banks's financial reporting process.

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

- (a) Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
- (b) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (c) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- (d) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- (e) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (f) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act read with rule 7 of the Companies (Rules), 2014 (as amended).
- (g) 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;



- c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
- (h) With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
- (i) As required by Section 143(5) of the Act, we have considered the direction and sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached "Annexure A".
- (j) Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Bank as on 31 March 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated June 23, 2023 as per "Annexure B" expressed unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Bank has disclosed the impact of pending litigations (Nil) on its financial position as at 31 March 2023;
 - ii. the Bank has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts (Nil); and

- iii. There has been no delay in transferring amounts, required to be transferred (Nil), to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement
- (v) The Bank has not declared or paid Dividend during the year accordingly the compliance with section 123 of the Companies Act, 2013 is not applicable on Bank for the year under Audit.
- (vi) The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention

For **PK Chopra & Co**
Chartered Accountants
 Firm's Registration No.: 06747N

K. S. Ponnuswami
Partner
 Membership No.: 070276
 UDIN No.: 23070276BHAMZJ5285

Place: New Delhi
 Date : June 23, 2023



Annexure - A

The Annexure referred to in Independent Auditor's Report to the members of the Bank on the standalone financial statement for the year ended 31 March 2023.

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of India Post Payments Bank Limited for the year ended 31 March 2023 in accordance with the Directions/Sub-Directives 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/sub-directives issued to us.

For **PK Chopra & Co**
Chartered Accountants
Firm's Registration No.: 06747N

K. S. Ponnuswami
Partner
Membership No.: 070276
UDIN No.: 23070276BHAMZJ5285

Place: New Delhi
Date : June 23, 2023

**AUDIT REPORT OF INDIA POST PAYMENTS BANK LIMITED
FOR THE YEAR 2022-2023 PURSUANT TO DIRECTIONS UNDER SECTION 143(5)
OF THE COMPANIES ACT, 2013**

Directions for the year 2022-23

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

Yes, The Bank has system in place to process all the accounting transactions through IT system

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

Since it is a payment bank therefore it is not permitted to make any advances and hence there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc. made by a lender to the company due to the company's inability to repay the loan.

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

The funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions.

For **PK Chopra & Co**
Chartered Accountants
Firm's Registration No.: 06747N

K. S. Ponnuswami
Partner
Membership No.: 070276
UDIN No.: 23070276BHAMZJ5285

Place: New Delhi
Date : June 23, 2023



Annexure - B

The Annexure referred to the Independent Auditor's Report of even date to the members of India Post Payments Bank Limited on the standalone financial statements for the year ended 31 March 2023

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

1. In conjunction with our audit of the standalone financial statements of India Post Payments Bank Limited ('the Bank') as at and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Bank as at that date.

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

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Bank's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Bank's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2023, based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PK Chopra & Co**

Chartered Accountants

Firm's Registration No.: 06747N

K. S. Ponnuswami

Partner

Membership No.: 070276

UDIN No.: 23070276BHAMZJ5285

Place: New Delhi

Date : June 23, 2023

INDIA POST PAYMENTS BANK LIMITED

BALANCE SHEET AS AT 31ST MARCH 2023

(₹ in 000's)

Particulars	Schedule	As at 31.03.2023	As at 31.03.2022
CAPITAL & LIABILITIES			
Capital	1	16550000	14550000
Share Application Money		2000000	-
Reserves & Surplus	2	-9620234	-9819377
Deposits	3	62923585	36917218
Borrowings	4	-	-
Other Liabilities and Provisions	5	4345365	3363240
TOTAL		76198716	45011081
ASSETS			
Cash and Balances with Reserve Bank of India	6	6262034	2672807
Balances with Banks & Money at call & short notice	7	19009366	9730653
Investments	8	45991846	29008863
Advances	9	98	15620
Fixed Assets	10	596447	788712
Other Assets	11	4338925	2794426
TOTAL		76198716	45011081
Contingent Liabilities	12	2500	2500
Bills for Collection		-	-

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(J. Venkataramu)
MD & CEO
(DIN - 08918442)

Sd/-
(Anoop E. S)
Chief Financial Officer

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

Sd/-
(Vineet Pandey)
Chairman
(DIN - 09199133)

As per our report of even date
For P. K. Chopra & Co
Chartered Accountants - FRN No. - 006747N

Sd/-
(Ponnuswami K. S)
Partner
Membership No. - 070276

Place: New Delhi
Date: 23.06.2023



INDIA POST PAYMENTS BANK LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in 000's)

Particulars	Schedule	Year ended 31.03.2023	Year ended 31.03.2022
I. INCOME			
Interest earned	13	2790522	1284559
Other Income	14	4870980	3327482
TOTAL		7661502	4612041
II. EXPENDITURE			
Interest expended	15	940216	711243
Operating expenses	16	6461410	5595450
Provisions and Contingencies		58267	-98479
TOTAL		7459893	6208214
Extraordinary Items		-	-
Prior Period Expenditure			
Net Profit/Net Loss for the year		201609	-1596173
Balance in Profit & Loss Account (Brought Forward)		-9827397	-8228758
Profit available for Appropriation		-9625788	-9824931
APPROPRIATIONS			
Transfer to Reserves (Net):			
Statutory Reserve		50402	-
Grant Account - Capital Reserve		-	2466
Investment Fluctuation Reserve		23483	-
Other Reserve		-	-
Special Reserve		-	-
Balance carried over to Balance Sheet		-9699673	-9827397
TOTAL		-9625788	-9824931

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Anoop E. S)
Chief Financial Officer

Sd/-
(J. Venkataramu)
MD & CEO
(DIN - 08918442)

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

Sd/-
(Vineet Pandey)
Chairman
(DIN - 09199133)

As per our report of even date
For **P. K. Chopra & Co**
Chartered Accountants - FRN No. - 006747N

Sd/-
(Ponnuswami K. S)
Partner
Membership No. - 070276

Place: New Delhi
Date: 23.06.2023

Cash Flow Statement

(₹ in 000's)

Particulars		(2022-23)	(2021-22)
A. Cash Flow from Operations			
i) Net Profit After Tax		201609	-1596173
Add: Provision for Tax (including deferred Tax)		58267	-98479
Profit before Tax	i)	259876	-1694652
ii) Adjustments:			
Depreciation on Fixed Assets		274665	806129
Incorporation Expenses Written Off		-	-
Prior Period Item Written Off		-	-
Less: Net Amount Utilized from Grants		2466	119348
Total Adjustments	ii)	272199	686781
Operating profit before changes in Operating Assets & Liabilities	(i)+(ii)	532075	-1007871
iii) Adjustments for net change in Operating Assets & Liabilities			
Decrease/ (Increase) in Investments (Net)		-16982983	-9917965
Decrease/ (Increase) in Other Assets (Net)		-1602766	104446
Decrease/ (Increase) in Advances		15522	-15620
(Decrease)/ Increase in Deposits (Net)		26006367	13920367
(Decrease)/ Increase in Borrowings (Net)		-	-169964
(Decrease)/ Increase in Other Liabilities (Net)		982125	358803
Total adjustment for net change in Operating Assets & Liabilities	(iii)	8418265	4280068
Cash Flow used from Operations (i)+(ii)+(iii)		8950340	3272197
Tax Paid		-	-
Net Cash Flow used from Operations	A	8950340	3272197
B. Cash Flow used in Investing Activities			
Purchase of Fixed Assets		-82400	-17408
Net Cash Flow used in Investing Activities	B	-82400	-17408
C. Cash Flow generated from Financing Activities			
Issue of Share Capital		2000000	2000000
Receipt of Share Application Money		2000000	-
Net Cash Generated from Financing Activities	C	4000000	2000000
Net Changes in Cash & Cash Equivalent (A)+(B)+(C)	D	12867940	5254788



