



इंडिया पोस्ट
पेमेंट्स बैंक

India Post
Payments Bank



INCLUSION AT SCALE INNOVATION WITH PURPOSE

Pioneering the Future of Public-Centric Banking



ANNUAL REPORT
2024-25



PREFACE

Reflecting on the past year, IPPB has continued to make strong strides towards its mission of financial inclusion, combining innovation with purpose. The Bank has introduced new offerings, reached deeper into underserved communities, and enhanced access to simple, secure, and inclusive financial services. Amid a rapidly changing financial ecosystem, IPPB remains committed to delivering banking solutions that are easy to access, especially for those who have been historically excluded.

Our digital-first model, powered by Mobile Banking and the trusted Doorstep Service, has helped bring banking closer to millions. In FY 2024-25, IPPB crossed a significant milestone-earning the trust of over 11.67 crore customers. This marks a major achievement in our journey, underscoring our growing presence as a citizen-centric, tech-enabled institution.

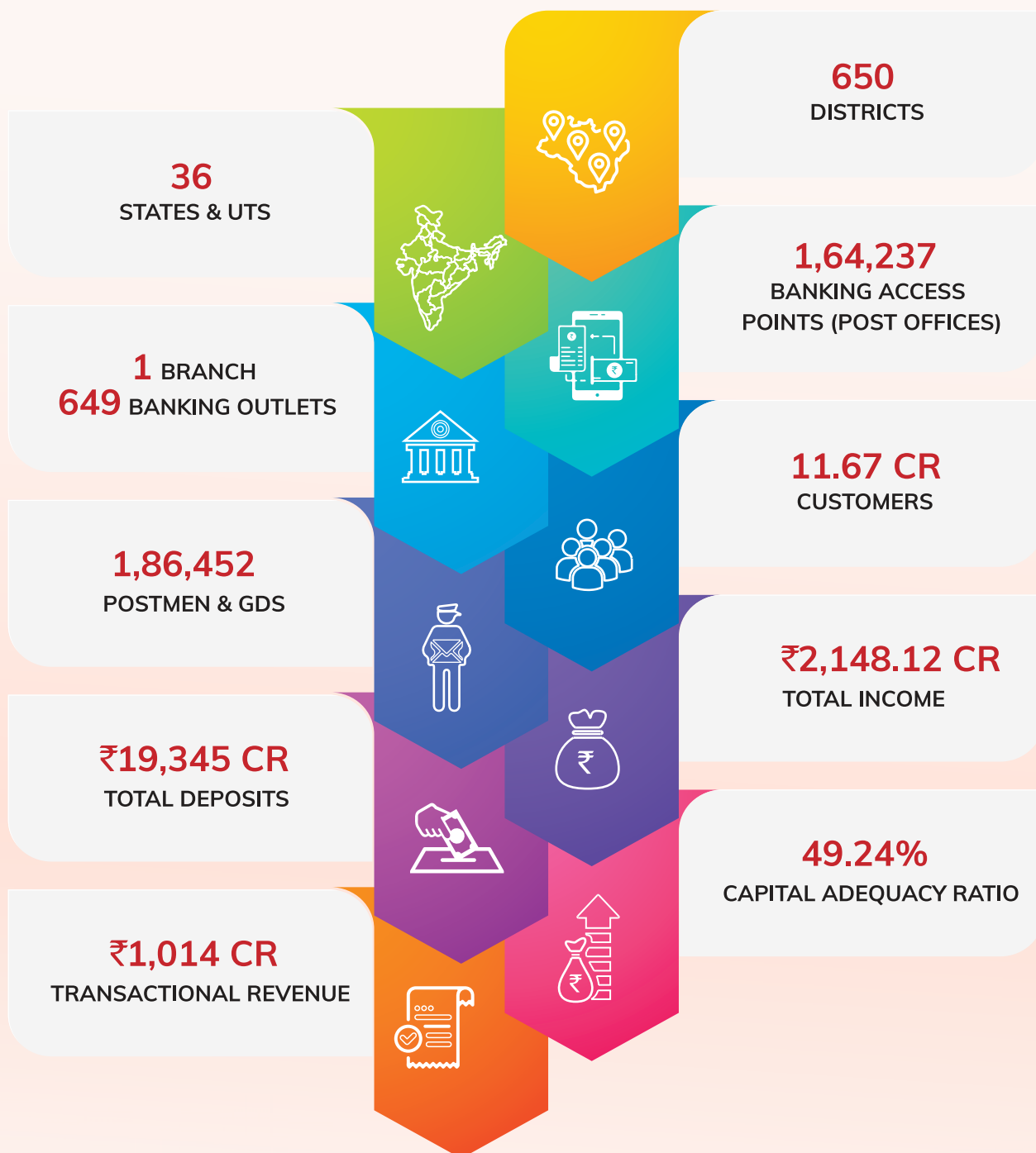
Our goal remains clear-to make financial services accessible, affordable, and approachable for every Indian. Guided by this, we continue to design and implement schemes that cater to the needs of the last-mile customer.

Direct Benefit Transfer (DBT) ensures transparent delivery of subsidies by directly crediting beneficiaries' bank accounts, eliminating middlemen. India Post Payments Bank (IPPB) supports this by acquiring merchants to provide accessible banking and digital payment services at the last mile.

Through collaboration, innovation, and trust, IPPB has expanded its footprint across the country. By aligning with Digital India and Digital Public Infrastructure (DPI) frameworks, we're delivering meaningful impact through secure, tech-driven services. Our partnerships with government and private players have strengthened our ability to serve every segment, making public-led banking a real force for change.

As we move ahead, IPPB remains focused on removing barriers, enhancing digital access, and fostering financial independence. With inclusion at scale and innovation with purpose, we are building a future where every citizen has the opportunity to grow and thrive.

NUMBERS THAT DEFINES THE BANK



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CHAIRMAN'S MESSAGE



“ I am pleased to present the Annual Report for FY 2024–2025, marking another year of strong performance and strategic innovation at the India Post Payments Bank (IPPB). This year reflects our unwavering commitment to deepen financial inclusion and scale digital banking across the nation. ”

Our enduring strength lies in the unmatched synergy between IPPB and the extensive reach of the India Post network. With the active support of over 1.86 lakh Postmen and Gramin Dak Sevaks, we have delivered digital financial services to the doorsteps of customers in some of India's most far-flung and underserved regions. These postal workers continue to be key enablers, not just delivering services but also enhancing financial awareness and trust at the last mile.

Our digital-first banking model now operates effectively through more than 1.64 lakh Banking Access Points, ensuring ease, speed, and safety in every transaction. The results speak volumes. This year, the total number of customers grew from 8.82 crore in March 2024 to 11.67 crore by March 2025, registering an impressive 32% year-on-year growth—a testament to the increasing relevance of IPPB in the financial lives of millions.

Our digital financial footprint has seen transformative growth. The number of digital financial transactions more than doubled, increasing from 608 crore to 1,289 crore, a 112% rise, while the value of these transactions surged by 88%, from ₹6.51 lakh crore to ₹12.24 lakh crore. These figures reflect not just scale but the growing trust in IPPB's secure and accessible platforms.

We also saw significant growth in Direct Benefit Transfers (DBT), with the number of DBT beneficiaries rising from 3.04 crore to 5.12 crore, a 70% increase in just one year. This has enabled critical government benefits to reach the right people directly and efficiently, especially in rural and remote regions.

A clear indicator of rising digital engagement is the growth in digital payments into Post Office Savings Bank Schemes, which increased by 42%, from ₹13,915 crore in FY 2023–24 to ₹19,708 crore in FY 2024–25. Similarly, the number of IPPB accounts linked with Post Office Savings Accounts (POSA) enabling interoperable banking rose from 35.36 lakh to 44.34 lakh, reflecting a 25% year-on-year increase.

Our commitment to serving pensioners and the elderly was also reinforced through the issuance of 24.77 lakh digital life certificates this year, offering them a seamless and dignified way to access their benefits.

Across all metrics, IPPB's progress has been substantial, but what truly sets us apart is the quality of inclusion we enable. With 77% of our customers residing in rural areas, IPPB continues to be a genuine force for grassroots empowerment, building a bridge between digital transformation and social equity.

These achievements have only been possible due to the hard work of our dedicated teams, the enduring partnership with India Post, and the growing trust of our customers. As we move ahead, IPPB remains firmly committed to leveraging technology and human networks to ensure that every Indian—regardless of geography or background—has access to essential financial services.

We are proud to play a vital role in supporting the Government of India's vision of a financially inclusive and digitally empowered society. And we remain confident that, together, we will continue reshaping the future of banking in India—making it more inclusive, more connected and more human.

Vandita Kaul

**Secretary (Posts) & Chairman
India Post Payments Bank**

MESSAGE FROM THE MD & CEO



“ It is with great pride and gratitude that I present the Annual Report for FY 2024–25. I feel honoured to lead a bank that continues to break new ground and make a meaningful difference in the lives of people across the country. The journey of India Post Payments Bank (IPPB) has been one of purpose, progress, and deep impact. ”

In just a few years, IPPB has built a strong foundation of trust and inclusion. Our growth has been driven by the mission to bring banking to the doorstep of every citizen, especially those in remote and underserved areas. The powerful combination of digital innovation and India Post's unparalleled network has helped us serve more people, more efficiently than ever before.

This year has been truly exceptional. Our total customer base surged from 8.82 crore as of March 31, 2024 to 11.67 crore as of March 31, 2025, reflecting a 32% year-on-year growth—our highest annual increase to date. Of these, 77% are customers from rural India, a clear testament to our commitment to last-mile financial inclusion.

Our CASA deposits witnessed a robust growth of 67%, rising from ₹11,552 crore to ₹19,345 crore, underscoring the growing trust and engagement of our customers. The value of AePS transactions reached ₹33,856 crore, up from ₹31,158 crore last year—a 9% growth despite already high volumes. Our total transactional revenue stood at ₹1,014 crore, further demonstrating our steady financial momentum.

The digital footprint of IPPB also expanded meaningfully. Our Mobile Banking app downloads increased from 3.01 crore to 4.25 crore, a 41% jump, enabling greater access and convenience for our customers. We have now issued 2.34 crore RuPay debit cards, providing customers with seamless access to formal financial systems.

A hallmark of our inclusive approach is reflected in the demographics of our customer base. As of March 2025, 48% of our account holders are women, and

60% of accounts held by women are receiving Direct Benefit Transfers (DBT), enhancing their economic independence. Moreover, 96% of all accounts were opened at the customer's doorstep using micro-ATMs, and 65% of these accounts are Aadhaar-enabled, ensuring secure and interoperable banking services.

One of the year's standout moments was IPPB's presence at the Prayagraj Maha Kumbh, where we conducted on-ground banking campaigns in high-footfall zones, enabling AEPS transactions, mobile number updates in Aadhaar, and account openings for thousands of pilgrims—further strengthening our brand image as “Bharat Ka Sabse Saral Bank.”

Our Dakiya network—the Postmen and Gramin Dak Sevaks—continues to be the heart of our operations. Their tireless efforts go far beyond service delivery; they build awareness, educate customers, and serve as the trusted human face of the Bank across India's villages and towns.

Through our Mobile Banking App, Doorstep Banking services, and simplified, inclusive offerings, IPPB is steadily becoming the bank of choice for the common Indian. Our approach blends purposeful technology with deep community engagement, ensuring that no one is left behind in India's digital growth story.

As we look ahead, I extend my sincere thanks to our Board, stakeholders, partners, and most importantly, our dedicated employees and loyal customers. Your trust and support continue to fuel our mission.

Together, we will keep building a stronger, more inclusive financial future for India.

R. Viswesvaran
MD & CEO

BOARD OF DIRECTORS



Smt Vandita Kaul
Chairman
India Post Payments Bank



Shri R Viswesvaran
Managing Director & CEO
India Post Payments Bank



Smt Bhumika Verma
Nominee Director



Shri Shrikant Namdeo
Nominee Director



Smt Rajul Bhatt
Nominee Director



Dr. Jatin Kumar Mohanty
Independent Director



Shri Veenay Ganoo
Independent Director



Shri Navneet Kakkar
Independent Director



Shri Kaliannan A
Independent Director



Smt Jayshree Vrajlal Doshi
Independent Director

Company Secretary : Mrs. Priyanka Bhatnagar
Statutory Auditor : M/s. Ambani & Associates
Secretariat 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 Payment Bank

India Post Payments Bank (IPPB) was established on 30th January 2017, with its first pilot branches in Ranchi (Jharkhand) and Raipur (Chhattisgarh). It was officially launched across the country on 1st September 2018, marking a major step forward in bringing formal banking to every corner of India.

With a clear mission to bank the unbanked and bridge the digital divide, IPPB is committed to reaching even the most remote areas with essential banking services. It plays a key role in promoting a low-cash, digital economy. IPPB offers a wide range of products and services through digital platforms, making them accessible to both customers and non-customers.

To make banking even more convenient, Doorstep Banking is bringing services directly to people's homes. Since its inception, IPPB has led the way in Digital Banking, offering a wide suite of services through 1 central branch, 649 banking outlets, and a nationwide network of 1,64,237 access points.

In today's digital age, IPPB understands the importance of easy, affordable, and tech-driven financial solutions. With just a click, customers, urban or rural, can access services using IPPB's Mobile Banking App, WhatsApp Banking, SMS Banking, and Missed Call Banking. These services are especially helpful in areas with limited internet access, ensuring that banking remains seamless and accessible.

IPPB's product portfolio includes savings Accounts, Insurance Services and Loan Referral Services.

With Aadhaar Enabled Payment Services (AePS), customers can perform basic banking transactions using their Aadhaar-linked accounts and fingerprint authentication via Aadhaar-enabled devices.

Doorstep Banking includes Cash deposit and withdrawal, Aadhaar seeding, Digital Life Certificate (DLC) services, Child Enrolment Lite Client (CELC) for Aadhaar, Bill payments and many more essential services.

IPPB also supports small businesses through Merchant Services, helping shopkeepers become 'Digital Dukaandars'. With QR code-based payments, merchants can receive funds directly into their bank accounts.

All of these services are available through IPPB's mobile banking platforms, making banking simple for everyone. And none of this would be possible without the dedication of our Gramin Dak Sevaks and Postal Workers, who deliver services and financial education to customers on the ground.

With over 11.67 crore customers and growing, IPPB continues to stand as a symbol of inclusive, reliable, and people-first banking for every citizen across India.

VISION AND MISSION

	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
	Values	• Accessibility • Affordability • Ease of Banking • Financial Literacy • Digital Ecosystem

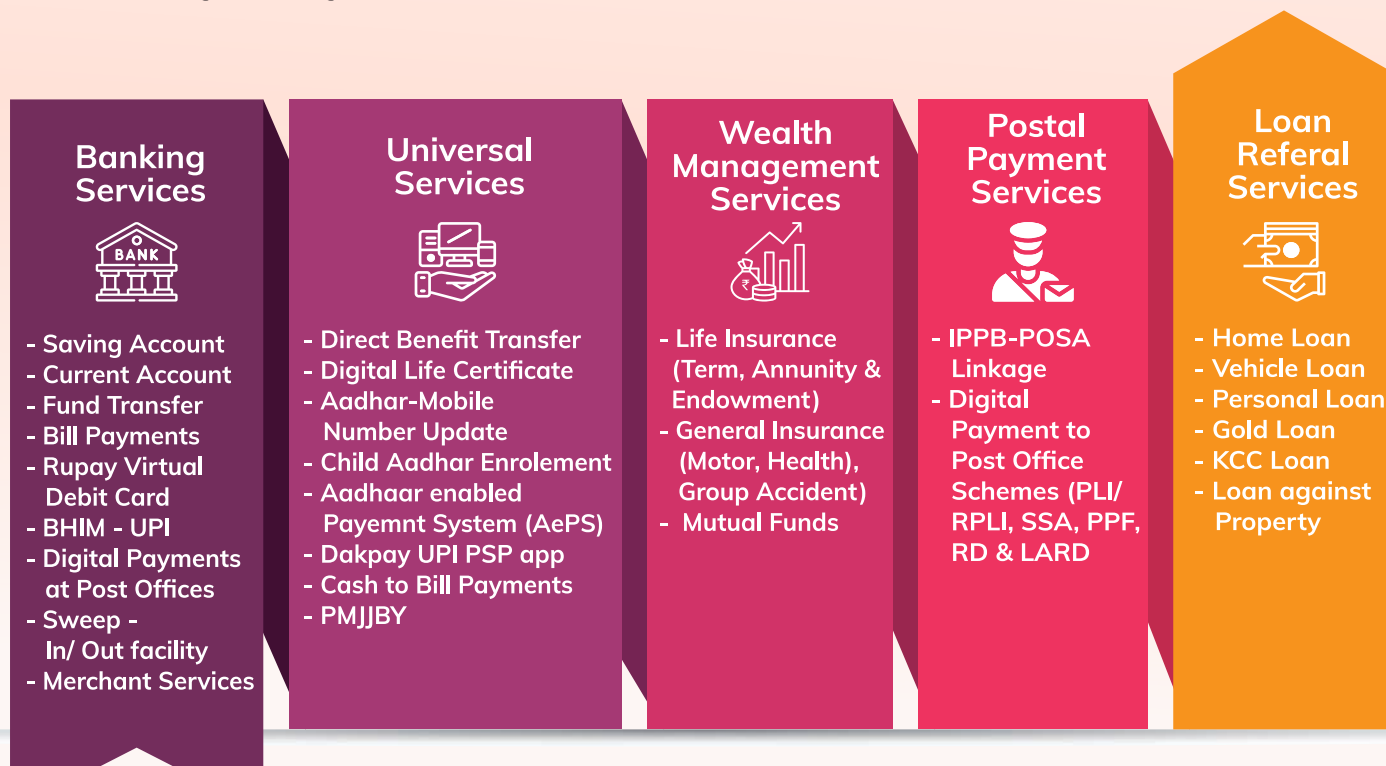
Comprehensive Suit of Products and Services

India Post Payments Bank (IPPB) aims to be the most trustworthy, dependable, affordable, and customer-friendly bank in the country. IPPB is committed to bringing digital banking to every corner of India, making financial services easily accessible right at people's doorsteps. By eliminating the need to visit a bank branch, IPPB has changed the way banking works. Services like cash withdrawals, QR payments, and Aadhaar linkage and registration are now just a tap away.

Over the years, IPPB has continued to expand its range

of services, with a special focus on meeting the needs of rural communities. IPPB offerings are designed to serve not just Post Office customers but also non-customers, merchants, government-to-citizen (G2C) service users, and walk-in customers. The wide range of services includes savings and current accounts, money transfer services, virtual debit cards, POSA linkage, direct benefit transfers (DBT), insurance and loan referral services, doorstep cash deposits and withdrawals, bill payments, and more. Through these services, IPPB is making banking simpler, more inclusive, and more convenient for everyone.

Aadhaar linkage and registration.



CUSTOMER SEGMENTS

India Post Payments Bank (IPPB) serves a wide and diverse customer base with varying banking needs. To meet these unique financial requirements, IPPB offers personalized services and solutions for different groups.

Customers can open various types of Savings Accounts based on their needs, including Premium, Regular, Basic, and Digital Savings Accounts. For those who already have a Post Office Savings Account (POSA), IPPB offers a linking facility so they can enjoy the benefits of both their existing account and IPPB's modern digital services without any loss of benefits.

For retired **Senior Citizens**, IPPB provides Digital Life Certificate (DLC) services right at their doorstep, making life easier and more convenient for the elderly. Through its Mobile Banking and Doorstep Banking platforms, IPPB also enables Aadhaar seeding and Child Enrolment Lite Client (CELC) services. By linking Aadhaar to their bank accounts, customers can access various benefits and carry out transactions more easily. CELC services allow **Parents** to enroll children under five for Aadhaar from the comfort of their home.