Cash and Cash Equivalent at the beginning of the year				
Cash and Balance with RBI	2672807		854128	
Balance with Banks & Money at Call & Short Notice	9730653		6294544	
		12403460		7148672
Cash and Cash Equivalent at the end of the year				
Cash and Balance with RBI	6262034		2672807	
Balance with Banks & Money at Call & Short Notice	19009366		9730653	
		25271400		12403460
		12867940		5254788

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(J. Venkataramu)
MD & CEO
(DIN - 08918442)

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Chief Financial Officer

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(Pawan Kumar Singh)
Director
(DIN - 09434830)

Sd/-
(Vineet Pandey)
Chairman
(DIN - 09199133)

As per our report of even date
For **P. K. Chopra & Co**
Chartered Accountants - FRN No. - 006747N

Sd/-
(Ponnuswami K. S)
Partner
Membership No. - 070276

Place: New Delhi
Date: 23.06.2023

SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

SCHEDULE 1 - CAPITAL

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised Capital		
185,50,00,000 Equity Shares of Rs. 10 each	18550000	18550000
Issued & Subscribed		
165,50,00,000 Equity Shares of Rs. 10 each (Previous Year 145,50,00,000 Equity Shares of Rs. 10 each)	16550000	14550000
Paid up Capital		
165,50,00,000 Equity Shares of Rs. 10 each (Previous Year 145,50,00,000 Equity Shares of Rs. 10 each)	16550000	14550000
TOTAL	16550000	14550000

SCHEDULE 2 - RESERVES & SURPLUS

(₹ in 000's)

Particulars	As at 31.03.2023	As at 31.03.2022
I. Statutory Reserve		
Opening Balance	5554	5554
Addition during the year	50402	-
Deduction during the year	-	-
	55956	5554
II. Capital Reserve		
a) Revaluation Reserve		
Opening Balance	-	-
Addition during the year	-	-
Deduction during the year	-	-
b) Others (Grant A/c)		
Opening Balance	2466	119348
Addition during the year	-	2466
Deduction (Utilised) during the year	2466	119348
	-	2466



(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
III. Revenue and Other Reserve				
a. Investment Fluctuation Reserve				
Opening Balance	-		-	
Addition during the year	23483		-	
Less: Trf to P&L Account	-		-	
		23483		-
b. Other Reserve				
Opening Balance	-		-	
Addition during the Year	-		-	
		-		-
c. Exchange Fluctuation Reserve				
Opening Balance	-		-	
Add: Addition during the year (Net)	-		-	
Less: Withdrawn during the year (Net)	-		-	
		-		-
IV. Share Premium				
Opening Balance	-		-	
Addition during the Year	-		-	
		-		-
V. Special Reserve				
Opening Balance	-		-	
Addition during the Year	-		-	
Deduction during the Year	-		-	
		-		-
VI. Balance in Profit & Loss Account		-9699673		-9827397
TOTAL I, II, III, IV, V & VI		-9620234		-9819377

SCHEDULE 3 - DEPOSITS

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
A. I DEMAND DEPOSITS				
(i) From Banks	-		-	
(ii) From Others	209974		218331	
		209974		218331
II SAVINGS BANK DEPOSITS		62713611		36698887
III TERM DEPOSITS				
(i) From Banks	-		-	
(ii) From Others	-		-	
		-		-
TOTAL of I, II, III		62923585		36917218
B. (i) Deposits of branches In India		62923585		36917218
(ii) Deposits of branches outside India		-		-
TOTAL OF i, ii		62923585		36917218

SCHEDULE 4 - BORROWINGS

Particulars	As at 31.03.2023	As at 31.03.2022
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	-	-
II. Borrowings Outside India	-	-
TOTAL OF I, II	-	-
Secured Borrowings included in I & II above	-	-



SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

Particulars	As at 31.03.2023	As at 31.03.2022
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	-	-
IV. Others (including Provisions)	4345365	3363240
TOTAL OF I, II, III & IV	4345365	3363240

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
I. Cash in hand (including Foreign Currency Notes)		-		-
II. Balance with Reserve Bank of India				
(i) in Current account	2972034		1742807	
(ii) in Other Accounts	3290000		930000	
		6262034		2672807
TOTAL OF I, II		6262034		2672807

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

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
I. In India				
(i) Balance with Banks:				
(a) In Current accounts	18047		15653	
(b) In Other Deposit accounts	16393500		9715000	
		16411547		9730653
(ii) Money at Call and Short Notice:				
(a) with Banks	-		-	
(b) with Other Institutions	2597819		-	
		2597819		-
TOTAL (i & ii)		19009366		9730653
II. Outside India				
(i) In Current accounts	-		-	
(ii) In Other Deposit accounts	-		-	
(iii) Money at Call & Short Notice	-		-	
TOTAL (i, ii & iii)		-		-
GRAND TOTAL (I & II)		19009366		9730653

SCHEDULE 8 - INVESTMENTS

Particulars	As at 31.03.2023	As at 31.03.2022
I. Investments in India in		
(i) Government Securities	45991846	29001161
(ii) Other approved securities	-	-
(iii) Shares	-	7702
(iv) Debentures and Bonds	-	-
(v) Investment in Subsidiaries/ Joint Ventures	-	-
(vi) Others (Mutual Funds & Commercial Paper etc.)	-	-
TOTAL OF I	45991846	29008863
II. Investments outside India		
(i) Government Securities (including local authorities)	-	-
(ii) Investment in Subsidiaries/ Joint Ventures abroad	-	-
(iii) Other investments	-	-
TOTAL OF II	-	-
GRAND TOTAL OF (I), (II)	45991846	29008863



SCHEDULE 9 - ADVANCES

Particulars	As at 31.03.2023	As at 31.03.2022
A. i) Bills Purchased and discounted	-	-
ii) Cash Credits, overdrafts and loans repayable on demand	-	-
iii) Term Loans (Staff)	98	15620
Total	98	15,620
B. i) Secured by Tangible Assets (including advances against book debts)	-	-
ii) Covered by Bank/Govt. Guarantees	-	-
iii) Unsecured	98	15620
Total	98	15620
C. (I) Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	98	15620
Total	98	15620
(II) Advances outside India		
i) Due from banks	-	-
ii) Due from others		
(a) Bills purchased & discounted	-	-
(b) Term Loans	-	-
(c) Others	-	-
Total	-	-
GRAND TOTAL OF C (I) & C (II)	98	15620

SCHEDULE 10 - FIXED ASSETS

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
I. Premises (including Land)				
- At cost as on 31 st March of the preceeding year	-		-	
- Additions during the year	-		-	
Less: Deductions during the year	-		-	
Less: Depreciation to date	-		-	
		-		-
II. Other Fixed Assets (including furniture & fixtures)				
- At cost as on 31 st March of the preceeding year	1440292		1424242	
- Additions during the year	76107		17463	
Less: Deductions during the year	35017		1413	
Less: Depreciation to date	921780		735566	
		559602		704726
III. Computer Software				
- At cost as on 31 st March of the preceeding year	1778781		1778733	
- Additions during the year	6318		48	
Less: Deductions during the year	-		-	
Less: Depreciation to date	1748254		1694795	
		36845		83986
TOTAL OF I, II & III		596447		788712

SCHEDULE 11 - OTHER ASSETS

(₹ in 000's)

Particulars	As at 31.03.2023	As at 31.03.2022
I. Inter-office adjustments (net)	-	-
II. Interest accrued	341840	219951
III. Tax paid in advance/tax deducted at source (net of provisions)	41180	11109
IV. Stationery and Stamps	-	-
V. Non Banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax asset (net)	1808332	1866599
VII. Security Deposits	52466	41079
VIII. DOP Capital Commitment	39133	5777
IX. Receivable from DoP under IT 2.0	1081290	-
X. Receivable from Vendors & NPCI	6001	2230
XI. Others	968683	647681
TOTAL OF I, II, III, IV, V, VI, VII, VIII, IX, X & XI	4338925	2794426



SCHEDULE 12 - CONTINGENT LIABILITIES

Particulars	As at 31.03.2023	As at 31.03.2022
I. Claims against the Bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, Endorsements and Other obligations	-	-
VI. Other items for which the Bank is contingently liable	2500	2500
TOTAL OF I, II, III, IV, V, VI	2500	2500

SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED

Particulars	As at 31.03.2023	As at 31.03.2022
I. Interest/discount on Advances/Bills	454	335
II. Income on Investments	2063269	876000
III. Interest on balances with Reserve Bank of India & other inter-bank funds	726356	405902
IV. Others	443	2322
TOTAL OF I, II, III, IV	2790522	1284559

SCHEDULE 14 - OTHER INCOME

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
I. Commission, Exchange & Brokerage		4788673		3304665
II. Profit on sale of Investments	23525		10253	
Less: Loss on sale of Investments	42		1294	
		23483		8959
III. Profit on Revaluation of Investments	-		1968	
Less: Loss on Revaluation of Investments	-		-	
		-		1968
IV. Profit on sale of land, buildings and other assets	8399		-	
Less: Loss on sale of land, buildings and other assets	3		-	
		8396		-
V. Profit on Exchange Transaction	-		-	
Less: Loss on Exchange Transaction	-		-	
		-		-
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India		-		-
VII. Recruitment Income		3944		567
VIII. Recovery from employees on Separation		6842		10373
IX. Miscellaneous Income		39642		950
TOTAL OF I, II, III, IV, V, VI, VII, VIII & IX		4870980		3327482

SCHEDULE 15 - INTEREST EXPENDED

(₹ in 000's)

Particulars	As at 31.03.2023		As at 31.03.2022	
I. Interest on Deposits		934406		710192
II. Interest on Reserve Bank of India/ inter-bank borrowings		5810		1051
III. Others		-		-
TOTAL OF I, II, III		940216		711243



SCHEDULE 16 - OPERATING EXPENSES

Particulars	As at 31.03.2023	As at 31.03.2022
I. Payment to and provisions for employees	2728429	2963483
II. Rent, Taxes and Lighting	6588	4370
III. Printing & Stationery	31761	9412
IV. Advertisement & Publicity	32183	3572
V. Depreciation on Fixed Assets	274665	806129
VI. Directors' Fees, allowances and expenses	3842	320
VII. Auditors' fees and expenses	1266	1424
VIII. Law charges	115	309
IX. Postage, Telegrams, Telephones, etc.	520660	329310
X. Repairs & Maintenance	26516	6705
XI. Insurance	90538	63309
XII. Professional Fee	34021	14030
XIII. GST Expenses	130303	119095
XIV. SI Cost	363740	226275
XV. Recruitment Expenditure	4257	1617
XVI. Training Expenditure	9313	24388
XVII. Outsourcing Expenses	116167	96551
XVIII. Travelling and Conveyance	75516	19712
XIX. Commission paid to DoP/ Incentive to BC	1157394	514336
XX. Transactional Charges Paid	804226	361911
XXI. Other expenditure	49910	29192
TOTAL OF I to XXI	6461410	5595450

SCHEDULE - 17

SIGNIFICANT ACCOUNTING POLICIES

1. Background and nature of operations

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

The Bank was incorporated on 17th August 2016 under Companies Act 2013. The bank received Payment Bank license as required under Section 22(1) of Banking Regulation Act, 1949 on 20th January 2017. IPPB was launched as a pilot project on 30 January 2017 at Ranchi (Jharkhand) and Raipur (Chhattisgarh). IPPB has expanded its strength across India covering post offices, through a network of 650 IPPB branches/controlling offices.

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

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

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

The Financial Statement is presented in Indian Rupees in thousands ('in Rs. 000')

2. Basis of Preparation:

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



3. Use of Estimates

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

Any revision to the accounting estimates is recognised prospectively in the current and future periods unless otherwise stated.

4. Revenue Recognition

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

4.2 Commission income & Service charge is recognised on completion of provision of services. Revenue is recognised when reasonable right of recovery is established and when no significant uncertainty exists regarding realisation of consideration.

4.3 All other income is accounted on realisation basis

4.4 Interest and operating expenses are accounted on accrual basis.

5. Investments

5.1 Classification

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

5.2 Basis of Classification

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

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

5.3 Acquisition Cost

a. Brokerage, commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of securities are treated as revenue expenses upfront and are recognised in the Profit and loss account and excluded from cost.

- b. The broken period interest paid to the seller not been capitalised as part of cost and treated as an item of expenditure under Profit & Loss account in respect of investment in government securities and approved securities.
- c. Cost is determined on the weighted average cost method for all categories of investment.

5.4 Valuation

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

Treasury Bill being discounted instrument are valued at carrying cost.

Investments classified under HTM category are carried at their acquisition cost and is not marked to market.

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

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

REPO and REVERSE REPO transactions

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

5.5 Disposal of Investment

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

6. Fixed Assets

- 6.1 Fixed assets are stated at historical cost less accumulated depreciation/amortisation, wherever applicable.
- 6.2 Software is capitalized and clubbed under Intangible assets (Computer Software) in Fixed Assets schedule.
- 6.3 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset till the time of capitalization. Subsequent expenditure/s incurred on the assets are capitalised only when it increases the future benefits from such assets or their functioning capability.