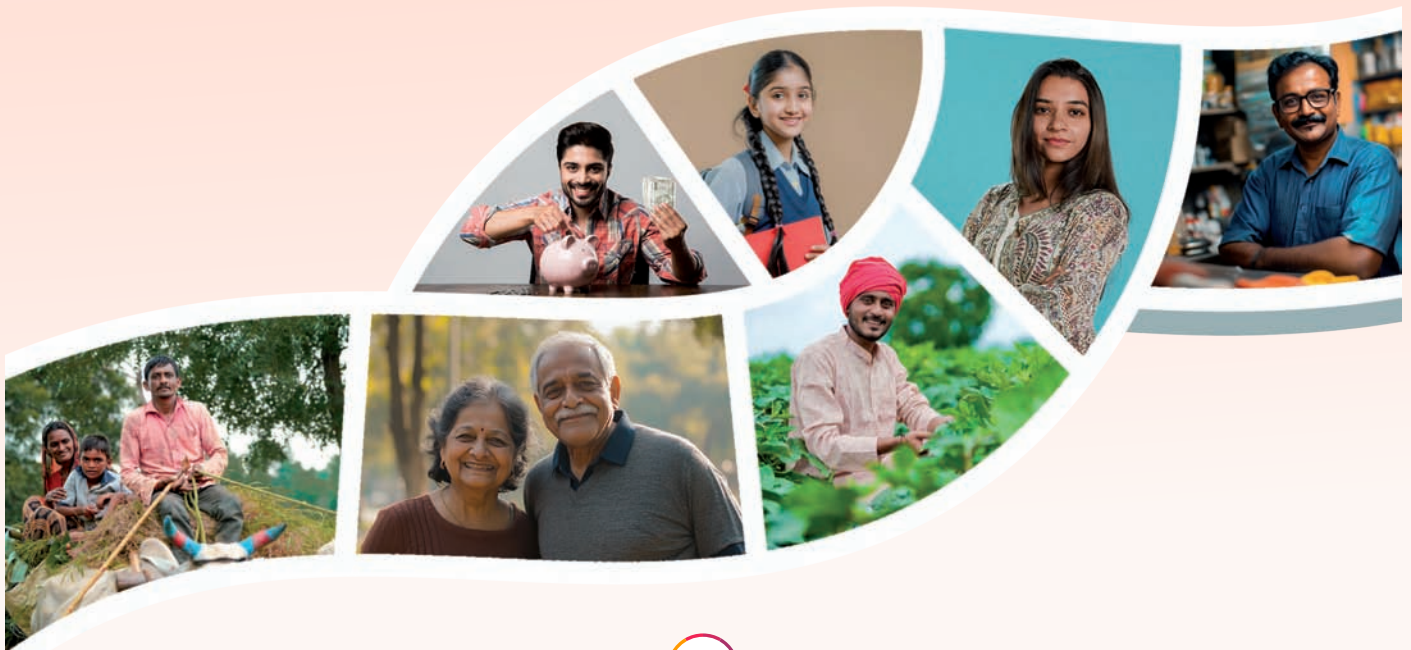
Small business owners can take advantage of IPPB's Merchant Services, also known as Digital Dukaandar, which provide simple QR-based payment solutions to help them manage transactions efficiently and grow their business. **Farmers** benefit from Direct Benefit

Transfers (DBT), receiving government subsidies directly into their Aadhaar-linked accounts, ensuring timely and transparent financial support.

Students are supported through smooth and reliable scholarship disbursements under the Deen Dayal Sparsh Yojana, helping them focus on their studies without worrying about financial barriers. Homemakers can easily manage their household expenses using IPPB's mobile banking for bill payments like gas, electricity, DTH, mobile recharges, and insurance premium payments. One-click transactions make daily financial management stress-free and secure.

For fund transfers, IPPB offers services like NEFT, IMPS, and domestic remittances through both mobile and doorstep banking, making it easier for users to send money anytime, anywhere. To reach the **Unbanked and Underbanked**, IPPB provides Aadhaar-enabled Payment Services (AePS) and Domestic Money Transfer (DMT). AePS acts like a Micro ATM, allowing people to withdraw or send money using just their Aadhaar number and fingerprint authentication.

These services are especially helpful for **urban migrants** who regularly send money to support their families back home. All IPPB offerings are designed to make banking simple, inclusive, and accessible for everyone—whether they are existing customers or new users.

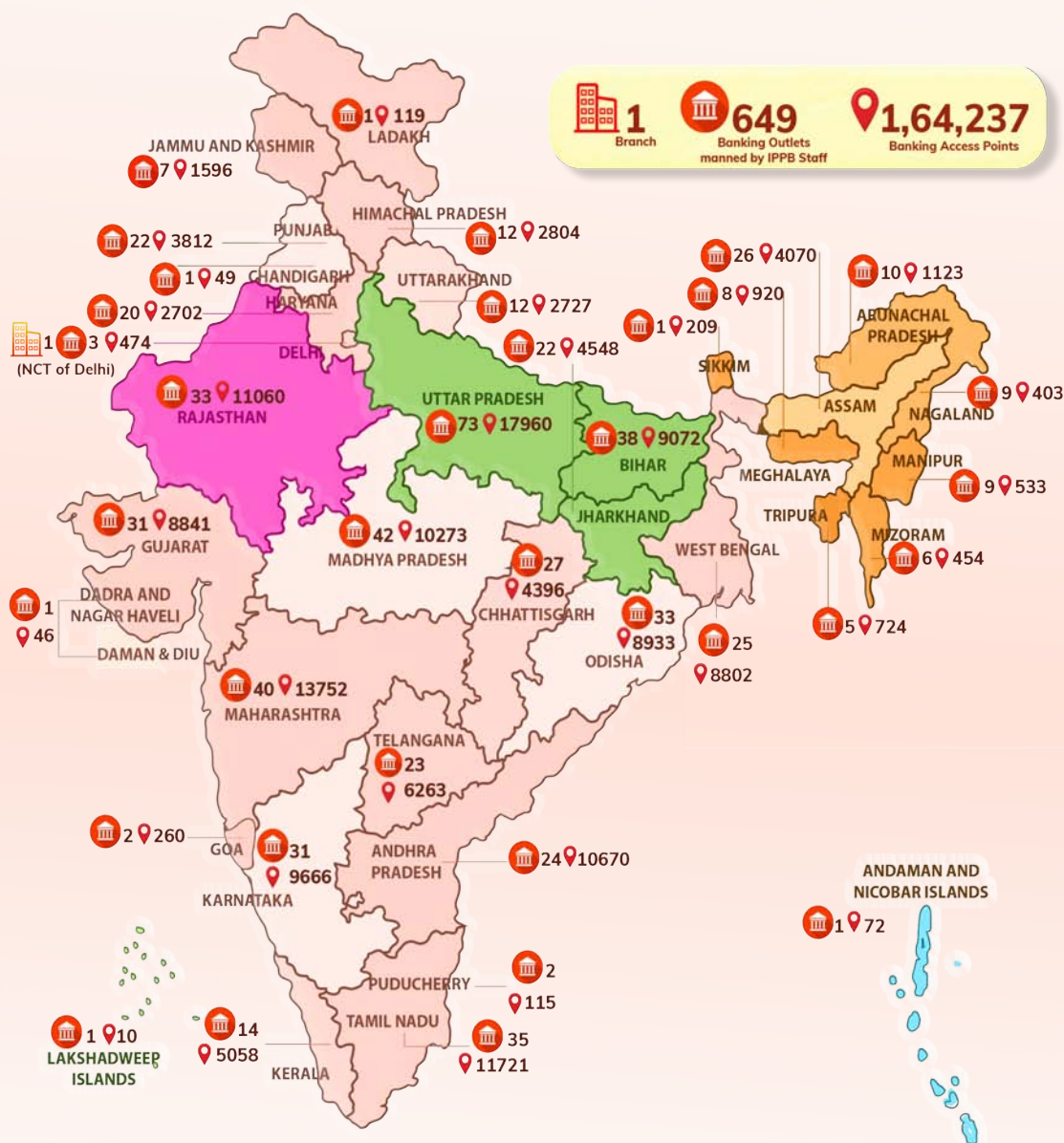


EXPANDING FOOTPRINT

India Post Payments Bank (IPPB) is transforming banking in India by seamlessly combining traditional services with modern digital solutions. With a presence across the entire country, IPPB currently serves the financial needs of over 11.67 crore beneficiaries in 28 states and 8 union territories, effectively overcoming geographical barriers.

Supported by the trusted infrastructure of India Post, IPPB operates through a strong network that includes one head office, 649 banking outlets, and more than 1,64,237 banking access points. This extensive reach enables us to deliver banking services to even the most remote and rural areas.

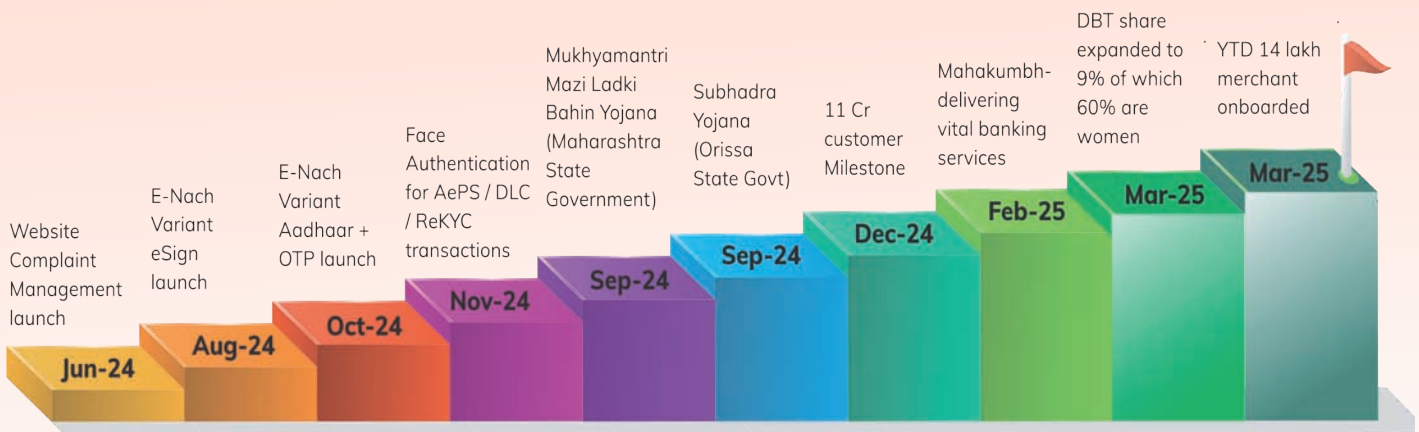
IPPB continues to lead the way in the evolving world of digital finance, making banking accessible, inclusive, and empowering for every citizen of India.



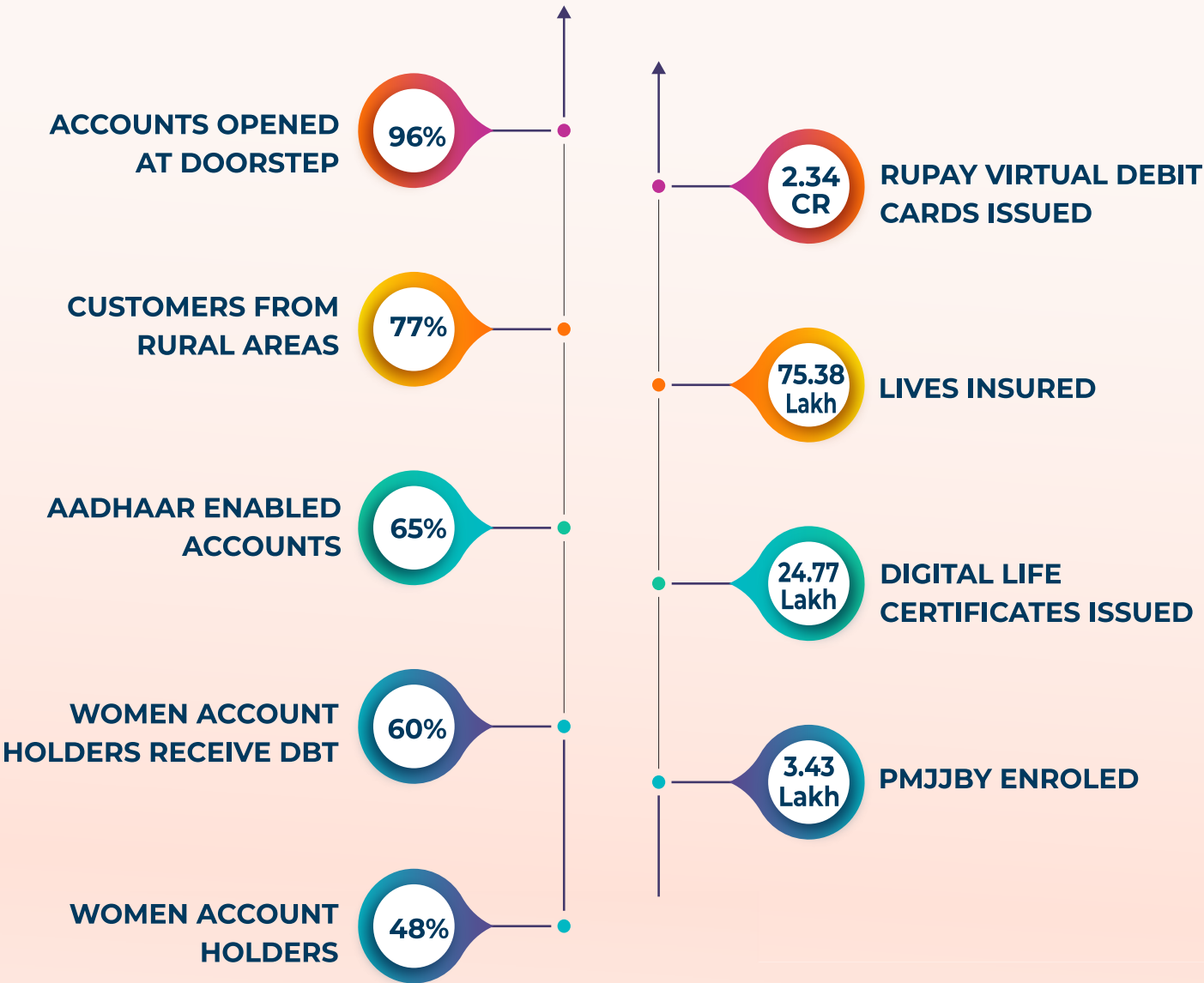
MAJOR BUSINESS HIGHLIGHTS

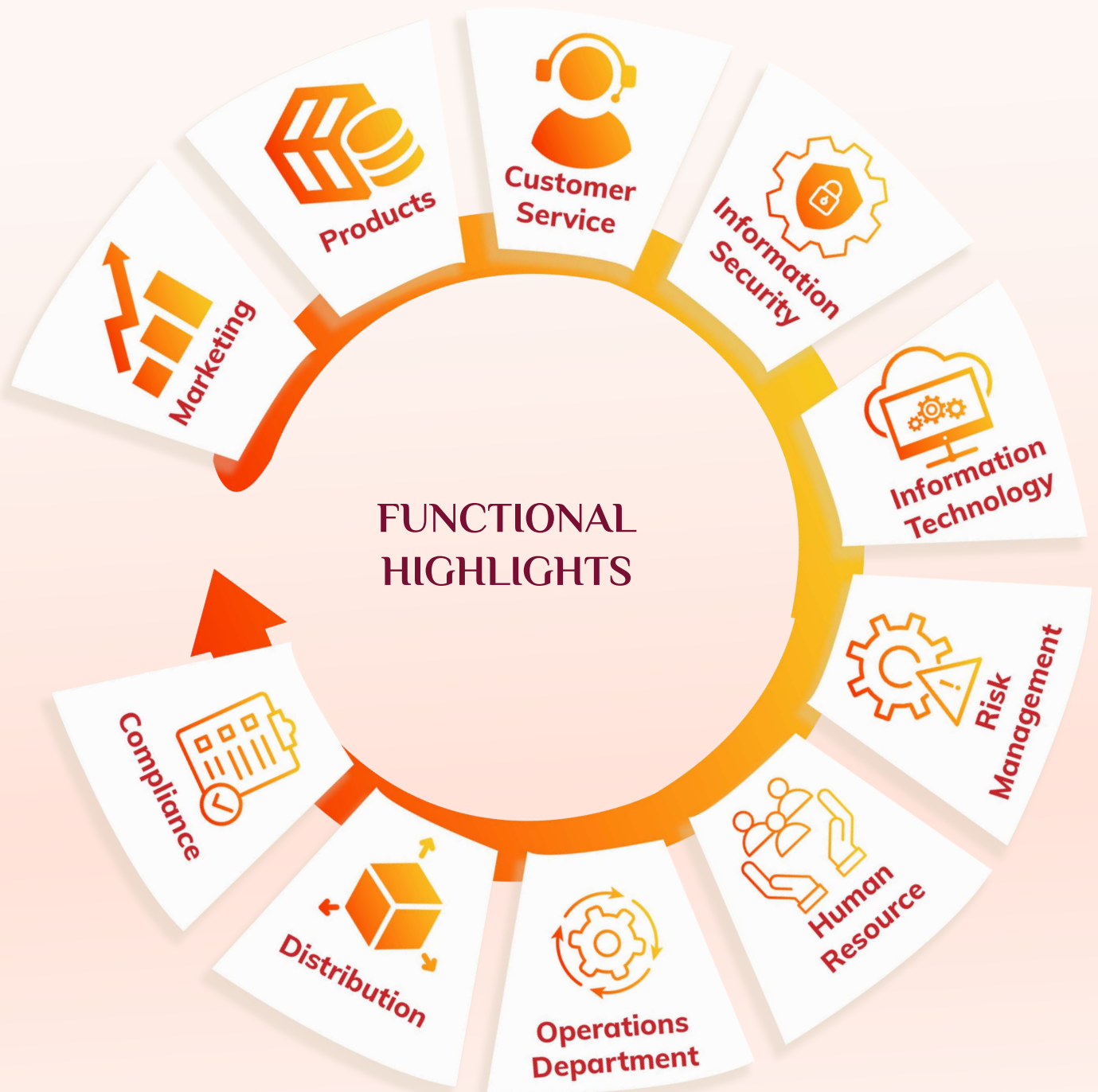
	As of March 31, 2024	As of March 31, 2025	Y-o-Y growth in %
TOTAL NUMBER OF CUSTOMERS (Crore)	8.82	11.67	32%
TOTAL DEPOSITS (Rs. Crore)	11,552	19,345	67%
DIGITAL FINANCIAL TRANSACTIONS (Rs. Crore)	651,759	1,224,092	88%
DIGITAL FINANCIAL TRANSACTIONS (Crore)	608	1,289	112%
AePS TRANSACTIONS (Rs. Crore)	31,158	33,856	9%
TOTAL DBT BENEFICIARIES (Crore)	3.04	5.12	70%
DIGITAL PAYMENTS TO POST OFFICE SCHEMES (PPF/ SSY/ RD/ LARD) (Rs. Crore)	13,915	19,708	42%
MOBILE APP DOWNLOADS (Crore)	3.01	4.32	41%
IPPB ACCOUNTS LINKED WITH POSA (Lakh)	35.36	44.34	25%

Key Milestones & Achievements



FOOTPRINTS OF GROWTH & TRANSFORMATION





MARKETING

The financial year 2024–25 marked a transformative period for India Post Payments Bank (IPPB) in terms of its marketing and outreach initiatives. With a steadfast commitment to its mission of "Banking at Your Doorstep", the Marketing function at IPPB focused on deepening customer trust, enhancing visibility across segments, and supporting business growth through strategic, data-driven, and inclusive campaigns.

By blending trust with technology and strategy with storytelling, IPPB's Marketing team employed strategic brand positioning and integrated marketing efforts to ensure consistent and relatable narratives across all customer-facing platforms—urban and rural, online and offline. This not only enhanced the visibility of Brand IPPB but also supported business acceleration, deepened stakeholder trust, and brought millions closer to formal financial services.

Key Highlights

Branding & Outreach

Brand Identity Enhancement – New Logo Design: In line with the Reserve Bank of India's advisory regarding font usage, the IPPB Marketing team led the redesign of the IPPB logo, blending modern design aesthetics with the Bank's legacy of inclusivity and nationwide reach.

Government Scheme Integration: IPPB was prominently featured in the Government of Odisha's Shubhadra Yojana through print advertisements, encouraging citizens to open IPPB accounts to receive Direct Benefit Transfers (DBT), thereby enhancing visibility and trust. IPPB also collaborated with various state government schemes, offering customized co-branded Virtual Debit Cards, QR Cards, IBC signages, and more.