6.4 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 is followed by IPPB

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

- B. Depreciation is being charged over the estimated useful life of the asset on a straight-line basis.
- C. In case of acquisition or disposal of assets, depreciation is charged proportionately based on the number of days the asset has been used during the year.
- D. Assets costing up to Rs.5,000/- is fully depreciated in the year of purchase.
- E. Fixed Assets purchased out of Grant-in-Aid is maintained in the Fixed Assets Register keeping a nominal value of Re.1 for identification.
- F. In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised assets values.

7. Employee Benefits

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

Terminal Benefits

- i) Provident Fund: All eligible employees who joined up to 30.09.2018 are covered under the Employees Provident Fund.

- ii) New Pension Scheme (NPS): All eligible employees who joined on or after 01.10.2018 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes 10% of the Basic Pay plus Dearness Allowance which is increased to 14% w.e f 11.11.2020. The expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.
- iii) Gratuity: The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on resignation or on cessation of employment, for an amount equivalent to 15 days' basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act 1972. Vesting occurs upon completion of five years of service.

8. Taxes on Income

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

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

9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent Assets are not recognised in the financial statements.



10. Accounting for Government Grants

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

11. Impairment of Assets

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

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

SCHEDULE - 18

NOTES TO ACCOUNTS

1. Regulatory Capital

a. Composition of Regulatory Capital

(₹ in 000's)

S. No.	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier I Capital*	5061106	2777572
ii.	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii.	Tier 1 capital (i + ii)	5061106	2777572
iv.	Tier 2 capital	23483	-
v.	Total capital (Tier 1+Tier 2)	5084589	2777572
vi.	Total Risk Weighted Assets (RWAs)	16530195	6802951
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	30.62	40.83
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	30.62	40.83
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.14	-
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	30.76	40.83
xi.	Leverage Ratio	13.29	14.50
xii.	Percentage of the shareholding of the Government of India in the Bank	100.00%	100.00%
xiii.	Amount of equity capital raised during the year	2000000	2000000
xiv.	Amount of Additional Tier 1 Capital raised, of which:	Nil	Nil
	Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	Perpetual Debt Instrument (PDI)		
xv.	Amount of Tier 2 capital raised, of which:	Nil	Nil
	Debt Capital Instruments:		
	Preference Share Capital Instruments: (Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS))	Nil	Nil

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



b. Drawdown from Reserves

The Grant received in FY 2016-17 and FY 2017-18 was treated as shareholders fund and was credited to capital reserves. Bank had utilised the entire amount of Grant by FY 2021-22. The Grant is utilised as follows;

(₹ in 000's)

S. No.	Net Usage of Grants	FY 2022-23	FY 2021-22
1.	Provision of ATMs/Micro ATMs/ PoS	Nil	Nil
2.	Emerging technologies to provide cash out facilities, Catering to capacity building of village post offices, Strengthening cash Management Systems at village post offices and Financial Literacy	Nil	104984
3.	Technology Cost	Nil	Nil
	Total	Nil	104984

c. Appropriation to Reserves

- **Statutory Reserve** – As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty-five per cent of such profit. Accordingly, Bank has transferred an amount of Rs. 5.04 crore from current year Net profit (Previous Year: Not Applicable).
- **Investment Fluctuation Reserve (IFR)** – Reserve Bank of India vide circular DBR. No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 advised banks to create an Investment Fluctuation Reserve (IFR) with effect from FY 2018-19. Accordingly, an amount not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. During the year ended March 31, 2023, Bank has transferred an amount of Rs.2.35 crore to IFR (Previous Year: Not Applicable). IFR as on March 31, 2023 constitutes 0.05% (Previous Year: Nil) of closing balance of investments under AFS and HFT category.

2. Investments

a) Composition of Investment Portfolio

As at 31st March 2023

(₹ in 000's)

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



As at 31st March 2022

(₹ in 000's)

Particulars	Investments in India							Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India		
Held to Maturity													
Gross	102914	0	0	0	0	0	102914	0	0	0	0	102914	
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0	
Net	102914	0	0	0	0	0	102914	0	0	0	0	102914	
Available for Sale													
Gross	28898247	0	7702	0	0	0	28905949	0	0	0	0	28905949	
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0	
Net	28898247	0	7702	0	0	0	28905949	0	0	0	0	28905949	
Held for Trading													
Gross	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0	
Net	0	0	0	0	0	0	0	0	0	0	0	0	
Total Investments	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Provision for non-performing investments	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0	
Net	29001161	0	7702	0	0	0	29008863	0	0	0	0	29008863	

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in 000's)

Sl. No.	Particulars	Current Year	Previous Year
i)	Movement of Provisions held towards depreciation on investments		
a.	Opening Balance	-	1968
b.	Add: Provision made during the year	-	-
c.	Less: Write Off/Write-back of excess provisions during the year	-	1968
d.	Closing Balance	-	-
ii)	Movement of Investment Fluctuation Reserve		
a.	Opening Balance	-	-
b.	Add: Amount transferred during the year	23483	-
c.	Less: Draw down	-	-
d.	Closing Balance	23483	-
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / Current category	0.05%	-

c) Sale and transfers to/from HTM category

During the year ended 31st March 2023, there was no transfer of investments to/from HTM category and there was no sale of Investments from HTM category. (No transfer of investments to/from HTM category and no sale of Investments from HTM category during the year ended 31st March 2022).

d) Non-SLR Investment Portfolio
i) Non-performing Non-SLR Investments

The Bank is not holding any Non-Performing Non-SLR Investments as on 31st March 2023 and as such, nothing is to be reported under this segment. (The Bank did not hold any Non-Performing Non SLR Investments as on 31st March 2022).



ii) Issuer composition of Non SLR Investments

(₹ in 000's)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	2	3	4	5	6	7
(i)	PSUs	Nil	Nil	Nil	Nil	Nil
(ii)	Fls	Nil	Nil	Nil	Nil	Nil
(iii)	Banks	Nil	Nil	Nil	Nil	Nil
(iv)	Private Corporates	Nil	Nil	Nil	Nil	Nil
		7702	7702			7702
(v)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others	Nil	Nil	Nil	Nil	Nil
(vii)	Provision held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil
		7702	7702			7702

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

e) Repo Transactions (in face value terms)

FY 2022-23

(₹ in 000's)

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

FY 2021-22

(₹ in 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	592827	32944	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	3587820	639871	845270
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

3. Derivatives

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

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

4. Asset Quality

- Classification of advances and provisions held.
- Sector wise Advances and Gross NPAs
- Overseas assets, NPAs and revenue
- Particulars of resolution plan and restructuring
- Divergence in asset classification and provisioning



- f) Disclosure of transfer of loan exposures
- g) Fraud accounts
- h) Disclosure under Resolution Framework for COVID-19 related Stress

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

5. Exposures

The following details are required under Exposure Disclosure

- a) Exposure to real estate sector
- b) Exposure to capital market
- c) Risk category-wise country exposure
- d) Unsecured advances
- e) Factoring exposures
- f) Intra-group exposures
- g) Unhedged foreign currency exposure

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

6. Disclosure of penalties imposed by RBI

RBI has not imposed any penalty on the Bank during the year ended 31st March, 2023. (RBI had not imposed any penalty on the Bank during the year ended 31st March 2022).

7. Depreciation on Fixed Assets

Break up of Total Depreciation for each class of the assets

(₹ in 000's)

Class of Assets	31.03.2023	31.03.2022
Computer Software	53459	582181
Other Fixed Assets	221206	223948
Total	274665	806129

8. Asset Liability Management

a. Maturity pattern of certain items of Assets and Liabilities

(₹ in 000's)

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Next Day	913757	NIL	NIL	NIL	4110	4110
	493895				3791	3791
2-7 days	2558134	NIL	NIL	NIL	NIL	NIL
	1188540					
8-14 days	2840073	NIL	1547079	NIL	NIL	NIL
	1199436		NIL			
15-30 days	3154732	80	1095596	NIL	NIL	NIL
	1115002	2757	598874			
31 days to 2 months	603065	18	3822346	NIL	NIL	NIL
	NIL	2757	NIL			
Over 2 months to 3 months	709763	NIL	8695600	NIL	NIL	NIL
	NIL	2757	4681253			
Over 3 months to 6 months	4115	NIL	13098223	NIL	NIL	NIL
	NIL	6671	8722392			
Over 6 months to 1 Year	NIL	NIL	17631052	NIL	NIL	NIL
		678	14895727			
Over 1 Year to 3 Years	52139945	NIL	101950	NIL	NIL	NIL
	32920345		NIL			
Over 3 Years to 5 Years	NIL	NIL	NIL	NIL	NIL	NIL
			102914			
Over 5 Years	NIL	NIL	NIL	NIL	NIL	NIL
			7702			
Total	62923585	98	45991846	NIL	4110	4110
	36917218	15620	29008862		3791	3791

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

Note:

- Deposits: In line with the RBI guidelines on Asset Liability Management, the withdrawal pattern of the Current / Savings deposit as on 31st March 2023 has been classified in the appropriate buckets on the basis of behavioural study approved by the Board of the Bank.
- Investments / Advances / Borrowings: These are bucketed as per the respective residual maturity pattern.

**b. Liquidity Coverage Ratio (LCR)**

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

c. Net Stable Funding Ratio (NSFR)

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

9. Revenue Recognition – Accounting Standard 9

- a) Interest income is recognised on accrual basis. Interest income on discounted instrument is recognised over the tenure of the instrument.
- b) Commission income & Service charge is recognised on completion of provision of services. Revenue is recognised when reasonable right of recovery is established and when no significant uncertainty exists regarding realisation of consideration.
- c) All other income is accounted on realisation basis
- d) Interest and operating expenses are accounted on accrual basis.

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

During FY 2021-22, Bank has entered into agreement with M/s. Ria Financial Services USA under Money Transfer Service Scheme (MTSS). In this connection, Bank had received a collateral deposit of USD 50,018.91/- This amount is kept with State Bank of India and is shown under “Current Deposits with Banks”. The corresponding liability to M/s. Ria Financial Services is shown under “Other Liabilities – Others”. Conversion to INR is made as per FIMMDA guidelines.

The corresponding INR value is as below

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Collateral Deposit from M/s. Ria Financial Services	4110	3791

11. Government Grants Utilization – Accounting Standard 12

The utilisation of the Grant is given below:

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Opening Balance of Grant-in-Aid	-	104984
Add: Received during the year	-	-
Less: Utilised during the year	-	104984
Closing Balance of Grant-in-Aid (A)	-	-

Opening Balance of Interest Accrued on Grant-in-Aid	2466	14364
Add: Interest accrued during the year	-	2466
Less: Interest of previous year remitted to Gol through DoP	2466	14364
Closing Balance of Interest Accrued on Grant-in-Aid (B)	-	2466

Closing Balance as per Schedule 2 of Balance Sheet (A) + (B)	-	2466
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Interest accrued during FY 2021-22 amounting to Rs. 0.25 crore has been transferred to Department of Posts during the current financial year for onward remittance to Consolidated Fund of India.

12. Employee Benefits – Accounting Standard 15

a) Gratuity

During the year, Bank has purchased annuities worth Rs. 4.60 crore from Life Insurance Corporation of India based on actuarial valuation. This amount is debited to Profit and Loss account for the year ended 31st March 2023 (Rs. 11.30 crore during FY 2021-22)

b) Leave Encashment

During the year, Bank has made a provision of Rs. 18.94 crore for encashment of Privilege Leave by employees based on actuarial valuation. This amount is debited to Profit and Loss account for the year ended 31st March 2023. (Rs. 21.36 crore during FY 2021-22)

13. Related Party Disclosures – Accounting Standard 18

Remuneration paid to Key Management Personnel

(₹ in 000's)

Particulars	FY 2022-23	FY 2021-22
Remuneration paid to Directors	1070	320
Remuneration paid to MD & CEO	7083	6270
Remuneration paid to CFO	3258	4716
Remuneration paid to Company Secretary	1928	1470



14. Segment Reporting – Accounting Standard 17

(₹ in 000's)

Part A: Business Segments

S. No.	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
i.	Segment Revenue		
	a) Treasury	897750	1189892
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	6752069	3408552
	d) Other Banking Operations	11683	13597
	Total	7661502	4612041
ii.	Segment Results		
	a) Treasury	30849	-33678
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	221601	-1674571
	d) Other Banking Operations	7426	13597
	Total	259876	-1694652
iii.	Unallocated Expenses	NIL	NIL
iv.	Operating Profit	259876	-1694652
v.	Provisions	58267	-98479
vi.	Extraordinary Item (Prior Period Expenditure)	NIL	NIL
vii.	Net Profit	201609	-1596173
	Other Information		
viii.	Segment Assets		
	a) Treasury	14249261	41396670
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	61949455	3614411
	d) Other Banking Operations	NIL	NIL
	Sub Total	76198716	45011081
	e) Unallocated Assets	NIL	NIL
	Total Assets	76198716	45011081
ix.	Segment Liabilities		
	a) Treasury	8929766	38303500
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	67268950	6707581
	d) Other Banking Operations	NIL	NIL
	Sub Total	76198716	45011081
	e) Unallocated Liabilities	NIL	NIL
	Total Liabilities	76198716	45011081

Part B – Geographic Segments

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

15. Accounting for Leases – Accounting Standard 19

Bank has not taken any Premises/ Assets on lease. As such, disclosures relating to Lease is not applicable.

16. Earnings Per Share – Accounting Standard 20

S. No.	Particulars	31.03.2023	31.03.2022
A	EPS – Basic/Diluted (in Rs.)	0.13	-1.22
B	Amount used as numerator Profit/(Loss) (after tax) (Rs. in 000)	201609	(1596173)
C	Nominal Value of Share	Rs.10 each	Rs.10 each
D	Weighted average number of equity shares used as the denominator	1590890411	1307950685

17. Accounting for Taxes on Income – Accounting Standard 22

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

The Deferred Tax Asset on Accumulated losses recognized in FY 2018-19 and FY 2019-20 was reviewed and a considered conservative view has been taken to retain the same after adjusting the profit for the year. Accordingly, the 'carry forward loss' component of Deferred Tax Assets and Liabilities shown below as on 31.03.2023 represents the Deferred Tax Assets recognized in FY 2018-19 and FY 2019-20 as reduced by Profit for FY 2022-23.