Prayagraj Maha Kumbh Engagement: In collaboration with field teams, an on-ground campaign was executed at high-footfall locations during the Maha Kumbh. Services like AEPS transactions, account openings, and Aadhaar mobile number updates were provided. This initiative reinforced IPPB's image as "Bharat Ka Sabse Saral Bank" (India's Most Simplified Bank).

Pensioner Engagement Campaign: A targeted campaign was launched in partnership with the Department of Pension & Pensioners' Welfare to promote face-authentication for Digital Life Certificate (DLC) submission. Featuring real-life field images under the #DLCCampaign3 and outreach via SMS, the

initiative saw significant traction and adoption.

Driving Business Through Targeted Marketing:

Marketing efforts were closely aligned with business objectives, supporting the launch and promotion of key products and services such as: AePS, Bill Payments, Merchant Onboarding, CELC services, Premium Khata, General Insurance, Post Office Sukanya Smariddhi Yojana, Mobile-Aadhaar Seeding, Two/ Four-Wheeler Insurance, Digital Life Certificate, Loan Referral Services, IPPB Mobile Banking App etc.

Sales Campaigns: Multiple sales campaigns were executed during FY 2024–25, with the Marketing department playing a pivotal role in their success. Notable campaigns included: like Ek Khata Pratyek Shakha, CELC Ke Sikander, PTL Facilitation Event collaterals, Digital loan Champions, DLC Nationwide Campaign 3.0, Last Mile Loan League Campaign, AEPS Performer of the month and Loan Referral Program, CELC ke Sikander, PM Kisan Saturation Campaign, AePS Performer of the Month, Super Star of Revive, Account Upgrade Contest, Digital Loan Champion, POSB Linking and Aadhaar-Seeding drive

Print Ad Campaign: A print advertisement campaign themed around the **11 Crore Customer Milestone** was rolled out, primarily in Hindi-speaking regions. IPPB reached approximately 23 lakh households across 149 IPPB Branch (Banking Outlet) Locations. During the campaign period, average customer acquisition rose by 20%, and average transaction volumes increased by 8% at these locations.

Digital Marketing & Social Media Growth

With a strong emphasis on regional relevance and vernacular content, IPPB's digital presence grew significantly across all major platforms:

Platform	As on March 2024	As on March 2025	% Increase
Twitter	92,791	1,13,583	22%
Facebook	67,632	74,000	9%
Instagram	91,313	1,01,488	11%
YouTube	35,900	46,174	29%
LinkedIn	56,959	64,529	13%

Engagement was further boosted through video storytelling and real-time field stories, reinforcing the brand's deep connection with everyday India.

Lead Generation & Campaign Efficiency

Digital Lead Capture: Integration of lead capture forms across campaigns and the IPPB website resulted in the generation of 19.3 lakh actionable leads, routed to the India Post field team for doorstep service delivery.

Public Awareness & Advocacy

- **Voter Awareness & Civic Campaigns:** In collaboration with the Election Commission of India, a social media campaign was run urging citizens to participate in the electoral process.
- **RBI & Financial Literacy Campaigns:** Regular fortnightly posts on social media promoted financial discipline and fraud prevention, reinforcing IPPB's commitment as a responsible banking partner.

PRODUCTS

Enhancing Customer Experience, Digital Banking Security, Product Innovation, and Operational Efficiency has been the mainstay for the product team at IPPB. During FY 2024-25, multiple product enhancements, customer-centric features, and compliance updates were introduced, supporting the bank's mission of inclusive and secure banking for all.

Key Product Initiatives:

- 1. SMS-based account freeze to prevent fraudulent debits:** To empower customers to take instant action against frauds, IPPB launched an SMS-based account freeze facility, customers can simply send an SMS "FREEZE <Account Number>" to 7738062873" for freezing debit transactions and a confirmation SMS is sent to the customer. To unfreeze, customers must visit their nearest branch or contact customer care.
- 2. Seamless Grievance Redressal through Website:** To simplify customer grievance handling, IPPB integrated a Complaint Management Module on Bank's website. Customers can raise complaints, check complaint status, and track resolutions using their registered mobile or account number. Customers can also check the status of complaint raised via other channels like mobile banking, mATM, CBS and IVR on website using complaint reference number.
- 3. Introduction of e-NACH and ACH facility for recurring payments:** IPPB implemented e-Sign and AADHAAR OTP based e-NACH & ACH

mandate for EMI and recurring Bill payments basis customer consent. These digital initiatives are designed to simplify and enhance the customer experience by automating scheduled debits for recurring expenses such as EMIs, utility bills, investments, and insurance premiums. Customers can now enjoy greater peace of mind and convenience, free from the hassle of remembering due dates.

- 4. Next-Gen Authentication - Facial Authentication:** This initiative leverages advanced technology to make banking more inclusive and accessible—particularly for senior citizens who often face challenges with fingerprint authentication. By enabling facial authentication, IPPB has launched this facility for ensuring seamless and dignified banking experience for everyone.
- 5. Streamlined Loan Referral Services via Mobile Banking:** IPPB ऋण Setu platform was co-created by IPPB too streamline the lead management and monitoring process of loan/credit leads. The platform has enabled generation of loan leads for IPPB's partner organization through a paperless, hassle-free journey. The platform is available on the IPPB MATM device as ऋण Setu app and on the internet as a web journey.

CUSTOMER SERVICE

IPPB has played a pioneering role in the digital transformation of the financial services industry in India. The Bank understands that customer service excellence is a key differentiator in today's competitive financial sector. The Bank is continuously evolving its customer grievance redressal mechanism and providing adequate training to its staff at IPPB banking outlets and customer call center service agents. Through these initiatives, the Bank continues to uphold its commitment towards customer satisfaction and service excellence, ensuring a smooth and hassle-free banking experience.

Contact Centre: IPPB ensures that frequently used functionalities by customers are made available through digital channels. The 24x7 Contact Centre has the capability to connect with customers in their preferred language. Apart from Hindi and English, the Contact Centre supports eleven regional languages. The Contact Centre handled approximately 1.35 crore customer calls during the year.

Grievance Redressal: The Customer Grievance Redressal mechanism of the Bank ensures the time-

bound resolution of complaints. During FY 2024-25, approximately 95% of the grievances were resolved within the pre-defined turnaround time. The Bank focused not only on improving the quantitative performance indicators of grievance redressal but also on enhancing the quality of resolution to improve customer satisfaction. Service levels across the network of banking outlets are monitored through surveys, service audits and workshops.

The Bank maintains an escalation matrix through which customers can escalate their complaints. At the Board level, the sub-committee of the Board, known as the Customer Services Committee of the Board, addresses issues relating to the formulation of policies and assessment of compliance with the same, with the aim of consistent improvement in the quality of customer service. The sub-committee also analyses the feedback received from customers through the Voice of Customers and compares the Bank with its peers on various parameters to enhance the customer experience.

INFORMATION SECURITY

The mission of Information Security at India Post Payments Bank is to design, implement, and maintain an information security program that protects the Bank's systems, services, and data against unauthorized use, disclosure, modification, damage, and loss. The Information Security Department is committed to engaging with different business functions of the Bank and establishing an appropriate Information Security

governance structure that enables collaboration and support for new Information Security initiatives.

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



Second Line of Defence: Dedicated teams oversee security architecture, 24x7 monitoring, compliance with policies, and guide the secure enablement of business initiatives.



Compliance: IPPB undergoes regular third-party assessments, regulatory inspections, and cyber drill exercises to evaluate the effectiveness of controls.

At IPPB, the triad of confidentiality, integrity, and availability is at the heart of the Information Security framework implemented by the Bank. Keeping customer priorities in mind, the Bank follows a 'defence-in-depth' approach in implementing cybersecurity solutions. This approach enables the Bank to protect its data using a multi-layered defence mechanism

with a combination of tools and techniques which complement and augment each other.

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

Information Security Function CISO Office		
Operational Security (Preventive Control)	Policies & Guidelines (Governance Control)	Monitoring & Control (Detective Control)
- Perimeter & Network Defence - Privileged Access Management - Endpoint System & Server Security - VAPT - IT systems & Mobile Applications	- Security Policies and Guidelines - Governance & Oversight 2nd Line of Defence in IT Infrastructure - Secure enablers for IT & Business Functions	- Security Operations Centre (SOC) - Incident Monitoring - Threat-Intelligence against Cyber threats - Security Awareness & Practices

Security Awareness and Culture

Recognizing that human awareness is critical to cyber defence, IPPB has performed:

Employee Awareness Initiatives:	Customer Awareness Programs:
- Interactive phishing simulation campaigns - Targeted e-learning modules & Interactive Webinars - Security quizzes and Awareness messaging	- Awareness advisories via SMS & Emails - Published digital security tips on Website and Social media platforms

These initiatives covered all the employees, fostering a culture of shared accountability and helped wide customer base building trust and empowering users to transact securely.

IPPB continues to evolve its cybersecurity strategy to align with emerging threats, regulatory expectations, and digital innovation. We aim to ensure long-term resilience, build stakeholder confidence, and support the organization's growth with trust at its core.

INFORMATION TECHNOLOGY

India Post Payments Bank integrates advanced information technology to deliver seamless, secure, and inclusive banking services across India, especially in rural and remote areas. The Bank is continuously strengthening its infrastructure to achieve higher uptime and better performance to support evolving customer needs and regulatory requirements. The Bank is continuously investing in next-generation infrastructure and solutions to be ready for upcoming banking needs.

Outlined below are some of the pioneering steps taken by the Information Technology domain:

Data Center Migration

The Bank is undertaking a strategic migration to a more capacious data centre facility, ensuring its infrastructure is robustly aligned with anticipated growth trajectories and evolving business requirements.

The Bank has successfully completed the migration of its Disaster Recovery (DR) Datacenter to a new Tier-IV datacentre, and a similar exercise is planned for the primary Datacentre in the days to come.

Transition to Private Cloud Infrastructure and Implementation of New Storage Solution

The Bank has modernized its legacy IT infrastructure to a private cloud environment, leveraging hyper-

converged infrastructure (HCI), thereby providing the flexibility to offer on-demand compute for demanding workloads. Workload migration has been seamlessly done to this new platform. As data is the new oil for the digital economy, the Bank has opted for a new-age storage solution with enhanced capacity and performance, thereby providing faster application response time and better compliance.

This transition streamlines and automates IT operations, offers greater scalability, and allows the Bank to quickly adapt to market demands and launch new products more efficiently.

Security and Network Upgrades

To maintain security, ensure compliance, and optimize operational efficiency, multiple levels of segregation have been put in place to further strengthen the security posture of the Bank. This includes VLAN segregation and periodic upgrades to backend software.

Upgradation of network connectivity for faster, secure communication and handling the increased throughput has been implemented to accommodate future anticipated workloads.

Regularly updating application components to the latest version provides customers with a bug-free and secure application environment for performing their banking activities.

RISK MANAGEMENT

The Bank has implemented a comprehensive Risk Management Framework supported by Board-approved policies and strategies to identify, assess, monitor, and mitigate risks effectively, in alignment with the Bank's overall risk appetite and tolerance levels.

Key risk-related policies approved by the Board include the 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.

To ensure efficient oversight, the Bank follows a multi-layered risk governance structure with clearly defined roles, responsibilities, and periodic reporting to the Board, Risk Management Committee of the Board (RMCB), and other Internal Committees.

Operational Risk Management

The Bank has put in place an Operational Risk Management Policy and supporting framework, encompassing the following components:

Loss Data Management (LDM) for systematic identification, reporting, accounting, and closure of operational risk events.

Product and Change Approval Framework to assess risks in new or modified products/processes.

Risk and Control Self-Assessment (RCSA) for periodic evaluation of risks and controls.

Key Risk Indicators (KRIs) to monitor emerging operational risk trends.

Thematic/periodic risk reviews are conducted across the products/processes/outsourcing arrangements to proactively identify operational risks and recommend appropriate mitigation measures. Risk updates and any material risk issues are periodically escalated to the Board, RMCB, Internal Committees, and relevant internal stakeholders.

The Bank also identifies all material risks to which it is exposed. These risks are comprehensively assessed and documented as part of the Bank's annual Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP includes details on the Bank's approach to managing each identified risk, along

with an assessment of the current and future capital requirements after considering relevant risk mitigants.

Market Risk and Asset Liability Management

The Bank has adopted a Market Risk Management Policy, Asset Liability Management (ALM) Policy and Treasury Investment Policy aligned with regulatory guidelines for Payments Banks. Oversight is provided by executive-level committees including the Investment Committee and ALCO, which support the RMCB in day-to-day management.

Market risk in the trading book is monitored through established limits and sensitivity metrics. Regular

monitoring includes market positions, funding patterns, counterparty exposures, and risk parameters. Liquidity risk is assessed through Structural Liquidity Statements and stock ratios, while Interest Rate Risk is managed using interest rate sensitivity gap reports.

These policies are reviewed periodically to stay aligned with evolving financial and regulatory landscapes.

Fraud Risk Management

The Bank remains committed to high ethical standards and effective fraud prevention. A Board-approved Fraud Risk Management Policy provides a structured approach to identifying, investigating, and reporting fraud, along with accountability assessment and corrective action.

1. To strengthen cyber fraud prevention, the Bank has been leveraging the Indian Cyber Crime Coordination Centre (I4C) under the Ministry of Home Affairs (MHA) for coordinated handling of cybercrime cases. Additionally, the Bank has

developed an in-house Fraud Risk Management System (FRMS) to monitor suspicious transactions and identify early warning signals.

2. The Bank also utilizes fraud-related alerts and analysis shared by NPCI, Dept. of Telecommunications, and other departments/agencies, aiding in risk identification and preventive action specific to IPPB's transaction patterns.
3. Preventive awareness remains a core focus area. Periodic Fraud Risk Management Series, various advisories, and flash messages are shared with employees and agents to promote awareness and strengthen a proactive risk culture within the organization.
4. Further, customer awareness is promoted through fraud advisories in e-statements and social media outreach, reinforcing the message that prevention is the first line of defence.

HUMAN RESOURCES

The Human Resources Department at India Post Payments Bank (IPPB) continues to spearhead transformative initiatives aimed at strengthening employee capabilities, enhancing engagement, and building a future-ready workforce. The past financial year was marked by several strategic accomplishments, with Project URJA and Implementation of the 12th Bipartite Settlement at the forefront of our HR and learning and development agenda

1. Launch of Project URJA – Igniting Potential through Skill Development

A landmark initiative, Project URJA (Upskilling & Rejuvenating for Job Advancement), was launched as the Bank's first structured classroom training program. This Employee Skill Development Program is a dynamic and high-impact learning experience designed to empower employees across various cadres.

Key highlights from URJA:

- Conducted as offline campus programs at reputable institutes
- Targeted refresher training for Junior and Middle Management
- Emphasized Skill and Competency Development
- Incorporated Employee Psychometric Analysis
- Designed based on a robust Training Needs Assessment (TNA)
- 383 officers (Scale I, II, III) successfully completed upskilling under URJA.

2. Employee Welfare and Awareness

- Implementation of the 12th Bipartite Settlement
- Implementation of JAIIB /CAIIB increments and Professional Qualification Pay (PQP), for regular Bank officers
- Introduction of Nutrition Policy for pregnant female officers as a token of care and concern by the Bank.

- Recognition of Union Association: Strengthening employee relations through formalized engagement mechanisms.

3. Capability Building & Compliance Training

- POSH Awareness: Successfully trained all employees to foster a safe and inclusive workplace culture.
- AML/KYC & SFMS Training: Strengthened employees' understanding of anti-money laundering practices, financial messaging systems, and regulatory compliance.
- Procurement & Vigilance Awareness Sessions led by Shri Sunil Kumar Singh, CVO, enhancing compliance culture across departments.
- 55 Scale IV officers trained in a dedicated Cybersecurity workshop, reflecting our commitment to data security and digital resilience.
- 29 officers trained in Digital Payments Security Control
- Inquiry & Presenting Officer Training: Equipped 16 employees with necessary skills to manage internal disciplinary processes.

4. Performance & Process Modernization

- PMS 2023–24 launched on GreytHR platform, with an upgraded user interface and objective assessment tools aligned with industry best practices.
- Online HR Separation Portal: Simplified the employee resignation process for greater transparency and ease.

Looking Ahead

We remain committed to building a culture of continuous learning, agility, and empowerment. In FY 2025–26, our focus will be on strengthening leadership pipelines and enhancing digital capabilities. At the same time, we will continue to foster a supportive and caring environment where every employee feels valued.

OPERATIONS DEPARTMENT

In the financial year 2024–25, India Post Payments Bank (IPPB) took a significant step toward strengthening its operational capabilities by initiating a strategic restructuring within its organizational framework. As part of this initiative, the Bank carved out a dedicated Branch Operations Department.

This restructuring was driven by the need to bring to easier for the field team to run smooth operational activities to branch-level functioning. The creation of this new department is aligned with IPPB's long-term strategic goal of delivering seamless, secure, and efficient banking services at the last mile—particularly across its extensive network of post office-based banking outlets.

The Branch Operations Department has been tasked with a clearly defined mandate to oversee and strengthen the daily functioning of branches and banking outlets. Its key responsibilities include:

1. Strengthening Process Controls

Ensuring that all processes followed at the branch level are standardized as per SOP.

2. Risk Containment and Governance

Mitigating operational risks associated with front-end banking activities. This involves closer monitoring of branch transactions and adherence to regulatory guidelines.

3. Application Access Controls

Implementing robust and secure access mechanisms for key branch-facing applications. By ensuring that only authorized personnel have the necessary system permissions, the department aims to prevent misuse and improve system integrity.

4. Technical and System Support

Providing prompt, end-to-end support for any technical or system-related challenges faced by banking outlets. This includes coordination with IT and vendor teams for quicker resolution of system downtimes and transaction-related issues.

This organizational change marks a major milestone in IPPB's journey toward operational excellence. By centralizing the branch support functions into a single focused unit, the Bank aims to:

- Reduce turnaround time for issue resolution at branches
- Improve compliance and monitoring mechanisms
- Enhance customer satisfaction through streamlined services
- Build resilience in day-to-day banking operations

DISTRIBUTION DEPARTMENT

1. **Internship Programme (FY 2024–25):** IPPB successfully concluded its Internship Programme for the financial year 2024–25, marking a significant milestone in its ongoing commitment to youth engagement and professional skill-building in the financial sector. A total of 2,324 interns were on-boarded during the year, surpassing the national target of 2,000 interns. Participation was recorded from 212 branches across all 23 circles, with 119 branches hosting five or more interns, highlighting a strong institutional commitment to mentoring and knowledge sharing.

The programme not only provided exposure to banking operations but also allowed interns to develop key professional competencies including time management, customer engagement, sales techniques, coordination with Department of Posts (DOP) counterparts, and an understanding of re-KYC processes. Many described their internship as a valuable and enriching experience that prepared them for future roles in the financial services industry.

2. **Successful Migration of MDM Services from SOTI to Sure-MDM:**

Approximately 2.0 lakh mobile devices were migrated from SOTI to Sure-MDM, ahead of the expected timeline resulting into saving of bank revenue without any service disruption, thereby ensuring business continuity.

3. **Roll-out of Incentive 2.0:** In order to streamline the incentive pay out process, bank products & services bouquet were bifurcated into three groups.

Group 1 – Consists mainly of the Bank's products such as account opening, BBPS, AEPS, PMJJBY, CELC Mobile, and DLC.

Group 2 - Includes Life Insurance, General Insurance, and Loan referrals for ease of understanding.

Group 3 - CELC child enrolment upon actual realization.

Under Incentive 2.0, incentives are being released as per a fixed date for each group for

uniformity.

4. **Financial Literacy Camps Update:** IPPB conducted approx. 3,800 total Financial Literacy Camps (FLCs) across India, with 2,200+ camps in association with NABARD and 1,550 with IEPFA (MCA).

5. **Learning & Development Initiatives:**

- A. **Roll-out of Distribution Digest:** To foster transparency and knowledge among staff and users in the field, the Distribution Digest was rolled out to inform our Postmen/ Grameen Dak Sevaks/ IBCs about day-to-day activities, process updates, and banking products.

- B. **CELC Certification:** UIDAI mandates compulsory training & certification of IPPB End Users to deliver Child Aadhaar Enrolment & mobile number updation services. During 2024-25, 28,767 End Users completed their CELC certification or recertification to manage sensitive biometric and demographic data while ensuring compliance with Aadhaar's unique standards for child enrolment.