Major components of Deferred Tax Assets are set out below:

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Deferred Tax Assets		
Carry Forward Loss	1568877	1688009
Provision for Leave Encashment	136149	85107
Depreciation on Fixed Assets	103306	93482
Total	1808332	1866599
Deferred Tax Liabilities		
Depreciation on Fixed Assets	-	-
Total	-	-
Deferred Tax Assets (Net)	1808332	1866599



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

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

19. Impairment of Assets – Accounting Standard 28

There is no impairment of Assets during the financial year ended 31st March 2023.

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

Sl. No.	Particulars	Current Year	Previous Year
Complaints received by the Bank from its customers			
1	No of complaints pending at the beginning of the year	271	259
2	No of complaints received during the Year	16780	20170
3	No of complaints disposed during the year	16229	20158
3.1	Of which, number of complaints rejected by the Bank	422	219
4	No of complaints outstanding at the end of the year	822	271
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	205	115
5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	200	115
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	5	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current year (2022-23)					
Internet/Mobile Banking/Electronic Banking	200	10294	-33.41%	224	0
Tariff Schedule & Service Charges	9	875	-18.22%	7	0
Others	62	5611	54.11%	591	0
Total	271	16780	-16.81%	822	0
Previous year (2021-22)					
Internet/Mobile Banking/Electronic Banking	218	15459	41.16%	200	5
Tariff Schedule & Service Charges	0	1070	2509.75%	9	0
Others	41	3641	21.36%	62	1
Total	259	20170	44.15%	271	6

21. Break up of “Provisions and Contingencies”

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Provision towards NPAs (net)	NIL	NIL
Provision towards Standard Assets	NIL	NIL
Provision made towards Income Tax	NIL	NIL
Provision made towards Deferred Tax	58267	-98479
Other Provisions & Contingencies	NIL	NIL
Total	58267	-98479



22. Concentration of Deposits, Advances, Exposure and NPAs

a) Concentration of Deposits

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Total Deposit of Twenty largest depositors	4000	4000
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	0.0064%	0.0108%

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

23. Transfer to Depositor Education and Awareness Fund (DEAF)

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

24. Disclosures on Remuneration

Bank needs to disclose the Compensation of Whole Time Directors / Chief Executive Officers/ Risk takers and Control function staff. This disclosure is applicable to Private Sector Banks.

Type of Disclosure		Information	FY 2022-23
Quantitative Disclosures (covering Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	g	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	1 Sitting Fee Rs. 0.30 lakhs
	h	(i) Number of employees having received a variable remuneration award during the financial year.	Nil
		(ii) Number and total amount of sign-on/joining bonus made during the financial year.	Nil
		(iii) Details of severance pay, in addition to accrued benefits, if any.	Nil
	i	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	Nil
		(ii) Total amount of deferred remuneration paid out in the financial year.	Nil
	j	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	73.48 lakhs (Fixed)
	k	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil
		(ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil
		(iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	Nil
	l	Number of MRTs identified.	One (MD & CEO)
	m	(i) Number of cases where malus has been exercised.	Nil
		(ii) Number of cases where clawback has been exercised.	Nil
		(iii) Number of cases where both malus and clawback have been exercised.	Nil
General Quantitative Disclosure	n	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Rs. 1.24 lakhs



25. Disclosures relating to Securitization

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

26. Other Disclosures

a. Business Ratios

Particulars		31.03.2023	31.03.2022
i)	Interest Income as a percentage to Working Funds	4.11%	2.84%
ii)	Non-Interest Income as a percentage to Working Funds	7.17%	7.36%
iii)	Cost of Deposits	2.02%	2.47%
iv)	Net Interest Margin	3.59%	1.82%
v)	Operating Profit as a percentage to Working Funds	0.38%	-3.75%
vi)	Return on Assets	0.30%	-3.53%
vii)	Business (Deposit plus advances) per employee (Rs. in lakhs)	356.71	234.40
viii)	Profit/ (Loss) per employee (Rs. in lakhs)	1.14	(10.13)

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

b. Disclosure in respect of Bancassurance Business

(₹ in 000's)

Particulars	FY 2022-23	FY 2021-22
Commission earned from Distribution of Life Insurance Products	141044	57131
Commission earned from Distribution of Non-Life Insurance Products	134839	5973
Commission earned from Distribution of PMJJBY	810	3871

c. Marketing & Distribution

(₹ in 000's)

Particulars	FY 2022-23	FY 2021-22
Commission earned from Distribution of Mutual Fund Products	83	417
Commission earned from Loan Referral	2163	842

d. Disclosure regarding Priority Sector Lending Certificates (PSLCs)

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

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

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

f. Reward Points of Credit Card & Debit Card

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

g. Payment of DICGC Insurance Premium

(₹ in 000's)

Sl. No.	Particulars	FY 2022-23	FY 2021-22
a.	Payment of DICGC Insurance Premium	50499	31577
b.	Arrears in payment of DICGC premium	-	-

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

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

27. Break up of Major Heads in Financial Statements

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



a. Commission, Exchange and Brokerage (Schedule 14)

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

(₹ in 000's)

Income from	FY 2022-23	FY 2021-22
Account Management Services	2422592	1329517
Citizen Services	1184088	1325992
Income from AePS	344205	263358
Third Party Distribution	278939	68234
Remittance Income	267915	144908
Direct Benefit Transfer	189861	103369

b. Miscellaneous Income (Schedule - 14)

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

c. Other Expenditure (Schedule - 16)

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

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

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

(₹ in 000's)

Particulars	31.03.2023	31.03.2022
Provision for Expenses/ Payable to Vendors	2311307	2405006
Balance of Department of Post	975266	59675

e. Other Assets – “Others”

Bank is already disclosing major other assets as separate line item under Schedule 11. As such, there are no items under the subhead “Others” under “Schedule 11 - Other Assets” which exceeds one percent of Total Assets. Hence, this disclosure is not applicable.

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

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

Other Notes

29. Interest on Grant

Interest accrued on unutilised portion of Grant during FY 2021-22 amounting to Rs. 0.25 crore has been transferred to Department of Posts for onward remittance to Consolidated Fund of India.

30. Contingent Liabilities

The Contingent Liability of Rs. 0.25 crores shown under Schedule 12 of the Balance Sheet represents the amount of Bank Guarantee issued by State Bank of India on behalf of IPPB favouring Unique Identification Authority of India (UIDAI) valid till November 2027 secured 100% by way of Fixed Deposits.

31. Share Capital

During the FY 2022-23, Bank has raised Equity Share Capital of Rs. 200 crores by way of Rights Issue of Equity Shares to President of India (Rs. 200 crore during FY 2021-22)

Bank has further received an Equity Capital Infusion of Rs. 200 crore from Government of India during FY 2022-23 which is pending allotment of shares and is shown under "Share Application Money Pending Allotment" in the Balance Sheet

32. Salary Revision as per 11th Bipartite Settlement

Based on Board approval, Bank had implemented the salary structure as per 11th Bipartite Settlement w.e.f. December 2021. As against the arrears for the period from November 2017 to November 2021, partial payment was made during FY 2021-22. The balance amount of arrears was paid during FY 2022-23 amounting to Rs. 38.24 crore.

33. Short-term Interest bearing Advance to Staff

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



34. Fixed Assets purchased out of Grant-in-Aid

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

35. Amount given to DoP Circles for Furnishing/ Branding of IPPB Branches and Access Points

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

The bills/ refunds to the tune of Rs. 0.20 crore are still receivable from DoP as on 31.03.2023 and the same is shown as receivable under DoP (Capital Commitment). Since the amount is outstanding for more than 3 years, Bank has made provision for an equal amount in the Books of Accounts in FY 2021-22. Bank is regularly following up with DoP for obtaining remaining Bills/ Refunds referred above.

During the year, Bank has remitted an amount of Rs. 3.71 crore to DoP towards furnishing/ renovation activities of IPPB offices.

36. SI Cost

IPPB has awarded the contract for implementation of its dedicated and customised technology platform for an amount of Rs. 801 crore (including GST). The life of the contract is 5 years effective from July 12, 2018.

As per the agreement, the amount becomes payable based on milestones mentioned in the agreement spread over a period of 5 years. The vendor accordingly raises invoices with IPPB as and when the payment becomes due and the amount of invoice is limited to the extent of the amount is payable on such instance.

As a prudent accounting practice, IPPB had capitalised the entire amount of hardware owned by it and put to use till the date of GO LIVE aggregating to Rs. 106.32 crores as on 31st March 2019. The said hardware has been insured in Bank's name. Similarly, Bank had also capitalised the entire amount of software owned and put to use till the date of GO LIVE aggregating to Rs. 240.46 crores as on 31st March 2019.

The said hardware and software have been adequately incorporated in the Fixed Asset Register of the Bank and depreciation thereon has been charged accordingly. The said hardware has been verified and audited by M/s. STQC IT Services.

During the financial year 2022-23, the Bank has made payment of Rs. 66.96 crores inclusive of taxes based on mile stone achievement to the vendor, which includes payments towards Hardware, Software, AMCs Fees, implementation and customisation etc.

37. DoP IT 2.0 Project

Public Investment Board (PIB) & Expenditure Finance Committee (EFC) meeting held on 23rd November 2021 for considering the Revised Cost Estimate (RCE) of both Department of Posts (DoP) and IPPB has recommended Gradual shifting of POSB services to IPPB & Single IPPB structure for Banking, Insurance and other financial needs. DoP shall reimburse the IT cost relating to DoP operations to IPPB on actual basis out of IT 2.0 for cost related Data Centre, Data Recovery Centre, Network, Network (Services), Postal Life Insurance etc This was with a view to avoid duplication in IT infrastructure cost by both organizations. It is also aimed at providing a more integrated, inclusive financial and other services to the customers. The above proposal was approved by Union Cabinet in February 2022.

To enable the above, IPPB has entered into agreements with vendors for continuity of service under DOP IT 2.0 as well as new development work. Subsequently, Vendors have raised invoices on IPPB for the services rendered. Due to urgency of matter and for ensuring continuity of service to DOP without any compromise in quality, IPPB has made payments to these vendors out of its own funds. As per PIB mandate, DoP is reimbursing the amount paid by IPPB on actual basis.

The amount of reimbursement pending from DoP as on 31st March 2023 is as below;

(₹ in 000's)

Total amount paid under DoP IT 2.0 during FY 2022-23 (inclusive of GST)	Amount Reimbursed by DoP during FY 2022-23 (inclusive of GST)	Balance Receivable from DoP as on 31.03.2023 (inclusive of GST)
2541774	1265852	1275922*

* The balance receivable excluding GST amounting to Rs.108.13 crore is shown under subhead "Receivable from DOP under IT 2.0" of "Schedule 11 – Other Assets". The corresponding GST Input Credit availed and to be utilized is included under "Others" of "Schedule 11 – Other Assets".

38. From FY 2022-23, Bank has opted the provision of Section 17(2) of CGST Act for claiming input credit on propionate basis based on the monthly turnover ratio. In earlier years, Bank was claiming 50% input credit as per the provision of Section 17(4) of CGST Act.
39. During FY 2022-23, there were some instances of embezzlements were identified by Department of Posts (DoP). As per MOU between Bank and DoP, both organizations exchange information to investigate the cases of such instances. In all these incidents of misappropriation, information were provided to DoP as and when asked and DoP conducts the investigation and reporting based on their Policies and procedures. In all these cases there was no involvement of Bank's staff and no financial loss to the Bank or its customers. Bank has reported the cases to RBI, wherever applicable.
40. Bank had invested in 6132 Equity Shares on National Payment Corporation of India (NPCI) during FY 2020-21 for an amount of Rs. 0.77 crores. Based on RBI directions, Bank has withdrawn the investment during FY 2022-23.



41. The Bank has received Ownership of 999 ATMs during the FY 2022-23 from M/s. Infosys at a Nominal value of Re. 1 each which were previously on lease between M/s. Infosys and Department of Post.
42. Figures of Previous year have been re-grouped and reinstated wherever necessary to conform to current year classification.

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Anoop E. S)
Chief Financial Officer

Sd/-
(J. Venkataramu)
MD & CEO
(DIN - 08918442)

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

Sd/-
(Vineet Pandey)
Chairman
(DIN - 09199133)

As per our report of even date
For **P. K. Chopra & Co**
Chartered Accountants - FRN No. - 006747N

Sd/-
(Ponnuswami K. S)
Partner
Membership No. - 070276

Place: New Delhi
Date : 23.06.2023

गोपनीय

वि.वि.ले./एफ-353/IPPBL/2022-23/77

क्रमांक
No.

कार्यालय

प्रधान निदेशक लेखापरीक्षा, वित्त एवं संचार
शामनाथ मार्ग, (प्राचीन पुराना सचिवालय) दिल्ली-110054

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

दिनांक 29/09/2023
Date



75
Azadi Ka
Amrit Mahotsav

To CFO

FY EONA

14/10/23

सेवा में,

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

विषय: भारतीय पोस्ट पेमेंट बैंक लि. (IPPBL) के वार्षिक खाते वर्ष 2022-23 पर कंपनी अधिनियम 2013 की
धारा 143(6)(बी) के तहत भारत के निबंधक एवं महालेखापरीक्षक की टिप्पणियां।

महोदय,

भारतीय पोस्ट पेमेंट बैंक लि. (IPPBL) के वार्षिक खाते वर्ष 2022-23 पर कंपनी अधिनियम, 2013 की
धारा 143(6)(b) के तहत भारत के निबंधक एवं महालेखापरीक्षक की टिप्पणियां आपकी सूचनाई एवं अग्रकार्यवाही हेतु इस पत्र
के साथ प्रेषित हैं।

भवदीया,

संलग्नक : (अधोपरि)

रोली
(रोली शुक्ला माली)
प्रधान निदेशक लेखापरीक्षा
(वित्त एवं संचार)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA POST PAYMENT BANK FOR THE YEAR ENDED 31st MARCH 2023

The preparation of Financial Statements of India Post Payment Bank (IPPB) for the year ended on 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 (a) 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 23.06.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IPPB for the year ended 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company Personnel, and a selective examination of some of the accounting records.