- C. **In-House Training and Certification of DoP End Users and IBCs:** A total of 51,253 end-users & IBC were successfully trained during the FY 2024–25. This extensive training equips Department of Posts (DoP) end-users and Individual Banking Correspondents (IBCs) with the necessary skills and knowledge to enable IPPB service delivery at the last mile.

6. **Device Contract Management:**

To ensure seamless service delivery at the last mile, India Post Payments Bank has procured 1.4 lakh mobile devices and 3 lakh biometric fingerprint scanners. These devices empower our Postmen/ Grameen Dak Sewaks to provide reliable doorstep banking services across the country. IPPB has entered into specific contract with vendors for maintenance of these devices, to ensure timely servicing and support for uninterrupted service on ground. This reflects our commitment to not only extend a robust digital banking interface to the last mile but also to ensure its continuous and reliable performance.

COMPLIANCE

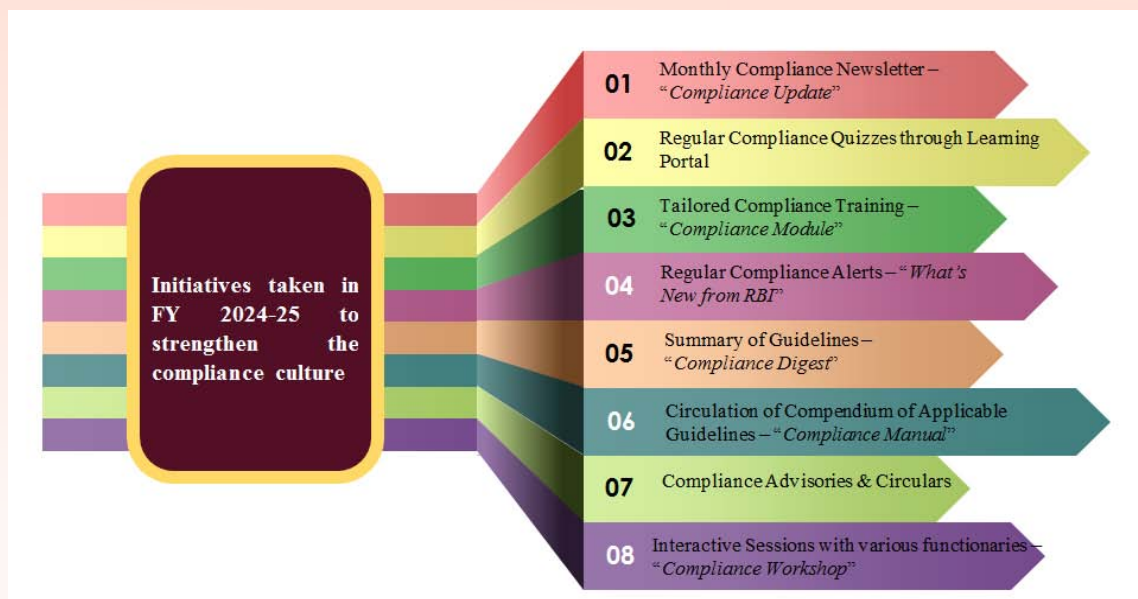
The Compliance Function is the second line of defence of the Bank, ensuring strict observance of all statutory provisions contained in various legislations governing the banking business, as well as ensuring adherence to other regulatory guidelines issued from time to time; standards and codes, and also the Bank's internal policies and Fair Practices Code.

Compliance laws, rules, and standards are likely to go beyond what is legally binding and embrace broader standards of integrity and ethical conduct.

Compliance Approach: Governance, Risk & Compliance (GRC)



Compliance Program: Our Compliance Program is based on three pillars of Prevention, Identification and Rectification. Effective compliance programs can be implemented at best in a strong Compliance Culture, which has a special place in compliance programs.



AWARDS & RECOGNITION

Digital Bank of the Year : IBS 2024

IPPB was honored during the India Banking Summit event with the 'Digital Bank of the Year' and 'Digital Payment Bank of the Year' awards, held in June 2024.



MarTech Excellence Awards 2024 : Powered by Quantic

IPPB participated and bagged the MarTech Excellence Awards for the 'Best Rural Focuses Marketing Campaign' category, on 13th June 2024.

20th Banking Technology Conference, Expo & Citation : IBA

India Post Payments Bank (IPPB) earned a Special Mention under the 'Best Fintech & DPI Adoption' category at the Indian Banks' Association (IBA) 20th Banking Technology Conference, Expo & Citation, held on 24th January 2025.

This recognition highlights IPPB's focused adoption of digital platforms and public infrastructure to deliver seamless, inclusive, and tech-enabled banking experiences to customers nationwide.



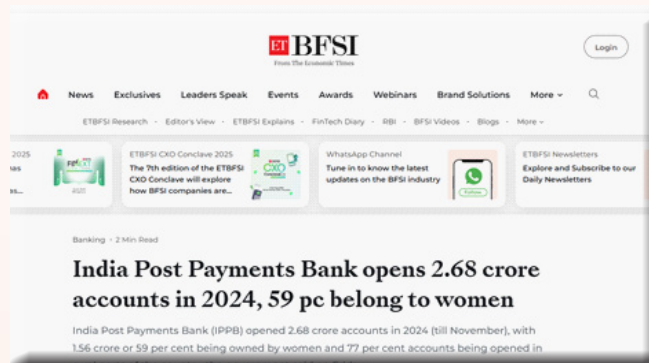
BFSI & Fintech Summit 2025: Dun & Bradstreet

India Post Payments Bank (IPPB) was conferred the prestigious title of 'India's Leading Payments Bank' at the Dun & Bradstreet BFSI & Fintech Summit 2025, held on 21st February. The award underscores IPPB's role in redefining banking through innovation, accessibility, and inclusive growth. By leveraging technology and last-mile connectivity, the Bank continues to empower citizens and drive meaningful financial inclusion across the nation.

KEY MEDIA COVERAGE



URL-<https://timesofindia.indiatimes.com/business/india-business/centre-to-set-up-100-branches-of-india-post-payments-bank-in-north-east/articleshow/111949996.cms>



<https://bfsi.economictimes.indiatimes.com/news/banking/india-post-payments-bank-opens-2-68-crore-accounts-in-2024-59-pc-belong-to-women/116499135>



<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2026658>



<https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=152040&ModuleId=3>

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75 Azadi Ka Amrit Mahotsav

International Year of Cooperatives 2025
Cooperatives Build a Better World

India Post Payments Bank celebrates 7th Foundation Day: Reinforcing commitment to financial inclusion

Posted On: 01 SEP 2024 2:40PM by PIB Delhi

India Post Payments Bank (IPPB), a key player in driving financial inclusion across the country, proudly marks its 7th Foundation Day (IPPB Day) today. Since its nation-wide roll-out in 2018 by Prime Minister Shri Narendra Modi, the IPPB has been at the forefront of transforming India's financial landscape by providing accessible, affordable and trusted digital banking services to underserved and unbanked families at their doorstep.

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2050593>

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Ministry of Communications

75 Azadi Ka Amrit Mahotsav

International Year of Cooperatives 2025
Cooperatives Build a Better World

India Post Payments Bank

Posted On: 27 NOV 2024 3:23PM by PIB Delhi

There is only one payments bank, i.e., India Post Payments Bank (IPPB), set up under Department of Posts. The bank has 650 branches and over 1.63 lakh access points through the post office network.

IPPB is offering a range of services and products such as savings and current accounts, Virtual Debit Card, Domestic Money Transfer services, bill and utility payments, insurance services for IPPB customers, Post Office Savings Account (POSA) linkage with IPPB accounts, online payment for Post Office Savings schemes, Digital Life Certificate (DLC), Aadhaar Enabled Payment System (AePS), mobile number update in Aadhaar for any citizen and Child Enrolment services for any child of 0-5 years old.

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2077894>

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India Post Payments Bank and PNB MetLife partner to expand life insurance access nation wide

ANI - Last Updated: Jan 30, 2025, 01:47:00 PM IST

<https://economictimes.indiatimes.com/industry/banking/finance/insure/india-post-payments-bank-and-pnb-metlife-partner-to-expand-life-insurance-access-nation-wide/articleshow/117729050.cms?from=mdr>

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INDIA POST PAYMENTS BANK UNDERTAKES VARIOUS MEASURES TO FACILITATE POST OFFICE SAVINGS ACCOUNT (POSA) LINKAGE WITH ITS ACCOUNTS

Posted On: 06 FEB 2025 3:11PM by PIB Delhi

India Post Payments Bank (IPPB) has 650 branches and over 1.63 lakh access points across the country with 01 branch and 224 access points particularly in Kushinagar district.

IPPB is offering a range of services and products such as savings and current accounts, Virtual Debit Card, Domestic Money Transfer services, bill and utility payments, insurance services for IPPB customers, Post Office Savings Account (POSA) linkage with IPPB accounts, online payment for Post Office Savings schemes, Digital Life Certificate (DLC), Aadhaar Enabled Payment System (AePS), mobile number update in Aadhaar for any citizen and Child Enrolment services for any child of 0-5 years old.

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2100235>

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International Year of Cooperatives 2025
Cooperatives Build a Better World

India Post Payments Bank Empowers Devotees at Mahakumbh 2025 with Seamless Banking Services

IPPB playing a pivotal role in providing digital banking services to all pilgrims at Mahakumbh 2025

IPPB has established service counters, mobile banking units, and customer assistance kiosks at 5 key locations throughout Mahakumbh

Posted On: 14 FEB 2025 4:04PM by PIB Delhi

[https://www.pib.gov.in/PressReleasePage.aspx?PRID=2103221#:~:text=India%20Post%20Payments%20Bank%20\(IPPB,from%20all%20walks%20of%20life.](https://www.pib.gov.in/PressReleasePage.aspx?PRID=2103221#:~:text=India%20Post%20Payments%20Bank%20(IPPB,from%20all%20walks%20of%20life.)

KEY EVENTS

1. MAHAKUMBH 2024

During the spiritual grandeur of Maha Kumbh Mela 2025 in Prayagraj, India Post Payments Bank (IPPB) played a pivotal role in delivering essential banking services to millions of devotees. Services such as AEPS transactions, account opening, merchant onboarding, and CELC were made easily accessible across five key post offices located in and around the mela grounds.

To deepen outreach and engagement, IPPB launched an extensive branding and marketing campaign—featuring boat branding on Sangam waters, digital LED screens at key city junctions, and custom-branded photo jackets for pilgrims. Additionally, LED TVs, flyers, merchandise like pens and keychains, and windcheater jackets further amplified visibility on-ground.

These initiatives ensured that IPPB was not just seen, but experienced—blending tradition with technology and reinforcing its mission of being Har Ghar Ka Digital Bank even amidst the world's largest spiritual gathering.

Digital LED Display:



Boat Branding:



Photography:



Merchant Onboarding:



Keychain and Pen:



2. IPPB DAY

India Post Payments Bank (IPPB) celebrated its Foundation Day with great pride, marking the achievement of 10 crore customers—a testament to its rapid growth and commitment to financial inclusion at the last mile. The event also witnessed the unveiling of IPPB's new logo, symbolizing its evolving identity as Har Ghar Ka Digital Bank.

Ms. Vandita Kaul, Secretary (Posts), graced the occasion as the Chief Guest and joined in celebrating IPPB's journey of transforming banking through its unique DoP-IPPB model, which is now gaining international recognition for its impact and scalability.



3. India Banking Summit 2024

IPPB CSMO Shri Gursharan Bansal participated as an expert panellist on the topic, '**Conversational AI in Banking: Transform Your Digital Banking**', at the India Banking Summit & Awards 2024, held on 7th June 2024.

He also acted as a moderator for the topic '**Digital Customer Onboarding & KYC: Transforming the Credit & Experience**', at the India Banking Summit & Awards 2024 held on 6th June 2024



4. ET BFSI CXO Conclave



During the event ETBFSI CXO Conclave Panel Session: Empowering India's Economic Future: Encashing the Digital Economy, R. Viswesvaran, MD & CEO of India Post Payments Bank (IPPB), highlighted the Bank's achievements and future outlook. He stated that IPPB was formed to fully leverage the extensive postal network that reaches even the remotest parts of India. He shared that the Bank opens over 1 lakh accounts every day and has surpassed 10 crore accounts within just six years. With over 3 crore digital transactions conducted daily,

IPPB has established a strong presence across multiple states, including remote pockets. He further mentioned that a structured awareness mechanism and support system for postal workers (dakiyas) is in place to address queries promptly. Emphasizing the Bank's wide network and infrastructure, he added that while the current reach is significant, there is still untapped potential.

(Ref : <https://bfsi.economictimes.indiatimes.com/news/banking/bfsi-must-grow-20x-for-india-to-achieve-developed-nation-status-by-2047/113447777>)

5. NPCI Synergy Initiative:

R. Viswesvaran, MD & CEO participated as panelist on the topic Empowering India's Economic Future: Encashing the Digital Economy. The event featured high-profile panel discussions. The panel, "Collaborative Models in Financial Services," focused on how partnerships between SFBs, Payments Banks, and NPCI can spur growth and drive innovation. Key dignitaries from Fino Payments Bank, Unity Small Finance Bank, and India Post Payments Bank participated in the discussion, speaking on the critical role of collaboration in leveraging technology for developing innovative products to expand access to financial services and drive credit penetration in India, reaching the last mile.



Statutory Reports and Financial Statements

Director's Report

To,
The Members,

Your Directors are pleased to present the 9th Annual Report of the Company ("IPPB") together with the audited financial statements for the financial year ended 31st March, 2025 together with the report of the Auditors and Review of the Comptroller & Auditor General of India thereon.

FINANCIAL RESULTS

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

(Amount in Rs. Crore)

Details	FY 2024-25	FY 2023-24
Total Deposits	19,345.23	11,552.19
Total Assets/Liabilities	22,907.27	13,662.76
Total Income	2,148.12	1,265.29
Total Expenditure	2,014.26	1,231.05
Net Profit/Net Loss for the year	133.85	34.23
Net worth	1,384.12	959.57
Shareholding of Government of India (%)	100.00	100.00
Capital Adequacy Ratio (CRAR) (%)	49.24	54.86
Tier 1 Capital ratio (%)	48.85	54.64
Earnings per Share – Basic/Diluted (in Rs)	0.60	0.18

PERFORMANCE HIGHLIGHTS AND OVERVIEW

During the period, the Company has recorded a total revenue of Rs. 2148.12 Cr. and total expenditure of Rs.2014.26Cr. Total Net Profit during the year is Rs. 133.85 Crore. In the previous year Company has incurred a profit of Rs. 34.23 Cr.

PUBLIC DEPOSIT

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

DIVIDEND

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- The Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;

- Sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis;
- The systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

STATUTORY AUDITORS

The Statutory Auditors of your Company, M/s. Ambani & Associates, Chartered Accountants (FRN – 016923N) was appointed as Statutory Auditors of your Company for the financial year 2024-25 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, 2025. 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, 2025 and the comments of Comptroller & Auditor General of India on Financial Statements for the period ended 31st March, 2025 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, 2025 is annexed to the Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CHANGE IN THE NATURE OF BUSINESS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Policy of the Company was approved by the Board of Directors on 19th January, 2017. As per the provisions of Section 135 of the Companies Act 2013, the Bank is not required to spend towards CSR in FY 2024-25 as the average net profit of the previous three financial years (FY 2021-22, FY 2022-23 and FY 2023-24) is negative.

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 2025:

S. No.	Name of the Director	Designation	Period of occupancy with effect
1	VANDITA KAUL	CHAIRMAN & DIRECTOR	01/06/2024
2	RAJUL BHATT	NOMINEE DIRECTOR	24/07/2024
3	R VISWESVARAN	MD & CEO	27/03/2024
4	BHUMIKA VERMA	NOMINEE DIRECTOR	27/03/2025
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	VANDITA KAUL	DIRECTOR & CHAIRMAN	01/06/2024
2	RAJUL BHATT	NOMINEE DIRECTOR	24/07/2024
3	BHUMIKA VERMA	NOMINEE DIRECTOR	27/03/2025

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	VINEET PANDEY	DIRECTOR & CHAIRMAN	09/06/2021	30/05/2024

2	PAWAN KUMAR SINGH	NOMINEE DIRECTOR	15/12/2021	12/7/2024
3	SANJAY PRASAD	NOMINEE DIRECTOR	05/12/2018	27/03/2025

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	R VISWESVARAN	MD & CEO	27/03/2024
2	ANOO P.E.S.	CHIEF FINANCIAL OFFICER	01/04/2022
3	PRIYANKA BHATNAGAR	COMPANY SECRETARY	16/01/2017

BOARD MEETINGS

During the year 2024-25 the Board of Directors of the Company met eleven (11) times on: -

67th Board meeting held on 17th May,2024	68th Board meeting held on 26th June, 2024	69th Board meeting held on 24th July , 2024	70th Board meeting held on 12th August, 2024	71st Board meeting held on 11th September, 2024	72nd Board meeting held on 23rd September, 2024
73rd Board meeting held on 24th October,2024	74th Board meeting held on 28th November,2024	75th Board meeting held on 09th Jan,2025	76th Board meeting held on 11th Feb,2025	77th Board meeting held on 27th Mar,2025	

Director's Attendance at the Board Meeting

Name of The Director	Attendance at your Bank's Board Meetings (Total No. of Meetings held- 11)
VINEET PANDEY	01 out of 01 (Date of resignation 30/05/2024)
SANJAY PRASAD	01 out of 11 (Date of resignation 27/03/2025)
R. VISWESVARAN	10 out of 11
PAWAN KUMAR SINGH	02 out of 02 (Date of resignation 12/07/2024)
SHRIKANT NAMDEO	08 out of 11
NAVNEET KAKKAR	11 out of 11
KALIANNAN A.	11 out of 11
VEENAY GANOO	11 out of 11
JAYSHREE VRAJLAL DOSHI	11 out of 11
DR. JATIN KUMAR MOHANTY	11 out of 11

VANDITA KAUL	10 out of 10 (Date of appointment 01/06/2024)
RAJUL BHATT	09 out of 09 (Date of appointment 24/07/2024)
BHUMIKA VERMA	01 out of 01 (Date of appointment 27/03/2025)

COMMITTEES OF THE BOARD

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
- 7) Marketing & Business Strategy Committee of Board
- 8) Special Committee for monitoring & follows up of cases of frauds (formerly known as Special Committee to monitor & review all the frauds of Rs. 10 million (1 crore) and above

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in accordance with provisions of Section 177 of the Companies Act, 2013. The Committee has six members with Mr. Navneet Kakkar, Independent Director as Chairman. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Bank and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Bank. During the year 2024-25 Six (o6) Audit Committee meetings were held.

39th Audit Committee held on 22 nd April,2024	40 th Audit Committee held on 25 th June,2024	41 st Audit Committee held on 26 th June,2024	42 nd Audit Committee held on 09 th August,2024
43 rd Audit Committee held on 23 rd October,2024	44 th Audit Committee held on 19 th Feb,2025		

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 2024-25 four (04) Risk Management Committee meetings were held.

21st Risk Management Committee held on 18th May, 2024	22nd Risk Management Committee held on 14th August, 2024	23rd Risk Management Committee held on 23rd October, 2024	24th Risk Management Committee held on 19 Feb, 2025
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Nomination & Remuneration Committee

The Nomination Remuneration Committee of the Company had been constituted on 28th June, 2017 in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has five members with Ms. Jayshree Vrajlal Doshi, Independent Director as Chairman. The Committee is constituted for undertaking due diligence to determine the "Fit and Proper Criteria" status of the persons to be elected as Directors under clause (i) of sub section 3 of Section 9 of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Further, Govt. of India wide notification dated 30.08.2019 directed to constitute a single Nomination and Remuneration Committee for carrying out the functions of both Nomination and Remuneration Committee with the composition as specified by RBI Master Direction dated 02.08.2019. During the year 2024-25 One (01) committee meeting was held.

11th Nomination
and Remuneration
Committee held on
27th Nov,2024

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 2024-25 two (02) committee meetings was held.

12th Customer Service Committee held on 08th August,2024	13th Customer Service Committee held on 28th November,2024
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HR Steering Committee (Formerly known as - Recruitment Advisory Committee)

The HR Steering Committee of the Company had been constituted on 01st December, 2017 The Committee has three members with Ms. Jayshree Vrajlal Doshi, Independent Director as Chairman and Chief Human Resource Officer as a special Invitee. During the year 2024-25 Five (05) HR Steering Committee meetings were held.

29th HR Steering Committee held on 18th May,2024	30th HR Steering Committee held on 25th June,2024	31st HR Steering Committee held on 09th August,2024	32nd HR Steering Committee held on 10th September,2024
33rd HR Steering Committee held on 26th November,2024			

IT Strategy Committee

The IT Strategy Committee erstwhile 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 Strategy Committee of the Board are to:

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

During the year 2024-25, Six (06) IT Strategy Committee meetings were held.

23rd IT Strategy Committee held on 23rd April, 2024	24th IT Strategy Committee held on 25th July, 2024	25th IT Strategy Committee held on 08th August, 2024	26th IT Strategy Committee held on 27th November, 2024	27th IT Strategy Committee held on 09th January, 2025
28th IT Strategy Committee held on 20th February, 2025				

Marketing & Business Strategy Committee

The Marketing & Business Strategy Committee was constituted on 23rd February, 2023. The Committee has five members with Dr. Jatin Kumar Mohanty, Independent Director as Chairman. One meeting of Marketing & Business Strategy Committee was held during FY 2024-25.

3rd Marketing & Business Strategy Committee
held on 27th November, 2024

Special Committee for monitoring & follows up of cases of frauds [Formerly known as Special Committee for monitoring Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 crore) and above

The Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 Crore) and above was constituted on 25th November, 2023. The Committee has five members with Mr. Veenay Ganoo, Independent Director as Chairman. One meeting of Special Committee to monitor & review fraud of Rs. 10 million (Rs. 1 crore) and above was held during FY 2024-25.

2nd Special Committee to monitor & review all the Frauds of Rs. 10 million (Rs. 1 crore) and above was held on 18th May, 2024

INDEPENDENT DIRECTORS DECLARATION

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

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

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

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

IPPB being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 and relevant

Rules shall not apply in view of the Gazette notification dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India.

RELATED PARTY TRANSACTIONS

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

HOLDING & SUBSIDIARY COMPANY

There is no Holding or Subsidiary Company.

CHANGES IN AUTHORIZED AND PAID SHARE CAPITAL OF THE COMPANY

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

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

RIGHT ISSUE OF EQUITY SHARES

The Company has made right issue of 25,00,00,000 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 2024-25:

1. Number of Sexual Harassment complaints received during the FY 2024-25- 02
2. Number of Cases disposed as on 31st March 2025- 02
3. Number of cases pending as on 31st March 2025- NIL

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

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

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

SECRETARIAL STANDARDS

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

DISCLOSURE ABOUT COST AUDIT

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

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

Annexure A

ACKNOWLEDGEMENT

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

For and on behalf of Board of Directors

sd/-
Vandita Kaul
Chairman
DIN- 07854527

sd/-
R. Viswesvaran
MD & CEO
DIN -10514859

Place: Delhi
Date: 02.12.2025

G 501, CGRC, DDU Marg, New
Delhi

M-6, 2nd Floor, Green Park
Ext., New Delhi

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 Report

INDEPENDENT AUDITOR'S REPORT

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

1. Opinion

We have audited the accompanying financial statements of India Post Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss and the Statement of Cash Flows for the year the ended, and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('Act') in the manner so required for Banking companies and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2025, and its profit and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

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

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

	Key Audit Matter	Auditor's Response
1.	IT Systems and Controls over financial reporting IT Controls Framework is identified as a Key Audit Matter as the Bank's business is highly dependent on the IT environment as the Bank's financial accounting and reporting processes are highly dependent on Banking, Treasury and other supporting software controls such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Bank uses several systems for its overall financial reporting and there is a large volume of transactions being recorded at multiple locations daily. In addition, there are increasing challenges to protect the integrity of the Bank's systems and data since cyber security has become a more significant risk in recent periods. Hence, due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.	As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting: We have planned, designed and carried out the audit procedures and sample checks, taking into consideration the existing IT systems of the Bank. We obtained an understanding of Bank's IT environment including integration of various systems to evaluate their adequacy. This included testing that requests for access to systems were reviewed and authorised. We inspected requests of changes to systems for approval and authorisation. Further, we also relied on the reports of Information Security Audit conducted by an external agency during the financial year 2024-25 final report submitted on 26.03.2025. In addition, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we sought explanations regarding compensating controls or performed alternate audit procedures.
2.	Banking business activities of the Bank are being carried out by the Department of Post (DoP), on behalf of the Bank, as Business Correspondence (BC). Further, software applications relating to Banking business transactions of the Bank has been outsourced to third parties to implement, operate and maintain.	
	We considered this matter to be of most significance in our audit as the materiality and volume of the transactions involved, balances in the financial statements and the risks involved. Banking business i.e. opening of customer saving/current Bank accounts, cash deposits, cash payments / transfer etc. for respective customer are being made by the DoP on behalf of the Bank. Banking business software application have also been outsourced to implement operate and maintain. (Refer note no 33.1 of schedule 18 of the accompanying financial statement).	As per information and explanation provided to us, the common services of both the entities are being provided through same set of the manpower of DoP (GDS/BC) , however, the software licences used by both the entities are different, we have relied on the basis of test check performed by us on the product wise reports / records prepared by the Central Processing Centre (CPC) of the Bank for the daily / periodic settlement with respect to the transactions relating to the Banking business and accounting entries made in CBS.

3.	Litigation by the vendor against termination of contract awarded for entire Banking system integration and its maintenance:	
	We considered this matter to be of most significance in our audit due to the amount claimed by the vendor in litigation. The contract for implementation of a “dedicated and customised technology platform” through a System Integrator (SI) was terminated prior to completion due to delays and/or non-performance of services as per the terms of the MSA and SLA signed between the vendor and the Bank. The vendor’s claim of ₹424.36 crore is under arbitration, and ₹254.23 crore has been disclosed under ‘Schedule 12 – Contingent Liabilities’. (Refer Note No. 34 of Schedule 18 of the accompanying financial statements).	As per information and explanation provided to us the vendor did not adhere to the timelines stipulated in the agreement, and also failed to provide defect-free services. As a result, penalties/ liquidated damages were levied/recovered from the contractor for such delays and lack of defect-free performance. Consequently, the Bank had terminated the contract via termination notice dated 10.07.2023 The vendor approached the Honourable High Court of Delhi, which vide its order dated 9th February 2024, referred the matter for Arbitration through an Arbitral Tribunal. The matter is currently pending before the Arbitral Tribunal. The bills raised by the contractor for ₹ 163.47 crore approx. have been disputed and withheld by the Bank. The bank charged a penalty of ₹ 62.27 crore from the vendor and has made a provision of ₹ 101.20 crore (net of penalty) till 31st March 2023. Further, the Performance Bank Guarantee (PBG) submitted by the vendor, amounting to ₹ 68.93 crores, was invoked by the Bank in September 2023. This amount has been accounted under ‘Sundry Account’ pending the outcome of the litigation. The total amount claimed by the vendor in the lawsuit is ₹ 424.36 crore. Bank has disclosed an amount of ₹ 254.23 crore under ‘Schedule 12 – Contingent Liabilities’ being the amount claimed by the vendor after adjusting the liability already held in the books as mentioned above.

4. Emphasis of Matter:

We draw attention to the :

- i Note no. 6.3 of schedule 17 of the accompanying financial statements regarding policy for depreciating software considering estimated life instead of actual useful/licenced life.
- ii. Note no. 31.3 Schedule 18 of the accompanying financial statements, the physical verification of Fixed Assets as at 31st March 2025 is currently underway. In view of this ongoing process, the Bank has made a provision of Rs. 1 crore during the current financial year towards potential write-off of Fixed Assets.
- iii. Note no. 33 of schedule 18 of the accompanying financial statements regarding non-disclosure of transactions

made between Bank and DoP, as Related Party Transactions in term of exemption for such disclosure as per para 9 of the Accounting Standard 18 issued by ICAI, as both the entities are under same administrative ministry of the Govt. of India.

Para 3.13 of MoU signed between DoP & Bank on 4th November, 2022 stipulates" maintain an arm's length relationship at all time with adequate ringfencing and firewalls for uninterrupted operations between DoP and IPPB, without comingling of data in accordance with RBI license conditions". The management of the Bank and DoP is in the process of finalising the MOU to address the issues.

- iv. As stated in Note No. 33.3 of Schedule 18 of the accompanying financial statements, the outstanding recoverable from the Department of Posts (DoP) pertains to payments made by the Bank on behalf of the DoP. An amount of Rs. 39.91 crore has been provided for during the year towards amount outstanding for more than 1 year.

Note no. 33.4 of Schedule 18 of the accompanying financial statements regarding capitalisation of 999 ATM on the basis of transfer of ownership by Infosys to the Bank against consideration paid by the Bank, however, income and expenses relating to such ATMs is not being accounted for by the Bank.

- v. Note no.34 in the Schedule 18 of accompanying financial statements regarding disputed liabilities, out of which Rs. 101.20 crore has been accounted for as liability and Rs.254.23 crore shown as contingent liability. The Performance Bank Guarantee (PBG) of Rs. 68.93 crore given by the Contractor have also been invoked and shown under other liabilities & provisions. The SI/Contractor had gone in the High Court of Delhi and Court vide its direction dated 9th February 2024, referred the matter for Arbitration. Case is still pending.
- vi. As stated in Note No. 38 of Schedule 18 of the accompanying financial statements, amounts exceeding the limit of Rs. 2 lacs from the respective savings/current accounts of customers not having Post Office Savings Accounts (POSA) have been appropriated and parked under 'Other Liabilities' for a long period. Interest is being credited to customers' accounts on a value date basis.

Our opinion is not modified in respect of these matters.

5. Other Information

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

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

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

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

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

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

1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- (b) In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
- (c) Those Board of Directors is also responsible for overseeing the Banks's financial reporting process.

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

- (a) Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- (b) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (c) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- (d) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- (e) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters:

- i. These financial statements include data/information of 1 branch and 649 Banking outlets located on pan India basis which we have not visited and relied solely on the information/explanations relating to their data provided by the management at the Head Office of the Bank.
- ii. Financial statements for the year ended 31st March 2025 included the data / opening data on the basis of the financial statements for the year ended 31st March 2024 which were audited by M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants vide their unmodified report dated 26.06.2024, whose reports have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of these financial statements.

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

9. Report on Other Legal and Regulatory Requirements

- i. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Rules), 2014 (as amended).
- ii. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, subject to the limitations of the audit indicated in above paragraphs, we report that:
 - 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 at centrally as the necessary records and data required for the purposes of audit are available therein.
- iii. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a Banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
- iv. As required by Section 143(5) of the Act, we have considered the direction and sub-directions issued by the Comptroller & Auditor General of India. We give our report in the attached "Annexure A".
- v. Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with Accounting Standards prescribed under

section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;

- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;
- f) We have conducted audit of the internal financial controls over financial reporting of the Bank as on 31 March, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date and our report annexed as "Annexure B". With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Bank has disclosed the impact of pending litigations under schedule 12 of the financial statements on its financial position as at 31 March, 2025;
 - ii. the Bank has made provision as at 31 March, 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended 31 March, 2025.
 - (a) The management has represented that, to the best of its knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement
- g) 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.
- h) The Bank has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for the transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Ambani & Associates LLP.

Chartered Accountants

FRN.: 016923N

Sd/-

(CA Hitesh Ambani)

Designated Partner

M.No.: 506267

UDIN: 25506267BMJBPU5145

Place: New Delhi

Date: 20-06-2025

July 30, 2025

The Board of Directors
India Post Payment Bank Limited
Speed Post Centre, Gole Market
New Delhi

Subject: Addendum to the Independent Auditor's Report for FY 2024-25 dated June 20, 2025

We have issued our Independent Auditor's report dated June 20, 2025 on the financial statements of India Post Payments Bank Limited for the year ended 31 March 2025. Pursuant to observation received from the C & AG during the Supplementary Audit of Annual Accounts of IPPB, we are issuing this addendum to the Independent Auditor's Report for the FY 2024-25 to incorporate the following revisions:

The first paragraph under "1. Opinion" to be read as under;

We have audited the accompanying financial statements of India Post Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2025, Profit and Loss Account and Cash Flow Statement for the year the ended, and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

Point no. 4(vi) of the Emphasis of Matter paragraph, to be read as under;

As stated in Note No. 37 of Schedule 18 of the accompanying financial statements, amounts exceeding the limit of Rs. 2 lacs from the respective savings/current accounts of customers not having Post Office Savings Accounts (POSA) have been appropriated and parked under 'Other Liabilities' for a long period. Interest is being credited to customers' accounts on a value date basis.

This addendum does not affect our audit opinion on the financial statements. The addendum should be read in conjunction with our original report.

Yours faithfully,

For Ambani and Associates LLP
Chartered Accountants

Sd/-

CA Hitesh Ambani
(Designated Partner)
Membership No. 506267
Date: 30-07-2025
Place: New Delhi

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 2025.

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of India Post Payments Bank Limited for the year ended 31 March 2025 in accordance with the Directions / Sub-Directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all directions/sub-directions issued to us.

For Ambani & Associates LLP.
Chartered Accountants
FRN.: 016923N

Sd/-
(CA Hitesh Ambani)
Designated Partner
M.No.: 506267

UDIN: 25506267BMJBPU5145

Place: New Delhi
Date: 20-06-2025

AUDIT REPORT OF INDIA POST PAYMENTS BANK LIMITED FOR THE YEAR 2024-2025 PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

- 1. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.**

The Bank does not hold any investments directly or through trusts for the purpose of post-retirement benefits. Payment of Gratuity is managed through a trust formed for this purpose. Bank transfers the amount to the trust based on Actuarial valuation. The trust then purchases Annuities from LIC of India out of these funds. Payment for leave encashment is managed by the Bank directly. Provision is created based on actuarial valuation.

The Bank make direct investments in quoted Government Securities for maintenance of Statutory Liquidity Ratio specified by the Reserve Bank of India (RBI). The valuation of the Investments is made as per the guidelines of RBI. Ind AS guidelines are not applicable as RBI vide Notification no DBR.BP.BC.No.29/21.07.001/2018-19 dated 22/03/2019 deferred implementation of Ind AS until further notice

- 2. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?**

Yes, the Bank has identified all material risks to which it is exposed. These risks are comprehensively assessed and documented as part of the Bank's annual Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP includes details on the Bank's approach to managing each identified risk, along with an assessment of the current and future capital requirements after considering relevant risk mitigants.

In addition, Bank has also a key risk indicator framework which is an important component of Operational Risk Management Process and it is a forward looking approach which enables the Bank to know the potential risk beforehand and chart out the control / mitigation strategy.

To ensure comprehensive risk oversight, the Bank has formulated and adopted a suite of Board-approved Risk Management Policies such as Operational Risk, ALM policy, Stress testing policy, ICAAP policy, Investment policy, Market Risk Management policy, Counterparty limit framework etc. covering key material risks. These policies are aligned with applicable regulatory guidelines and benchmarked against industry best practices.

- 3. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2075, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.**

Bank has complied with the rules and regulations of Ministry of Corporate Affairs, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India, wherever applicable.

- 4. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.**

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

A Grant-in-Aid of ₹400 crores received in the initial years of operation was fully utilised by FY 2021–22 in accordance with applicable terms and conditions. In line with CAG Directions, ₹36.97 crores, being interest accrued on the unutilised portion of the grant for FYs 2016–17 to 2018–19, was transferred from the Profit and Loss Account to the Grant Account and remitted to the Department of Posts for credit to the Consolidated Fund of India. No deviations were observed.

- 5. Whether the company has a 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.

For Ambani & Associates LLP.

Chartered Accountants

FRN.: 016923N

Sd/-

(CA Hitesh Ambani)

Designated Partner

M.No.: 506267

UDIN: 25506267BMJBPU5145

Place: New Delhi

Date: 20-06-2025

ANNEXURE “B”

The Annexure referred to the Independent Auditor’s Report of even date to the members of India Post Payments Bank Limited on the financial statements for the year ended 31 March 2025

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

1. In conjunction with our audit of the financial statements of India Post Payments Bank Limited (‘the Bank’) as at and for the year ended 31 March 2025, we have audited the Internal Financial Controls over Financial Reporting (‘IFCoFR’) of the Bank as at that date.

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

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

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

4. Meaning of Internal Financial Controls over Financial Reporting:

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

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

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

6. Opinion:

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ambani & Associates LLP.

Chartered Accountants

FRN.: 016923N

Sd/-

(CA Hitesh Ambani)

Designated Partner

M.No.: 506267

UDIN: 25506267BMJBPU5145

Place: New Delhi

Date: 20-06-2025

ANNUAL ACCOUNTS
FOR FINANCIAL
YEAR ENDED MARCH 31, 2025

**INDIA POST PAYMENTS BANK LIMITED
BALANCE SHEET AS AT 31ST MARCH 2025**

(₹ in 000)

CAPITAL & LIABILITIES	Schedule	As at 31.03.2025	As at 31.03.2024
Capital	1	23550000	21050000
Reserves & Surplus	2	-8159693	-9277856
Deposits	3	193452366	115521920
Borrowings	4	9610000	-
Other Liabilities and Provisions	5	10620097	9333564
TOTAL		229072770	136627628
ASSETS			
Cash and Balances with	6	11156047	7265033
Reserve Bank of India			
Balances with Banks & Money	7	43385566	29949675
at call & short notice			
Investments	8	165367934	88394493
Advances	9	-	-
Fixed Assets	10	3172512	3692152
Other Assets	11	5990711	7326275
TOTAL		229072770	136627628
Contingent Liabilities	12	2681700	642974
Bills for Collection	-	-	
Significant Accounting Policies	17		
Notes to Financial Statements	18		

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

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Rajul Bhatt)
Director
(DIN 10712466)

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

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

Sd/-
(Anoop E S)
Chief Financial Officer

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

As per our report of even date
For M/s Ambani & Associates
Chartered Accountants - FRN 016923N

Dated: 20.06.2025
Place: New Delhi

Sd/-
(Hitesh Ambani)
Designated Partner (Membership No 506267)

INDIA POST PAYMENTS BANK LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2025

(₹ in 000)

	Schedule	Year ended 31.03.2025	Year ended 31.03.2024
I. INCOME			
Interest earned	13	11228473	6075759
Other Income	14	10252756	6577150
TOTAL		21481229	12652909
II. EXPENDITURE			
Interest expended	15	3666713	1697360
Operating expenses	16	15130364	10036823
Provisions and Contingencies		1345593	576348
TOTAL		20142670	12310531
Net Profit/Net Loss for the year		1338559	342378
Balance in Profit & Loss Account (Brought Forward)		-9457449	-9699673
Profit available for Appropriation		-8118890	-9357295
APPROPRIATIONS			
Transfer to Reserves (Net) :			
Statutory Reserve		334640	85595
Grant Account - Capital Reserve		369710	
Investment Fluctuation Reserve		73750	14559
Other Reserve		-	-
Special Reserve		-	-
Balance carried over to Balance Sheet		-8896990	-9457449
TOTAL		-8118890	-9357295
Significant Accounting Policies	17		
Notes to Financial Statements	18		

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

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Rajul Bhatt)
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(DIN 10514859)

As per our report of even date
For M/s Ambani & Associates
Chartered Accountants - FRN 016923N

Dated: 20.06.2025
Place: New Delhi

Sd/-
(Hitesh Ambani)
Designated Partner (Membership No 506267)

Cash Flow Statement

Amount (Rs in 000's)