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

A. Comment on Profitability

Profit & Loss Account

Other Income Rs. 487.10 Cr. (Schedule 14)

1. The above head is understated by an amount of Rs. 4.95 Crore due to non-inclusion of Liquidated Damages charged from vendors.
This resulted in understatement of profit by the same amount.

B. Comment on Financial Position

Assets

Fixed Assets Rs. 59.64 Cr. (Schedule 10)

2. The above head is understated by an amount of Rs. 57.32 crore due to non-capitalization of the Liquidated Damages charged from vendors.
This also resulted in understatement of the depreciation on the same.

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

Place: Delhi
Date:

(Roli Shukla Malge)
Principal Director of Audit
(Finance & Communication)

Comments of C&AG

Comptroller and Auditor General of India has comments under section 143 (6) (b) of the Companies Act, 2013 on the Accounts of the Bank for the year ended 31st March 2023 and the Bank's replies to the comments are furnished as under;

Ref	C&AG Comments	Auditors'/ Bank Remarks
1	Other Income Rs.487.10 Cr (Schedule 14) The above head is understated by an amount of Rs.4.95 crore due to non-inclusion of liquidated damages charged from vendors. This result in understatement of profit by the same amount	The Liquidated damages (penalty) recovered from vendor was already adjusted while making payment to the vendor in the respective financial years. The amount of expenses charged to P&L account (SI Cost under Schedule 16 – Operating expenses) for FY 2021-22 and FY 2022-23 is shown after adjusting the penalty already deducted. As such, the Income head is not understated by Rs.4.95 crore since the amount is already adjusted in expenses. Therefore, no further adjustment is required in this regard.
2	Fixed Asset Rs. 59.64 Cr (Schedule 10) The above head is understated by an amount of Rs.57.32 crore due to non-capitalisation of the liquidated damages charged from vendors. This also resulted in understatement of the depreciation on the same.	The liquidated damages charged from vendor amounting to Rs.57.32 crore includes the amount in the nature of revenue expenses (Rs. 21.78 crore) and Fixed Assets (Rs. 35.54 crore). The Accounting treatment of penalty was disclosed under Notes to Accounts in the Audited Financial Statement of the Bank for FY 2021-22 a. Penalty in the nature of Revenue Expenses Rs.21.78 crore The Liquidated damages (penalty) recovered from vendor was already adjusted while making payment to the vendor in the respective financial years. The amount of expenses charged to P&L account (SI Cost under Schedule 16 – Operating expenses) for FY 2021-22 and FY 2022-23 is shown after adjusting the penalty already deducted. As such, there is no impact on Fixed Assets since the amount of Rs.21.78 crore is in the nature of revenue and is already adjusted in expenses. Therefore, no further adjustment is required in this regard.



Ref	C&AG Comments	Auditors'/ Bank Remarks
		b. Penalty in the nature of Fixed Assets/ Capital Expenditure of Rs.35.54 crore The Fixed Asset includes two categories of assets i.e software and hardware having expected life of 3 and 6 years respectively. The decision to levy penalty from SI vendor for non-achievement of milestone was made in FY 2021-22 only. Majority of the Fixed asset which were capitalised in FY 2018-19, were already fully depreciated by that time. The contract with SI got terminated in July 2023 and liquidated damages (Penalty) charged by the Bank is under litigation. Based on the directions of the honourable court, Bank will adopt appropriate treatment in the Books of Accounts for amount capitalised in consultation with Statutory Auditors, during FY 2023-24, if required.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

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

To
The Members,
India Post Payments Bank Limited

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

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
 - B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit period)**
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit period);**
 - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not Applicable to the Company during the Audit Period)**
 - vi. Having regard to the compliance system prevailing in the Company, on the basis of certificates received from the various Departments by the Compliance Department of the Company, we report that the Company has generally complied with the provisions of those Acts, the management has identified and confirmed that are specifically applicable to company, including Banking Regulation Act, 1949, The Reserve Bank of India Act, 1934, Payment and Settlement Systems Act, 2007, Deposit Insurance and Credit Guarantee Corporation Act, 1961 and the rules and regulations made there under, etc., to the extent of their applicability to company.



- C. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
 - ii. Listing Agreements entered into by the Company with Stock Exchange(s). **(Not applicable to the Company during the audit period).**
- D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- i. *The number of independent directors on the Board were not in majority during the Audit Period, as stipulated in the Guidelines for Licensing of Payments Banks and Articles of Association of the Company. The composition of the Board was not in compliance with the provisions of Section 149(1) of the Act from 01.04.2022 to 11.09.2022.*
 - ii. *Due to pending appointment of Independent Directors on the Board of the Company, composition of Audit Committee and Nomination & Remuneration Committee was not in compliance with the respective requirements of Sections 177 and 178 of the Companies Act, 2013 with respect to Independent Directors from 01.04.2022 to 08.11.2022. Thereafter Committees were reconstituted by passing circular resolution for introducing Independent Directors in Committees.*

We further report that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except enumerated in para D above regarding the appointment for independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however, in some cases Notice and agenda papers were sent with shorter notice with the consent of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

- a. During the audit period the company has allotted 20,00,00,000 Equity Shares of Rs. 10/- each to President of India through Secretary, Department of Post on right issue basis.

Note:

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

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

Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323E002747257

Place: Ghaziabad
Date: 30.11.2023



Annexure – ‘A’

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

Our report of even date is to be read along with this letter.

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

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

Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323E002747257

Place: Ghaziabad
Date: 30.11.2023

Management's Reply to the Comments of the Secretarial Auditor Report for the Financial Year 2022-23

Comptroller and Auditor General of India has comments under section 143 (6) (b) of the Companies Act, 2013 on the Accounts of the Bank for the year ended 31st March 2023 and the Bank's replies to the comments are furnished as under;

S.No.	Comments/ Remarks	Management Reply
01	The number of Independent Directors on the Board were not in majority during the Audit Period, as stipulated in the Guidelines for Licensing of Payments Banks and Articles of Association of the Company. The composition of the Board was not in compliance with the provisions of Section 149(1) of the Act from 01.04.2022 to 11.09.2022.	The Appointments Committee of the Cabinet (ACC) vide their letter dated 11/9/2022 has approved the appointment of five independent Directors on the Board of IPPB. Ministry has also initiated the process of appointment of one more Independent Directors of IPPB.
02	Due to pending appointment of Independent Directors on the Board of the Company, composition of Audit Committee and Nomination & Remuneration Committee was not in compliance with the respective requirements of Sections 177 and 178 of the Companies Act, 2013 with respect to Independent Directors from 01.04.2022 to 08.11.2022. Thereafter Committees were reconstituted by passing circular resolution for introducing Independent Directors in Committees.	The Appointments Committee of the Cabinet (ACC) vide their letter dated 11/9/2022 has approved the appointment of five independent Directors on the Board of IPPB. Post the ACC and Board approval Committees was reconstituted as per the provision of the Act.



इंडिया पोस्ट
पेमेन्ट्स बैंक

India Post
Payments Bank