Particulars		FY 2024-25	FY 2023-24
A. Cash Flow from Operating Activities			
i) Net Profit After Tax		1338559	342378
Add: Provision for Tax (including Deferred Tax)		957735	283987
Profit before Tax	i)	2296294	626365
ii) Adjustments:			
Add: Depreciation on Fixed Assets		1659040	914672
Less: Interest Accrued (Net)		2206673	1099291
Add: Other Provisions & Contingencies		387858	292361
Add: Addition to AFS Reserve		149314	-
"Less: Interest Paid on Unutilized Grant"		369710	-
Total Adjustments	ii)	-380171	107742
Operating profit before changes in Operating Assets & Liabilities	(i)+(ii)	1916123	734107
iii) Adjustments for net change in Operating Assets & Liabilities			
Decrease/ (Increase) in Investments (Net)		-76973441	-42402647
Decrease/ (Increase) in Other Assets (Net)		2670058	-2163557
Decrease/ (Increase) in Advances		-	98
(Decrease)/ Increase in Deposits (Net)		77930446	52598335
(Decrease)/ Increase in Borrowings (Net)		9610000	-
(Decrease)/ Increase in Other Liabilities (Net)		852347	4687349
Total adjustment for net change in Operating Assets & Liabilities	(iii)	14089410	12719578
Cash Flow from Operating Activities	(i)+(ii)+(iii)	16005533	13453685
Less: Direct Taxes Paid (Net of Refunds)		39228	-
Net Cash Flow from Operating Activities	A	15966305	13453685
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		-1139400	-4010377
Net Cash Flow from Investing Activities	B	-1139400	-4010377
C. Cash Flow from Financing Activities			
Issue of Share Capital		2500000	2500000
Receipt of Share Application Money			
Net Cash Flow from Financing Activities	C	2500000	2500000
Net Changes in Cash & Cash Equivalent (A)+(B)+(C)	D	17326905	11943308

Cash and Cash Equivalent at the beginning of the year				
Cash and Balance with RBI	7265033		6262034	
Balance with Banks & Money at Call & Short Notice	29949675		19009366	
		37214708		25271400
Cash and Cash Equivalent at the end of the year				
Cash and Balance with RBI	11156047		7265033	
Balance with Banks & Money at Call & Short Notice	43385566		29949675	
		54541613		37214708
		17326905		11943308

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

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Anoop E S)
Chief Financial Officer

Sd/-
(Rajul Bhatt)
Director
(DIN 10712466)

Sd/-
(Navneet Kakkar)
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(DIN 03475842)

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

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

As per our report of even date
For M/s Ambani & Associates
Chartered Accountants - FRN 016923N

Dated: 20.06.2025
Place: New Delhi

Sd/-
(Hitesh Ambani)
Designated Partner (Membership No 506267)

SCHEDULES TO THE ACCOUNTS (INDIA POST PAYMENTS BANK LIMITED)

SCHEDULE 1 - CAPITAL

(₹ in 000)

	As at 31.03.2025	As at 31.03.2024
Authorised Capital 235,50,00,000 Equity Shares of Rs 10 each	23550000	23550000
Issued & Subscribed 235,50,00,000 Equity Shares of Rs 10 each (Previous Year 210,50,00,000 Equity Shares of Rs 10 each)	23550000	21050000
Paid up Capital 235,50,00,000 Equity Shares of Rs 10 each (Previous Year 210,50,00,000 Equity Shares of Rs 10 each)	23550000	21050000
TOTAL	23550000	21050000

SCHEDULE 2 - RESERVES & SURPLUS

(₹ in 000)

	As at 31.03.2025		As at 31.03.2024	
I. Statutory Reserve				
Opening Balance	141551		55956	
Addition during the year	334640		85595	
Deduction during the year	-		-	
		476191		141551
II. Capital Reserve				
a. Revaluation Reserve				
Opening Balance	-		-	
Addition during the year	-		-	
Deduction during the year	-		-	
		-		-
b. Others (Grant A/c)				
Opening Balance	-		-	
Addition during the year	369710		-	
Deduction (Utilised) during the year	369710		-	
		-		-
III. Revenue and Other Reserve				
a. Investment Fluctuation Reserve				
Opening Balance	38042		23483	
Addition during the year	73750		14559	
Less: Trf to P & L Account	-		-	
		111792		38042
b. AFS Reserve				
Opening Balance	-		-	
Addition during the Year	149314		-	
		149314		
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		-8896990		-9457449
Total I to VI		-8159693		-9277856

SCHEDULE 3 - DEPOSITS

	As at 31.03.2025		As at 31.03.2024	
A. I DEMAND DEPOSITS				
(i) From Banks	-			-
(ii) From Others	224927		208495	
		224927		208495
II SAVINGS BANK DEPOSITS		193227439		115313425
III TERM DEPOSITS				
(i) From Banks	-			-
(ii) From Others	-			-
	-			-
TOTAL of I, II, III		193452366		115521920
B. (i) Deposits of branches In India		193452366		115521920
(ii) Deposits of branches outside India		-		-
TOTAL of i, ii		193452366		115521920

SCHEDULE 4 - BORROWINGS

	As at 31.03.2025	As at 31.03.2024
I. Borrowings in India		
(i) Reserve Bank of India	9610000	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	-	-
II. Borrowings Outside India	-	-
TOTAL of I, II	9610000	-
Secured Borrowings included in I & II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As at 31.03.2025	As at 31.03.2024
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	46328	-
IV. Others (including Provisions)	10573769	9333564
TOTAL OF I to IV	10620097	9333564

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand (including Foreign Currency Notes)		-		-
II. Balance with Reserve Bank of India				
(i) in Current account	7406047		6505033	
(ii) in Other Accounts	3750000		760000	
		11156047		7265033
TOTAL Of I, II		11156047		7265033

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

	As at 31.03.2025	As at 31.03.2024
I. In India		
(i) Balance with Banks:		
(a) In Current accounts	23066	12375
(b) In Other Deposit accounts	43362500	29937300
	43385566	29949675
(ii) Money at Call and Short Notice:		
(a) with Banks	-	-
(b) with Other Institutions	-	-
-	-	-
TOTAL (i & ii)	43385566	29949675
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)	43385566	29949675

SCHEDULE 8 - INVESTMENTS

I. Investments in India in		
(i) Government Securities	165367934	88394493
(ii) Other approved securities	-	-
(iii) Shares	-	-
(iv) Debentures and Bonds	-	-
(v) Investment in Subsidiaries/ Joint Ventures	-	-
(vi) Others	-	-
(Mutual Funds & Commercial Paper etc.)		
TOTAL of I	165367934	88394493
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)	165367934	88394493

SCHEDULE 9 - ADVANCES

(₹ in 000)

	As at 31.03.2025	As at 31.03.2024
A. i) Bills Purchased and discounted	-	-
ii) Cash Credits, overdrafts and loans repayable on demand	-	-
iii) Term Loans (Staff)	-	-
Total	-	-
B. i) Secured by Tangible Assets		-
(including advances against book debts)		
ii) Covered by Bank/Govt. Guarantees	-	-
iii) Unsecured	-	-
Total	-	-
C. (I) Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	-
Total	-	-
C. (II). Advances outside India		
i) Due from banks	-	-
ii) Due from others		

(a) Bills purchased & discounted	-	-
(b) Term Loans	-	-
(c) Others		-
Total	-	-
GRAND TOTAL of C (I) & C (II)	-	-

SCHEDULE 10 - FIXED ASSETS

(₹ in 000)

	As at 31.03.2025		As at 31.03.2024	
I. Premises (including Land)				
-At cost as on 31st 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 31st March of the preceeding year	4821706		1481382	
- Additions during the year	249397		3344895	
Less : Deductions during the year	11986		4575	
Less : Depreciation to date	3079377		1743573	
		1979740		3078129
III. Computer Software				
-At cost as on 31st March of the preceeding year	2454453		1785099	
-Additions during the year	505608		669358	
Less :Deductions during the year	-		-	
Less :Depreciation to date	2159399		1840434	
		800662		614023
IV. Capital Work-in- Progress				
-At cost as on 31st March of the preceeding year	-		-	
- Additions during the year	392110		-	
Less :Deductions during the year	-	392110	-	-
TOTAL OF I, II & III		3172512		3,692,152

SCHEDULE 11 - OTHER ASSETS

	As at 31.03.2025	As at 31.03.2024
I. Inter-office adjustments (net)	-	-
II. Interest accrued	2507803	1157752
III. Tax paid in advance/tax deducted at source (net of provisions)	226251	174693
IV. Stationery and Stamps	-	-
V. Non Banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax asset (net)	636610	1524345
VII. Security Deposits	172654	104493
VIII. DOP Capital Commitment	3773	39327
IX. Receivable from DoP under IT 2.0	1088427	952221
X. Receivable from NPCI & Vendors	3132	2815
XI. Others	1352061	3370629
TOTAL of I to XI	5990711	7326275

SCHEDULE 12 - CONTINGENT LIABILITIES

	As at 31.03.2025	As at 31.03.2024
I. Claims against the Bank not acknowledged as debts	2542293	623291
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, Endorsements and Other obligations	-	-
VI. Other items for which the Bank is contingently liable		
i) Disputed Tax Liabilities	136907	17183
ii) Others	2500	2500
TOTAL of I to VI	2681700	642974

SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED

(₹ in 000)

	As at 31.03.2025	As at 31.03.2024
I. Interest/discount on Advances/Bills	-	3
II. Income on Investments	8548998	4418319
III. Interest on balances with Reserve Bank of India & other inter-bank funds	2678291	1657437
IV. Others	1184	-
TOTAL of I to IV	11228473	6075759

SCHEDULE 14 - OTHER INCOME

	As at 31.03.2025		As at 31.03.2024	
I. Commission, Exchange & Brokerage		10138728		6535713
II. Profit on sale of Investments	74119		19286	
Less: Loss on sale of Investments	369		4727	
		73750		14559
III. Profit on Revaluation of Investments		-	-	
Less: Loss on Revaluation of Investments	-	-		
IV. Profit on sale of land, buildings and other assets	-	-		
Less: Loss on sale of land, buildings and other assets	-	-		
V. Profit on Exchange Transaction	-	-		
Less: Loss on Exchange Transaction	4	-		
	-	-4	-	
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-		
VII. Application Fee on Recruitment		26533		8059
VIII. Recovery from employees on Separation		425		863
IX. Miscellaneous Income		13324		17956
TOTAL of I to IX		10252756		6577150

SCHEDULE 15 - INTEREST EXPENDED

(₹ in 000)

	Year ended 31.03.2025	Year ended 31.03.2024
I. Interest on Deposits	2762714	1561327
II. Interest on Reserve Bank of India/ inter-bank borrowings	903999	136033
III. Others	-	-
TOTAL of I, II, III	3666713	1697360

SCHEDULE 16 - OPERATING EXPENSES

	Year ended 31.03.2025	Year ended 31.03.2024
I. Payment to and provisions for employees	3912516	3727573
II. Rent, Taxes and Lighting	10683	9217
III. Printing & Stationery	104264	81179
IV. Advertisement & Publicity	11612	12972
V. Depreciation on Fixed Assets	1659040	914672
VI. Directors' Fees, allowances and expenses	13872	13193
VII. Auditors' fees and expenses	1404	1164
VIII. Law charges	4523	496
IX. Postage, Telegrams, Telephones, etc.	1066289	649922
X. Repairs & Maintenance	41813	62120
XI. Insurance	197572	126209
XII. Professional Fee	42873	27828
XIII. GST Expenses	765552	212633
XIV. SI Cost	1098215	791015
XV. Recruitment Expenditure	16206	22354
XVI. Training Expenditure	20917	25275
XVII. Outsourcing Expenses	350747	157011
XVIII. Travelling and Conveyance	88221	95132
XIX. Commission paid to DoP/ Incentive to BC	2970313	1471008
XX. Transactional Charges Paid	2642291	1559719
XXI. Other expenditure	111441	76131
TOTAL of I to XXI	15130364	10036823

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 Communications with 100% equity owned by Government of India. The fundamental mandate of IPPB is to become the most accessible, affordable and trusted bank for the common man in India, removing barriers for the unbanked and reducing opportunity cost to the underbanked, and in doing so, promote the adoption of cashless transactions in a predominantly cash economy.

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

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

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

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

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

2. Basis of Preparation:

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

3. Use of Estimates

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

Any revision to the accounting estimates is recognised prospectively.

4. Revenue Recognition

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

- 4.1 Interest income are recognised on an accrual basis. Interest income on discounted instrument is recognised over the tenure of the instrument.
- 4.2 Commission income & Service charge is recognised on completion of provision of services.
- 4.3 All other income is accounted on realisation basis
- 4.4 Interest and operating expenses are accounted on accrual basis.
- 4.5 Provision is made against old receivables as per the "Policy on Opening and Operation of Internal/ Office Accounts" which is in line with RBI circular on 'Operation of Internal/ Office Accounts' amended from time to time.
- 4.6 Liquidated damages is accounted as below;
 - a) In case of contracts/ agreements involving capital/ fixed assets, the amount recovered is accounted under Other Income
 - b) In case of contracts/ agreements of revenue nature, the amount recovered is adjusted from the overall expenses.

5. Investments

5.1 Classification

In accordance with the RBI guidelines on Classification, Valuation and Operation of Investment Portfolio, all investments are classified as Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL) before or at the time of its acquisition. Held for Trading (HFT) shall be a separate investment sub-category within FVTPL. Investments are 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 is acquired with the intention and objective of holding it to maturity should be classified under HTM Category. Securities acquired with an objective that is achieved by both collecting contractual cash flows and selling securities are to be classified under AFS Category. Securities meeting Solely Payments of Principal and Interest (SPPI) criterion should only be classified under HTM or AFS.

Securities that do not qualify for inclusion in HTM and AFS shall be classified under FVTPL, Held for Trading (HFT) shall be a separate investment sub-category within FVTPL and securities classified under HFT shall meet the specifications for HFT.

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 FVTPL categories are Fair Valued as per RBI/FBIL guidelines. Treasury Bill being discounted instrument are valued at carrying cost.

Any discount or premium on the securities under HTM, AFS and FVTPL shall be amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13 - Interest Earned with a contra entry in Schedule 8 - Investments.

Investments classified under HTM category are carried at their acquisition cost and is not marked to market. Investments classified under AFS is fair valued at least on a quarterly basis. Securities classified under the HFT sub-category within FVTPL is fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis. Equity shares valued at market price, if quoted, otherwise at breakup value of the Shares on the basis of latest available Balance Sheet.

The valuation gains and losses across all performing investments held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to 'AFS Reserve' of Schedule 2 – Reserves and Surplus without routing through the Profit & Loss Account. Investments classified under FVTPL is fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

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

HTM - Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and Loss Account under 'Item II - Profit on sale of investments' of 'Schedule 14 - Other Income'. The profit on sale of an investments in HTM shall be appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

AFS - Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under 'item II - Profit on sale of investments' under Schedule 14 - Other Income.

6. Fixed Assets

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

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

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

6.3 DEPRECIATION

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

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

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

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

- B. In case of acquisition or disposal of assets, depreciation is charged proportionately based on the number of days the asset has been used during the year.
- C. Assets costing up to Rs.5,000/- are fully depreciated in the year of purchase except devices used by BCs such as Mobile Phones and Biometric Devices.
- D. Fixed Assets purchased out of Government Grant is fully depreciated in the year of acquisition leaving residual value of Re.1.
- E. In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised assets values.

7. Employee Benefits

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

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

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

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

Terminal Benefits

- i. Provident Fund: All eligible employees who joined up to 30.09.2018 are covered under the Employees Provident Fund. Provident Fund is a Defined Contribution Plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund are recognized as expense. These contributions are remitted to EPFO.

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

8. Taxes on Income

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

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

9. Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Assets are not recognised in the financial statements.

10. Accounting for Government Grants

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

11. Impairment of Assets

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

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

12. Operating Lease

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

SCHEDULE 18
NOTES TO ACCOUNTS

1. Regulatory Capital

a. Composition of Regulatory Capital

(₹ 000's)

Sl No.	Particulars	31.03.2025	31.03.2024
i.	Common Equity Tier I Capital*	13841243	9595734
ii.	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii.	Tier 1 capital (i + ii)	13841243	9595734
iv.	Tier 2 capital	111792	38042
v.	Total capital (Tier 1+Tier 2)	13953035	9633776
vi.	Total Risk Weighted Assets (RWAs)	28336097	17561850
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as a percentage of RWAs	48.85	54.64
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	48.85	54.64
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.39	0.22
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	49.24	54.86
xi.	Leverage Ratio	15.44	13.01
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	2500000	4500000
xiv.	Amount of Additional Tier 1 Capital raised, of which:		
	Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	Perpetual Debt Instrument (PDI)	Nil	Nil
xv.	Amount of Tier 2 capital raised, of which:		
	Debt Capital Instruments:	Nil	Nil
	Preference Share Capital Instruments: (Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS))	Nil	Nil

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

Note: As per RBI guidance note DOR.ORG.REC.21/ 14.10.001/ 2024-25 Dated 30.04.2024 on "Guidance Note on Operational Risk Management and Operational Resilience", Payments Banks are presently not required to maintain a separate regulatory capital for operational risk. Accordingly, Bank's capital adequacy

position shall be computed & reported as per the regulatory reporting format, i.e. Return on Capital adequacy as per Basel 1 norms (RCA 1), which includes capital charge for trading book-market risk and banking book-credit risk only. As such, Risk Weighted Assets and CRAR reported above are as per Basel I guidelines.

b. Drawdown from Reserves

No amount was withdrawn from Reserves during the FY 2024-25 and FY 2023-24

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 before any dividend is declared and transfer a sum equivalent to not less than twenty-five per cent of such profit. Accordingly, the Bank has transferred an amount of ₹ 33.46 crore from the current year's Net profit (Previous Year: ₹8.56 crore).
- **Investment Fluctuation Reserve (IFR)** – Reserve Bank of India vide circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised banks to create an Investment Fluctuation Reserve (IFR) with effect from FY 2018-19. Accordingly, an amount not less than the lower of the net profit on sale of investments during the year or net profit for the year less mandatory appropriations shall be transferred to the IFR, on a continuing basis, until the amount of IFR is at least 2 per cent of the AFS and FVTPL (including HFT) portfolio. During the year ended March 31, 2025, the Bank has transferred an amount of ₹ 7.38 crores to the IFR (Previous Year: ₹1.46 crore). As on March 31, 2025, the IFR constitutes 0.07% (Previous Year: 0.04%) of the closing balance of investments under the AFS and FVTPL (including HFT) portfolio.

d. AFS Reserve

RBI vide Master Direction DOR.MRG.36/21.04.141/2023-24 dated 12th September 2023 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 has revised Investment Framework of Banks. On 1st April 2024, the Bank has reclassified the investment portfolio, as per the directions laid down in Chapter III of these Directions and migrated to the revised framework. As per the terms of revised framework on the transition, Bank has reclassified its investment portfolio and transferred an amount of ₹ 0.11 Crore to the AFS Reserve.

As per the revised framework, the valuation gains and losses across all performing investments held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to 'AFS Reserve' of Schedule 2 – Reserves and Surplus without routing through the Profit & Loss Account. During FY 2024-25, Bank has credited an amount of ₹ 14.93 crore to AFS Reserve (including ₹ 0.11 Crore transferred during transition) based on these guidelines.

2. Investments

Composition of Investment Portfolio

As at 31st March 2025

(₹ 000's)

Particulars	Investments in India						Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Available for Sale										
Gross	165367934	-	-	-	-	-	165367934	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	165367934	-	-	-	-	-	165367934	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments										
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	165367934	-	-	-	-	-	165367934	-	-	-

As at 31st March 2024

(₹ 000's)

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

b. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ 000's)

Sl. No.	Particulars	FY 2024-25	FY 2023-24
i)	Movement of Provisions held towards depreciation on investments		
a.	Opening Balance	NIL	NIL
b.	Add: Provision made during the year	NIL	NIL
c.	Less: Write Off/Write-back of excess provisions during the year	NIL	NIL
d.	Closing Balance	NIL	NIL
ii)	Movement of Investment Fluctuation Reserve		
a.	Opening Balance	38042	23483
b.	Add: Amount transferred during the year	73750	14559
c.	Less: Drawdown	NIL	NIL
d.	Closing Balance	111792	38042
iii)	Closing balance in IFR as a percentage of the closing balance of investments in AFS and HFT/Current category.	0.07%	0.04%

c. Sale and transfers to/from the HTM category

In compliance with the Transition and Repeal Provisions of the RBI Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, the Bank has re-classified its entire HTM holdings under the Previous Framework to AFS category of the Revised Framework on April 1, 2024. As per guidelines, the difference of ₹ 0.11 Crore between the revised carrying value and the previous carrying value was adjusted in the AFS Reserve.

d. Non-SLR Investment Portfolio

i. Non-performing Non-SLR Investments

The Bank is not holding any Non-Performing Non-SLR Investments as of 31st March 2025; therefore, nothing is required to be reported under this segment. (The Bank did not hold any Non-Performing Non-SLR Investments as of 31st Mar 2024).

Sl. No	Particulars	FY 2024-25	FY 2023-24
a)	Opening balance	Nil	Nil
b)	Additions during the year since 1st April	Nil	Nil
c)	Reductions during the above period	Nil	Nil
d)	Closing balance	Nil	Nil
e)	Total provisions held	Nil	Nil

Issuer composition of Non-SLR Investments

(₹ 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)	FIs	Nil	Nil	Nil	Nil	Nil
(iii)	Banks	Nil	Nil	Nil	Nil	Nil
(iv)	Private Corporates	Nil	Nil	Nil	Nil	Nil
(v)	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others	Nil	Nil	Nil	Nil	Nil
(vii)	Provision held towards depreciation	Nil				
	Total	Nil	Nil	Nil	Nil	Nil

e. Government Security Lending (GSL) transactions (in market value terms)

FY 2024-25

(₹ 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as of March 31, 2025
Securities lent through GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities borrowed through GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities placed as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities received as collateral under GSL Transactions	Nil	Nil	Nil	Nil	Nil

FY 2023-24

(₹ 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as of March 31, 2025
Securities lent through GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities borrowed through GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities placed as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil
Securities received as collateral under GSL Transactions	Nil	Nil	Nil	Nil	Nil

f. Repo Transactions (in face value and market value terms)

(FY 2024-25)

(₹ 000's)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as of March 31, 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
Securities sold under repo								
i. Government securities	-	-	34595248	33995629	14071698	13906012	9566610	9663866
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	-	-	6970960	6880433	170992	168486	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

(FY 2023-24)

(₹ 000's)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as of March 31, 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
Securities sold under repo								
i. Government securities	-	-	8401531	8060979	2067387	1994677	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	-	-	12683745	11915228	402349	396557	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

3. Derivatives

- a. Forward rate agreement/ Interest rate swap
- b. Exchange-traded interest rate derivatives
- c. Disclosure on risk exposure in derivatives
- d. Credit Default Swaps

The Bank has not undertaken 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 either.

4. Asset Quality

- a. Classification of advances and provisions held.
- b. Sector-wise Advances and Gross NPAs
- c. Overseas assets, NPA's and revenue
- d. Particulars of the resolution plan and restructuring
- e. Divergence in asset classification and provisioning
- f. Disclosure of transfer of loan exposures
- g. Fraud accounts
- h. Disclosure under the 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 Asset 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 the real estate sector
- b. Exposure to the 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 are not applicable.

6. Disclosure of penalties imposed by the Reserve Bank of India (RBI):

- a) The Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of section 47A(1)(c) read with sections 46(4)(i) of the Banking Regulation Act, 1949, imposed a monetary penalty of ₹ 26.70 lakh for non-compliance with certain directions issued by RBI on 'Customer Service in Banks'. (RBI had not imposed any penalty on the Bank during the year ended 31st March 2024).

- b) NPCI has imposed a monetary penalty of ₹ 0.35 lakh during FY 2024-25 under the provisions of the Payment and Settlement Systems Act, 2007 (₹ 0.58 lakh during FY 2023-24)
- c) No penalty has been levied on the Bank for contravention under the provisions of the Government Securities Act, 2006 (for bouncing SGL).
- d) There is no default in the reverse repo transaction.

7. Depreciation on Fixed Assets:

Break-up of Total Depreciation for each class of assets

(₹ 000's)

Class of Assets	31.03.2025	31.03.2024
Computer Software	318969	92180
Other Fixed Assets	1340071	822492
Total	1659040	914672

Computer Software is being depreciated over a period of 3 years irrespective of the duration of the licence

8. Asset Liability Management

a. Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Next Day	2956755	NIL	NIL	NIL	8553	8553
	1706743				8346	8346
2-7 days	9064616	NIL	4998	9610000	NIL	NIL
	4832321		3725892	NIL		
8-14 days	10359615	NIL	749928	NIL	NIL	NIL
	5519401		748657			
15-30 days	12333909	NIL	5141295	NIL	NIL	NIL
	6457552		3469751			
31 days to 2 months	13421231	NIL	26790210	NIL	NIL	NIL
	4958477		7629030			
Over 2 months to 3 months	14483982	NIL	2385916	NIL	NIL	NIL
	5050728		4761219			
Over 3 months to 6 months	NIL	NIL	41494342	NIL	NIL	NIL
	NIL		38023317			

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Over 6 months to 1 Year	NIL	NIL	72578040	NIL	NIL	NIL
			29411493			
Over 1 Year to 3 Years	130832258	NIL	6040845	NIL	NIL	NIL
	86996698		621411			
Over 3 Years to 5 Years	NIL	NIL	1891737	NIL	NIL	NIL
			3723			
Over 5 Years	NIL	NIL	8290623	NIL	NIL	NIL
			NIL			
Total	193452366	NIL	165367934	9610000	8553	8553
	115521920		88394493	NIL	8346	8346

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 2025 have been classified into the appropriate buckets on the basis of a behavioural study approved by the Board of the Bank.
- Investments / Advances / Borrowings: These have been classified into the appropriate buckets as per the respective residual maturity pattern.

b. Liquidity Coverage Ratio (LCR)

The disclosure regarding Liquidity Coverage Ratio is not applicable to 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 to 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 (a) Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies - Accounting Standard 5

During the year, there were no material prior period income / expenditure items. There is no change in the Significant Accounting Policies adopted during the year ended 31st March 2025 as compared to those followed in the previous financial year ended 31st March 2024 except for the following:

With effect from 1st April 2024 the Bank adopted RBI Master Direction No. RBI/DOR/2023-24/104 DOR. MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12th September 2023. The disclosure of impact in terms of Para 43 of the RBI Circular is made under point '1 (d) – AFS Reserve' of Notes to Accounts

(b) The Effects of Changes in Foreign Exchange Rates – Accounting Standard 11

The Bank has entered into agreements with M/s. Continental Exchange Solutions Inc. (Ria Money Financial Services) and M/s. Western Union Financial Services Inc. USA under the Money Transfer Service Scheme (MTSS). The Bank has received collateral deposits in USD as shown in the table below

Particulars	Amount (\$)
M/s. Continental Exchange Solutions Inc. (Ria Money Financial Services)	50,018.91
M/s. Western Union Financial Services Inc. USA	50,049.13
Total	1,00,068.04

This collateral deposit is maintained with the State Bank of India and is shown reported “Current Deposits with Banks.” The corresponding liability is reported under “Other Liabilities—Others.”

The corresponding INR value as per FEDAI guidelines is as below

(₹ 000's)

Particulars	31.03.2025	31.03.2024
Collateral Deposit under MTSS	8553	8346

10. Government Grants Utilisation – Accounting Standard 12

The bank has not received any Grant-in-aid during FY 2024-25 and FY 2023-24. There was no unutilised amount of Grant-in-aid as on 31.03.2025 and 31.03.2024.

The bank had received a Grant-in-Aid of ₹ 400 crores in the initial years of operation, which was completely utilised by FY 2021-22.

As directed by C&AG, the Bank has transferred an amount of ₹ 36.97 crores from the Profit and Loss Account to the Grant Account, being the interest accrued on the unutilised portion of Grant for FYs 2016-17, 2017-18 and 2018-19. This amount has been transferred to the Department of Posts during the current financial year for onward remittance to the Consolidated Fund of India.

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Opening Balance of Grant-in-Aid	NIL	NIL
Add: Received during the year	NIL	NIL
Less: Utilised during the year	NIL	NIL
Closing Balance of Grant-in-Aid (A)	NIL	NIL

Opening Balance of Interest Accrued on Grant-in-Aid	NIL	NIL
Add: Interest accrued during the year	369710	NIL
Less: Interest remitted to the Gol through DoP	369710	NIL
Closing Balance of Interest Accrued on Grant-in-Aid (B)	NIL	NIL

Closing Balance as per Schedule 2 of Balance Sheet (A) + (B)	NIL	NIL
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11. Employee Benefits – Accounting Standard 15

A. Gratuity:

During the year, the Bank purchased annuities amounting to ₹ 10.67 crore from Life Insurance Corporation of India based on actuarial valuation (₹ 6.79 crore during FY 2022-23).

The Bank made a provision of ₹ 10.62 crore for Gratuity based on actuarial valuation as on 31st March 2025 (₹ 10.67 crore during FY 2023-24). The total expenses of ₹ 10.88 crore were charged to the Profit and Loss account during FY 2024-25 (₹17.46 crore during FY 2023-24)

B. Leave Encashment:

During the year, the Bank made a provision of ₹ 56.68 crore for encashment of Privilege Leave by employees based on actuarial valuation. This amount was charged to the Profit and Loss account during FY 2024-25. (₹ 18.81 crore during FY 2023-24)

The summarised position of various defined benefits recognised in the profit and loss account and balance sheet, along with the funded status, is as under:

a. Actuarial Assumptions

The principal assumptions used for actuarial valuation are:

Particulars	Gratuity		Leave Encashment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Discount Rate	6.79%	7.23%	6.79%	7.23%
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	10.00%
Rate of Return on Plan Assets	7.23%	6.78%	NA	NA
Average future service (in Years)	23.11	24.10	23.11	24.10

b. Changes in the present value of obligations

(₹ 000's)

Particulars	Gratuity		Leave Encashment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Present Value of Obligation as at the beginning of the year	529252	400090	594605	470736
Liability Transfer In/(Out)	-	-	-	-
Interest Cost	38265	30087	42990	35399
Past Service Cost	-	-	-	-
Current Service Cost	33649	34479	140960	105854
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(7172)	(9692)	(63501)	(64238)
Actuarial (gain)/ loss on obligations	77963	74288	382817	46854
Present Value of Obligation as at the end of the year	671957	529252	1097871	594605

c. Change in the fair value of plan assets:

(₹ 000's)

Particulars	Gratuity		Leave Encashment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Fair value of plan assets at the beginning of the year	500612	413160	-	-
Asset Transfer In/ (Out)	-	-	-	-
Expected Return on Plan Assets	36194	28012	-	-
Employers' Contributions	106703	64993	63501	64238
Benefit Paid	(7172)	(9692)	(63501)	(64238)
Actuarial Gain /(loss) on Plan Assets	7509	4139	-	-
Fair value of plan assets at the end of the year	643846	500612	-	-

d. Expenses recognised in the Profit and Loss Account

(₹ 000's)

Particulars	Gratuity		Leave Encashment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Current Service Cost	33649	34479	140960	105854
Past Service Cost	-	-	-	-
Interest Cost	38265	30087	42990	35399
Expected Return on Plan Assets	(36194)	(28012)	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognised in the year	70454	70149	382817	46855
Expenses Recognized in the statement of Profit & Loss	106174	106703	566767	188108

e. The amount recognized in the Balance Sheet

(₹ 000's)

Particulars	Gratuity		Leave Encashment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Present Value of Obligation as at the end of the year	671957	529252	1097871	594605
Fair Value of Plan Assets as at the end of the year	643846	500612	-	-
Funded Status	(28111)	(28640)	(1097871)	(594605)
Unrecognised Actuarial (gains) / losses	-	-	-	-
Net Asset / (Liability) Recognised in Balance Sheet	(28111)	(28640)	(1097871)	(594605)

12. Related Party Disclosures – Accounting Standard 18

Remuneration paid to Key Management Personnel

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Remuneration paid to Directors	5640	5505
Remuneration paid to MD & CEO	6940	7921
Remuneration paid to the CFO	4607	3760
Remuneration paid to the Company Secretary	2613	2064

As per the provisions of Paragraph 9, read in conjunction with Paragraph 10.13 of Accounting Standard (AS) 18 issued by the ICAI, state-controlled enterprises are exempt from disclosing related party relationships and transactions with other state-controlled enterprises in their financial statements. Accordingly, transactions between India Post Payments Bank (IPPB) and the Department of Posts (DoP), both being state-controlled entities, are not required to be disclosed under the related party disclosure requirements of AS-18. However, in the interest of transparency and to provide relevant information to the users of the financial statements, the major transactions and the nature of such transactions with DoP have been disclosed separately under point 33 below.

13. Segment Reporting – Accounting Standard 17

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

- Treasury Operations
- Retail Banking Operations

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

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

Part A: Business Segments

(₹ 000's)

SI No	Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
i.	Segment Revenue		
	a) Treasury	2344396	1090203
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	19136833	11562706
	d) Other Banking Operations	NIL	NIL
	Total	21481229	12652909

SI No	Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
ii.	Segment Results		
	a) Treasury	292940	81086
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	2391212	837640
	d) Other Banking Operations	NIL	NIL
	Total	2684152	918726
iii.	Unallocated Expenses	NIL	NIL
iv.	Operating Profit	2684152	918726
v.	Provisions	1345593	576348
vi.	Extraordinary Item (Prior Period Expenditure)	NIL	NIL
vii.	Net Profit	1338559	342378
Other Information:			
viii.	Segment Assets		
	a) Treasury	24034443	16821705
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	205038327	119805923
	d) Other Banking Operations	NIL	NIL
	Sub Total	229072770	136627628
	e) Unallocated Assets	NIL	NIL
	Total Assets	229072770	136627628
ix.	Segment Liabilities		
	a) Treasury	25000307	11772144
	b) Corporate/Wholesale Banking	NIL	NIL
	c) Retail Banking	204072463	124855484
	d) Other Banking Operations	NIL	NIL
	Sub Total	229072770	136627628
	e) Unallocated Liabilities	NIL	NIL
	Total Liabilities	229072770	136627628

Part B: Geographic Segments

As the bank operates only in India, the geographic segment is not required to be reported.

14. Accounting for Leases – Accounting Standard 19

The total amount paid by the Bank under cancellable operating lease for the financial year 2024-25 is ₹ 0.20 crore (Previous year ₹ 0.15 crore). The Bank has not entered into any non-cancellable operating lease or financial lease arrangement during the current year or the previous year.

15. Earnings Per Share – Accounting Standard 20

Sl No.	Particulars	31.03.2025	31.03.2024
A	EPS – Basic/Diluted (₹)	0.60	0.18
B	Amount used as numerator Profit/(Loss) (after tax) (₹ 000's)	1338559	342378
C	Nominal Value of Share	₹10 each	₹10 each
D	Weighted average number of equity shares used as the denominator	2225547945	1932671233

16. Accounting for Taxes on Income – Accounting Standard 22

The Bank has recognised deferred tax assets and liabilities as per the accounting policy.

The Deferred Tax Asset on Accumulated losses recognised in FY 2018-19 and FY 2019-20 was reviewed, and a 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 as on 31.03.2025 represents the Deferred Tax Assets recognised in FY 2018-19 and FY 2019-20, as reduced by Profit for FYs 2022-23, 2023-24 and 2024-25.

Major components of Deferred Tax Assets are set out below:

(₹ 000's)

Particulars	31.03.2025	31.03.2024
Deferred Tax Assets		
Carry Forward Loss	119704	1240120
Provision for Leave Encashment	314083	171718
Depreciation on Fixed Assets	202823	112507
Total	636610	1524345
Deferred Tax Liabilities	-	-
Deferred Tax Assets (Net)	636610	1524345

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

The Bank does not have any Subsidiaries or Associates, and therefore, no disclosure is required under this section.

18. Impairment of Assets – Accounting Standard 28

In the opinion of the Bank's management, there is no indication of the impairment to the assets as on 31st March 2025 to which the Accounting Standard 28 "Impairment of Assets" applies.

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

Sl No	Particulars	FY 2024-25	FY 2023-24
Complaints received by the Bank from its customers			
1	No of complaints pending at the beginning of the year	1293	822
2	No of complaints received during the Year	35982	37825
3	No of complaints disposed of during the year	36258	37354
3.1	Of which, the number of complaints rejected by the Bank	6064	3329
4	No of complaints outstanding at the end of the year	1017	1293
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	613	303
5.1	Of the 5, the number of complaints resolved in favour of the Bank by BOs	610	274
5.2	Of the 5, the number of complaints resolved through conciliation/mediation/advisories issued by BOs	3	29
5.3	Of 5, the 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

The top grounds of complaints received by the Bank from customers

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, the number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2024-25)					
Internet/Mobile Banking/Electronic Banking	240	14675	293.01%	63	0
Tariff Schedule & Service Charges	784	1871	-64.13%	7	0

Unauthorised Electronic Banking Transaction	183	11277	-57.19%	853	104
SMS Alert	19	2667	158.93%	28	0
Others	67	5492	423.05%	66	0
Total	1293	35982	-4.87%	1017	104
Previous Year (2023-24)					
Internet/Mobile Banking/Electronic Banking	220	3734	-36.04%	240	0
Tariff Schedule & Service Charges	3	5216	496.11%	784	0
Unauthorised Electronic Banking Transaction	584	26795	273.76%	183	0
SMS Alert	5	1030	-46.80%	19	0
Others	10	1050	9.15%	67	48
Total	822	37825	125.42%	1293	48

20. Break up of "Provisions and Contingencies"

(₹ 000's)

Particulars	31.03.2025	31.03.2024
Provision towards NPAs (net)	NIL	NIL
Provision towards Standard Assets	NIL	NIL
Provision towards Income Tax	70000	NIL
Provision towards Deferred Tax	887735	283987
Provision towards Frauds	(11220)	23500
Provision towards DoP IT 2.0	399078	268861
Total	1345593	576348

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

a. Concentration of Deposits:

(₹ 000's)

Particulars	31.03.2025	31.03.2024
Total Deposit of the Twenty Largest Depositors	9184	9232
Percentage of Deposits of the twenty largest depositors to Total Deposits of the Bank	0.0047%	0.0080%

b.) <u>Concentration of Advances</u>	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 are not applicable
c.) <u>Concentration of exposures</u>	
d.) <u>Concentration of NPAs</u>	

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

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

23. Disclosures on Remuneration

A. Qualitative Disclosure

- a. Information relating to the composition and mandate of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee (NRC) of the Bank is constituted in accordance with the provisions of the Companies Act, 2013 and applicable RBI Guidelines. The Committee comprises Independent and Non-Executive Directors possessing knowledge and experience in the areas of banking, finance, and human resource management.

Mandate of NRC includes:

- Identify persons who are qualified to be appointed as Senior Management, Key Managerial Personnel (KMP) and other employees in accordance with the criteria laid down, recommend to the Board their appointment and removal;
 - Evaluation of performance of Senior Management, KMP and other employees;
 - Formulate the criteria for determining qualifications, positive attributes and independence of the Senior Management, KMP and other employees;
 - Recommend appointment of Part-time Chairman, MD & CEO and their terms of appointment and remuneration;
 - Recommend to the Board a policy relating to the remuneration for the Senior Management, KMP and other employees.
- b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.
- Bank's remuneration policy is designed to attract, retain, reward, and motivate talent while ensuring alignment with business strategy, market dynamics, and regulatory guidelines.
 - Remuneration structure blends fixed and variable pay, with a strong emphasis on performance-linked remuneration for senior management and Material Risk Takers.
 - Key features include a robust Performance Management System with cascading KRAs, deferral of a significant portion of variable pay over multi-year periods to encourage long-term decision-making, and explicit **Malus and Clawback provisions** to account for materialised risks or misconduct.
 - The policy aims for a fair, transparent, and risk-sensitive compensation framework that drives sustainable value creation and robust governance.
- c. Description of the ways in which current and future risks are considered in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.
- IPPB explicitly integrates current and future risks into its remuneration processes, guided by RBI regulations, to prevent excessive risk-taking.
 - Key measures include linking performance to **risk-adjusted metrics** (e.g., operational losses and compliance with risk limits).

- A substantial portion of variable pay, especially for Material Risk Takers, is **deferred** over several years, aligning incentives with the long-term horizon of risks.
- **Malus and Clawback** provisions allow the bank to reduce or reclaim remuneration in cases of poor risk outcomes, misconduct, or financial deterioration.
- The **Nomination & Remuneration Committee also actively coordinates with the Risk Management Committee** to ensure risk considerations are central to compensation decisions.
- d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.
- Remuneration is linked to performance, primarily guided by RBI guidelines. A significant portion of the compensation is variable, determined by both the Bank's overall financial and risk performance and the WTD's individual contributions to strategic goals and sound risk management.
- To promote long-term accountability and deter excessive risk-taking, a substantial part of this variable pay is deferred over several years and typically includes share-based incentives.
- The policy incorporates "Malus" and "Clawback" provisions, allowing the bank to reduce or recover remuneration in cases of poor performance, misconduct, or adverse risk outcomes, thereby ensuring alignment with the bank's long-term health and regulatory compliance.
- e. A discussion of the bank's policy on deferral and vesting of variable remuneration, and a discussion of the bank's policy and criteria for adjusting deferred remuneration before and after vesting.
 - IPPB policy mandates deferral of a significant portion of variable remuneration, especially for Material Risk Takers, for a minimum of three years, with staggered vesting over this period.
 - This extends accountability beyond short-term performance. The bank employs "Malus" clauses, allowing it to reduce or cancel unvested deferred remuneration, and "Clawback" provisions to reclaim already vested or paid amounts.
 - These adjustments occur both before and after vesting based on pre-defined criteria such as material deterioration in the bank's financial performance, significant risk limit
- d. Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilises and the rationale for using these different forms.
 - IPPB utilizes **cash-based variable pay** for immediate recognition of annual performance achievements.
 - **Share-linked instruments (Long-Term Incentives like ESOPs)** shall be employed to align employee interests for Material Risk Takers, with the bank's long-term shareholder value creation and sustainable growth.
 - This blend ensures both short-term motivation and long-term accountability, with a balance maintained between the two forms as per regulatory mandates.

B. Quantitative Disclosure

Type of Disclosure		Information	FY 2024-25	FY 2023-24
Quantitative Disclosures (covering Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	a	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	1 (Sitting Fee ₹ 0.85 lakhs)	5 (Sitting Fee ₹ 2.20 lakhs)
	b	(i) Number of employees having received a variable remuneration award during the financial year.	Nil	Nil
		(ii) Number and total amount of sign-on/joining bonuses made during the financial year.	Nil	Nil
		(iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil

Type of Disclosure		Information	FY 2024-25	FY 2023-24
	c	(i) Total amount of outstanding deferred remuneration, split into cash, shares, share-linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	Nil Nil	Nil Nil
	d	Breakdown of the amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	69.40 lakhs (Fixed)	79.21 lakhs (Fixed)
			No variable remuneration has been paid to the Material Risk Taker (MRT), i.e., MD & CEO	
	e	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	Nil Nil Nil	Nil Nil Nil
	f	Number of MRTs identified.	One	One
		(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	Nil Nil Nil	Nil Nil Nil
General Quantitative Disclosure	g	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	₹ 1.51 lakhs	₹ 1.32 lakhs

24. Disclosures relating to Securitisation

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

25. Other Disclosures

a. Business Ratios

Particulars		31.03.2025	31.03.2024
i)	Interest Income as a percentage of Working Funds	5.97%	5.60%
ii)	Non-Interest Income as a Percentage of Working Funds	5.45%	6.06%

iii)	Cost of Deposits	2.00%	2.01%
iv)	Net Interest Margin	4.79%	5.11%
v)	Operating Profit as a percentage of Working Funds	1.43%	0.85%
vi)	Return on Assets	0.71%	0.32%
vii)	Business (Deposit plus advances) per employee (₹ lakhs)	1094.19	664.68
viii)	Profit/ (Loss) per employee (₹ lakhs)	7.57	1.97

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

b. Disclosure in respect of Bancassurance Business

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Commission earned from the Distribution of Life Insurance Products	308007	175899
Commission earned from the Distribution of Non-Life Insurance Products	167216	98035
Commission earned from the Distribution of PMJJBY	694	646

c. Marketing & Distribution

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Commission earned from the Distribution of Mutual Fund Products	135	116
Commission earned from the Loan Referral	9331	3087

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 are not applicable.

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

As per the RBI circular, RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016, Implementation of Indian Accounting Standards (Ind AS), Banks were advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the Reserve Bank of India in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and the Generally Accepted Accounting Principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial

companies (NBFCs).

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

f. Reward Points of Credit Card & Debit Card

The Bank has not issued any Credit cards, 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

(₹ 000's)

Sl. No	Particulars	FY 2024-25	FY 2023-24
a.	Payment of DICGC Insurance Premium	147558	82548
b.	Arrears in payment of DICGC premium	-	-

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

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

i. Dues to Small and Micro Industries

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

26. Break-up of Major Heads in Financial Statements

Based on the 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 per cent of Total Income are as below

(₹ 000's)

Income from	FY 2024-25	FY 2023-24
Account Management Services	6557837	3987151
Income from AePS	1046966	701212
Citizen Services	798683	680001
Remittance Income	625482	506801
Direct Benefit Transfer	552845	301211

Third Party Distribution	485383	277783
TOTAL	10067196	6454159

b. Miscellaneous Income (Schedule 14)

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

c. Other Expenditure (Schedule 16)

The bank is already disclosing major expenses as a separate line item under Schedule 16. Therefore, there are no items under the subhead “Other Expenditure” under “Schedule 16 – Operating Expenses” which exceed one per cent 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 per cent of Total Assets are as below.

(₹ 000's)

Particulars	31.03.2025	31.03.2024
Provision for Expenses/ Payable to Vendors	5505325	4182588

Other Assets – “Others”

Major items under the subhead “Others” under “Schedule 11 – Other Assets” which exceed one per cent of Total Assets are as below.

(₹ 000's)

Particulars	31.03.2025	31.03.2024
NEFT/ RTGS Settlement	NIL	2246539

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

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

Other Notes:

28 Description of Contingent Liabilities (Schedule 12)

- Claims against the Bank not acknowledged as debts represent claims filed by certain employees & vendors in the normal course of business.
- Disputed Tax Liabilities represent demand under GST against which the Bank has filed an appeal and under Income Tax for which the Bank has filed for rectification.
- Others represent the amount of Bank Guarantee issued by the State Bank of India on behalf of IPPB, in favor of the Unique Identification Authority of India (UIDAI), valid till November 16, 2027, secured 100% by way of Fixed Deposits.

29 Share Capital

During the FY 2024-25, the Bank has raised Equity Share Capital of ₹ 250 crore by way of Rights Issue of Equity Shares to the President of India (₹ 450 crore was raised during FY 2023-24)

30 Salary Revision as per 12th Bipartite Settlement

The bank follows the salary structure as decided by the Indian Banks Association (IBA). As per the decision of the Board in the meeting held on 17th May 2024, the Bank implemented the provisions of the 12th Bipartite Settlement during FY 2024-25, which was due from November 2022. The bank has made an ad hoc provision of ₹ 69.87 crore during the financial year ended 31st March 2024, covering the period from November 2022 to March 2024.

31 Fixed Asset

31.1 Computer Hardware and Software, for which Bank has made part payments as per the terms of the RFP, which is not yet put to use, is shown under item IV "Capital Work-in Progress" of Schedule 10 – Fixed Assets. These assets will be depreciated once they are put to use by the Bank.

31.2 Fixed Assets purchased out of Grant-in-Aid in FY 2018-19 are maintained in the Fixed Assets Register, keeping a nominal value of ₹ 1 for identification

31.3 Physical verification of Fixed Assets as on 31st March 2025 is in progress. In this connection, the Bank has made a provision of ₹ 1 crore towards write-off of Fixed Assets during the current financial year.

32 Provision for Fraud

The Bank has declared 1 case of fraud (Non-Digital) during the Financial year ended March 31, 2025. The Bank has provided for the expected loss arising from the frauds and does not have any unamortized provision.

The following are the details of fraud and provisioning thereon;

Particulars	Classification	Current Year (2024-25)	Previous Year (2023-24)
Number of frauds reported	Non-Digital	1	3
	Digital Fraud	15445	43018
Amount involved in fraud (₹ crore)	Non-Digital	0.016	2.38
	Digital Fraud	3.964	12.176
Amount of provision made for such frauds (₹ crore)	Non-Digital	0.016	2.35
	Digital Fraud	NIL	NIL
Amount of unamortised provision debited from 'other reserves' as at the end of the year. (₹ crore)	Non-Digital	NIL	NIL
	Digital Fraud	NIL	NIL

During the FY 2024-25, the bank identified one instance of misappropriation. The bank has taken all appropriate actions in the non-digital fraud case, including reporting to the RBI.

This instance of embezzlement was identified by the bank and highlighted to the Department of Posts (DoP). As per the MOU between the Bank and DoP, both organisations exchange information to investigate the cases

of such instances. In the incidents of misappropriation, information is provided to DoP as and when asked, and DoP conducts the investigation and reporting based on their Policies and procedures.

A total of 15445 Digital Fraud cases were reported during the FY 2024-25. The cases of Digital Fraud are on account of unauthorised debit transactions reported by the customers of the bank, and further reported to the RBI.

33 Transactions with the Department of Post (DoP)

33.1 DoP to act as Business Correspondent:

As per the MoU dated 04th November 2022, DoP shall act as the Corporate BC for IPPB by providing all customer-facing services of IPPB by leveraging DoP's physical infrastructure of around 1.55 lakh Post Offices (as Access Points of IPPB) and the trusted manpower (which includes Postal Assistants, Postmen and GDS) who will also work as End Users or last-mile agents for providing services to the IPPB customers in line with the RBI guidelines and clarifications for engaging BCs.

For the above services of DoP, IPPB shall pay a commission linked to the revenue earned by IPPB through DoP and by the last-mile agents, including DoP staff. As per the MoU, the rate of commission shall be benchmarked to the prevalent market rates and practices. The breakup of commission paid to DoP/ GDS (including provisions) charged to the Profit & Loss Account is as below.

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Commission to DoP	550289	258295
Incentive to GDS	2045384	1099629

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

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

The bills/refunds to the tune of ₹ 0.17 crore are still receivable from DoP as on 31.03.2025, and the same is shown as receivable under DoP (Capital Commitment). Since the amount has been outstanding for more than 3 years, the Bank has made provision for an equivalent amount in the Books of Accounts. The bank is regularly following up with DoP to obtain the remaining bills/ refunds referred above.

The bank has further remitted an amount of ₹ 0.21 crore to DoP towards furnishing/renovation activities of IPPB offices. Since the amount is outstanding for a long time, the bank has made a provision of ₹ 0.21 crore.

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

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

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

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

During FY 2024-25, DoP has conveyed to IPPB that DoP IT projects (Banking and PLI both) shall be taken back by the DoP in a phased manner and as per timelines and without disturbing services to masses. Activities related to ATM Infrastructure will continue to be managed by IPPB. DoP will continue to reimburse the amount paid by IPPB till the projects are taken back by DoP.

The amount paid by IPPB on behalf of DoP, the amount reimbursed by DoP and the reimbursement outstanding for reimbursement from DoP are as below (exclusive of GST) and is shown under item IX "Receivable from DOP under IT 2.0" of Schedule 11 – Other Assets

(₹ 000's)

Particulars	FY 2024-25	FY 2023-24
Opening Balance receivable from DOP	952221	1081290
Add: Total amount paid under DoP	2880500	1470209
Less: Amount Reimbursed by DoP	2744294	1599278
Closing Balance Receivable from DoP	1088427	952221

The total amount receivable from DoP under IT 2.0 is ₹.128.43 crore

The bank has made a provision of ₹ 39.91 crore during the financial year 2024-25 (₹26.89 crore during FY 2023-24) on a prudent basis under "Provisions and Contingencies" against the amount outstanding for more than 1 year. This as per Bank's "Policy on Opening and Operation of Internal/ Office Accounts" which is in line with RBI circular on 'Operation of Internal/ Office Accounts' amended from time to time.

Payment to vendors are made by the Bank out of its own funds except in some cases where DoP has provided advance funding. Wherever payments are made out of Bank's own funds, there is a delay in getting the reimbursement from DoP the impact of which is not accounted for. In case of advance funding received which is used for payments on later date by the Bank, interest on unutilised amount is provided for in the Books of Accounts to the tune of ₹ 1.85 crore as per the provisions of General Financial Rules, 2017

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

33.4 ATM

The Bank received Ownership of 999 ATMs during the FY 2022-23 from M/s. Infosys at a nominal value of ₹ 1 each, which were previously on lease between M/s. Infosys and the Department of Post. The bank is managing the DoP ATM on an as-is basis. Bank had onboarded a managed service vendor through open RFP.

All the acquiring income from these ATM is accounted in DoP books only. DoP accounts/ GLs are used for ATM transactions and reconciliation. IPPB is managing the SLA, insurance claim, dispute management and vendor

invoice processing. Bank is treating the amount paid to the vendor as 'Receivable from DoP'.

During March 2025, Bank has floated a new RFP for the selection of a new Managed Service vendor. The new managed Service Vendor is onboarded and the project is in the implementation stage.

34. System Integrator (SI) Cost:

IPPB awarded a contract to M/s EIT Services India Pvt Ltd. and entered into a Master Service Agreement (MSA) and a Service Level Agreement (SLA) for the implementation of a "dedicated and customised technology platform" for an amount of ₹ 801.00 crores (including GST). The contract period is 5 years, effective from July 12, 2018, with completion on 11.07.2023.

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

However, the vendor did not adhere to the timelines stipulated in the agreement, and also failed to provide defect-free services. As a result, penalties/liquidated damages were levied/recovered from the contractor for such delays and lack of defect-free performance. Consequently, the Bank had terminated the contract via termination notice dated 10.07.2023 and the bills raised by the contractor for ₹ 163.47 crore approx. have been disputed and withheld by the Bank. The bank charged a penalty of ₹ 62.27 crore from the vendor and has made a provision of ₹ 101.20 crore (net of penalty) till 31st March 2023. Further, the Performance Bank Guarantee (PBG) submitted by the vendor, amounting to ₹ 68.93 crores, was invoked by the Bank in September 2023. This amount has been accounted under 'Sundry Account' pending the outcome of the litigation.

The vendor approached the Honourable High Court of Delhi, which vide its order dated 9th February 2024, referred the matter for Arbitration through an Arbitral Tribunal. The matter is currently pending before the Arbitral Tribunal.

The total amount claimed by the vendor in the lawsuit is ₹ 424.36 crore. Bank has disclosed an amount of ₹ 254.23 crore under 'Schedule 12 – Contingent Liabilities' being the amount claimed by the vendor after adjusting the liability already held in the books as mentioned above.

35. Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act 2013, the Bank is not required to spend towards CSR in FY 2024-25 as the average net profit of the previous three financial years (FY 2021-22, FY 2022-23 and FY 2023-24) is negative.

- 36 The Board of Directors approved the implementation of an increase in sitting fee in FY 2023-24 and directed the management to seek clarification from the Administrative ministry in this regard. The arrears of sitting fees for the Independent Directors for the period October 2023 to January 2024 were released during the current financial year. The Bank is still awaiting a clarification from the Administrative Ministry in this regard.
- 37 Item no. (IV) Under Schedule 5, "Other Liabilities and Provisions" includes an amount of ₹ 0.92 crores (₹ 1.21 crores as on 31.03.2024) under "Sundry Sweep Out Failed pool account" representing the customer balances exceeding the threshold limit of Rs. 2 lakhs. As per the policy of the Bank, interest is credited to the customer on a value date basis.

- 38 During the year, the Bank has done certain procurements on a nomination basis (including for DoP IT 2.0). The nominations were done by following the due process as mentioned in the Procurement Policy of the Bank.
- 39 Figures of the Previous year have been re-grouped and reinstated wherever necessary to conform to the current year classification.

Sd/-
(Priyanka Bhatnagar)
Company Secretary

Sd/-
(Rajul Bhatt)
Director
(DIN 10712466)

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

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

Sd/-
(Anoop E S)
Chief Financial Officer

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

As per our note of even date
For M/s Ambani & Associates
Chartered Accountants - FRN 016923N

Sd/-
(Hitesh Ambani)
Designated Partner
(Membership No 506267)

Dated: 20.06.2025
Place: New Delhi

CAG Audit Report

AMG-1/DP/DoP/F-964/ 287

खालिद बिन जमाल, आई.ए.एस.
महानिदेशक
Khalid Bin Jamal, IA&AS
Director General



कार्यालय महानिदेशक लेखापरीक्षा (वित्त एवं संचार)
शामनाथ मार्ग, (समीप पुराना सचिवालय) दिल्ली-110054
Office of The Director General of Audit (Finance & Communication)
Shamnath Marg, (Near Old Secretariat), Delhi-110054

दिनांक / Dated 17.10.2025

सेवा में,

अध्यक्ष
भारतीय पोस्ट पेमेंट बैंक लि.,
नई दिल्ली 110001

विषय: भारतीय पोस्ट पेमेंट बैंक लि. (IPPBL) के वर्ष 2024-25 के वार्षिक लेखों पर कंपनी अधिनियम, 2013 की धारा 143 (6)
(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणिया

महोदय,

I am to forward herewith comments of the Comptroller & Auditor General of India under section 143 (6) (b) of the Companies Act, 2013 on the Annual Accounts of IPPBL for the year ended on 31st March 2025 for information and further necessary action.

The receipt of this letter may please be acknowledged.

संलग्नक : यथोपरि

भवदीय,



(खालिद बिन जमाल)
महानिदेशक लेखापरीक्षा
(वित्त एवं संचार)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA POST PAYMENT BANK FOR THE YEAR ENDED 31st MARCH 2025

The preparation of Financial Statements of India Post Payment Bank (IPPB) for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20.06.2025.

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 2025 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:

COMMENT ON FINANCIAL POSITION

Balance Sheet-Assets

Other Assets: Rs.599.07 crore (Schedule-11)

Deferred Tax assets (net) Rs.63.66 crore

The above head is understated by an amount of Rs.11.62 crore due to non-inclusion of the provisions for doubtful debts while calculating the deferred tax.

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

Place: Delhi
Date: 17.10.2025

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



(Khalid Bin Jamal)
Director General of Audit
(Finance & Communication)

COMMENTS OF C&AG

Comptroller and Auditor General of India has comments under section 143 (6) (b) of the Companies Act, 2013 on the Accounts of the Bank for the year ended 31st March 2025 and the Bank's replies to the comments are furnished as under

Ref	C&AG Comments	Management Reply
1	Balance Sheet- Assets Other Assets: Rs.599.07 crore (Schedule-11) Deferred Tax assets (net) Rs.63.66 crore The above head is understated by an amount of Rs. 11.62 crore due to non-inclusion of the provisions for doubtful debts while calculating deferred Tax. This is also resulted in the understatement of the net profit by the same amount.	As per "AS 22- Accounting for Taxes on Income", Deferred tax should be recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Bank has made a provision of Rs.39.91 crore towards DoP IT 2.0 during the financial year 2024-25 which was outstanding for more than one year based Internal Accounts Policy on a prudent basis. There was no uncertainty for the ultimate realization the outstanding amount at a future date. Keeping in view the certainty of realisation of the provision created within a short period, no deferred tax asset has been recognised as on the balance sheet date. Therefore, there is no understatement of Net Profit by Rs.11.62 crore

Secretarial Audit Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2025

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

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

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

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 ('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, 2025 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;
 - (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 as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings 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 and on the basis of certificate(s) received from the various Departments by the Compliance Department of the Company, we report that the Company has generally complied with the provisions of the Acts, laws, rules, and regulations that are specifically applicable to it, to the extent of their applicability to the company, as identified and confirmed by the management, including inter alia:
 - a) The Banking Regulation Act, 1949,
 - b) The Reserve Bank of India Act, 1934,
 - c) The Payment and Settlement Systems Act, 2007 read with Payments and Settlement Systems Regulations, 2008,
 - d) The Deposit Insurance and Credit Guarantee Corporation Act, 1961 and the rules and regulations made there under.
 - e) Directions for Opening and Operation of Accounts and Settlement of Payments for Electronic Payment Transactions Involving Intermediaries vide RBI's Notification dated November 24, 2009,
- 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.

E. **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.

F. **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.

G. **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.:

(i) During the audit period the company has allotted 25,00,00,000 Equity Shares of Rs. 10/- each to President of India through Secretary, Department of Post on right issue basis.

Note:

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: F008323G001667035

Place: Ghaziabad
Date: 28.10.2025

ANNEXURE – ‘A’

To
The Members,
India Post Payments Bank Limited

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

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

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

Parul Jain
Managing Partner
M. No. F8323
CP No. 13901
UDIN: F008323G001667035

Place: Ghaziabad
Date: 28.10.2025

— INCLUSION AT SCALE — INNOVATION WITH PURPOSE



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