

Creating a **Universal Services Platform**

Driving Financial Inclusion Through Digitalization



इंडिया पोस्ट
पेमेन्ट्स बैंक

India Post
Payments Bank

आपका बैंक, आपके द्वार

Annual Report 2020-21

वार्षिक रिपोर्ट 2020-21

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Driving Financial Inclusion Through Digitalization

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From Journey Beyond Barriers to Digitalizing Banking Ecosystem

In a year like never before undermined and weakened by a cataclysmic, unprecedented and challenging health crisis that wreaked havoc globally, COVID-19 indisputably was the most conspicuous and transformative event of 2020. It continues to dictate the course of our lives through this year as well, and in all probability for some more years to come. In this 'new normal' environment change is and will be the only constant in life.

Amidst the various challenges of Pandemic, our unwavering commitment towards realizing Hon'ble Prime Minister Shri Narendra Modi's vision of "ushering in economic transformation by bringing banks to the doorsteps of the villagers and poor" is reshaping the financial inclusion landscape in India. In this endeavor,

the constant support and cooperation from Department of Posts (DoP) has been unflinching.

From digitizing Post Office counters through a simple QR code to enabling direct payments into various Post Office savings schemes and setting up a robust interoperable doorstep banking ecosystem, the partnership and collaboration between the world's largest Postal network and one of India's most accessible and affordable banks has been setting new benchmarks and milestones. During financial year 2020-21, the focus of Department of Posts-India Post Payment Bank synergy was on creating a **Universal Services Platform**. With the launch of innovative and citizen centric services such as Digital Life Certificate (Jeevan Pramaan), Unified Payments Interface (UPI) in IPPB's Mobile



Banking App, Virtual Debit Card, and Dak Pay – UPI PSP Application, the emphasis during the year was on accelerating the pace of digitization of service delivery at the last mile.

One-stop Platform

A massive digital transformation drive has been initiated by DoP for the banking and postal operations, aimed at process revamp, channel enhancement and digitization of services being offered to the citizens. In this journey of change and transformation, IPPB is contributing its technological prowess in helping modernize products & processes of DoP in line with best banking practices. Similarly, DoP is extending the support of its massive and unmatched distribution network in creating a unified one-stop platform for delivering various Government-to-Citizen services that has the potential to radically change the overall banking experience for our existing and new customers.

Capitalizing on their complementarities and strengths, the DoP-IPPB platform also aims to be the partner of choice for various financial services players and fintechs for customers to have access to the best solutions that can meet their requirements, creating a win-win

proposition for all the three stakeholders. With many fintechs building a digital bank, partnering with them will provide an impetus to IPPB's digital transformation strategy and provide options to the customers for a bouquet of products and third party services such as insurance, investment solutions, housing finance and likewise.

With a scalable, agile and adaptive business model, the combination of DoP and IPPB strives to be the preferred channel of service delivery for long-term sustainable growth. The Bank continues to invest in technology upgradation, enhancements in products and services to offer superior customer value and experience at optimum costs.

As we continue our journey into the fourth year of operations in an extraordinary year, it is our firm belief that for a holistic, sustainable and inclusive growth every unbanked and underserved person needs to have access to finance through savings, payments, insurance and credit. True to our philosophy of **"Aapka Bank, Aapke Dwaar"**, our approach and strategy in this digital transformation journey will focus on serving the needs of the most financially excluded at the last mile.



4th Annual Report

(2020-2021)

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Edited and compiled by **Sankalp Saini**, Chief Manager - Public Relations, India Post Payments Bank

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects, etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material aspects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



About India Post Payments Bank

Aapka Bank, Aapke Dwaar

India Post Payments Bank (IPPB) has been setup with the vision to build the most **accessible, affordable and trusted bank** for the common man in India. The fundamental mandate of IPPB is to remove barriers for the unbanked & underbanked and reach the last mile leveraging the vast reach of the Postal network.

Since its nation wide launch on September 1, 2018, IPPB has enabled more than **136,000 Post Offices** to provide a complete suite of banking services. Of these Post Offices, **110,000** are in rural India leading to banking infrastructure increasing by almost **2.5 times**. **Over 1.89 lakh Postmen & Gramin Dak Sevaks (GDS)** have been equipped with smartphones and biometric devices to provide **Doorstep Banking Services**. The enablement of Post Offices to provide banking services has reduced the average 'distance to a rural banking service point' from 5-6 kms (rural bank branch infrastructure) to 2.5 km (average distance to a post office). The sheer ability of the last mile doorstep banking service providers (Postmen and GDS) to reach every village on an almost daily basis has brought down the



distance to access banking services to '0 kms', thus truly capturing the essence of **Aapka Bank, Aapke Dwaar**.

With the launch of **Aadhaar Enabled Payment System (AePS) Service** in August 2019, IPPB currently offers one of the single largest platform in the country for providing interoperable doorstep banking services to **ANY BANK CUSTOMER**, leveraging the last mile unprecedented reach of the Postal network. The Jan Dhan programme has been instrumental in bringing millions of Indians into the fold of financial inclusion. As of September 30, there were 43.5 crore Jan Dhan account holders of which two-thirds of beneficiaries are in rural and semi-urban areas. With AePS service, IPPB has the ability to serve all customer segments, including Jan Dhan account holders, giving a fresh impetus to the inclusion of customers facing accessibility challenges in the traditional banking eco system.

A Financially Inclusive Ecosystem

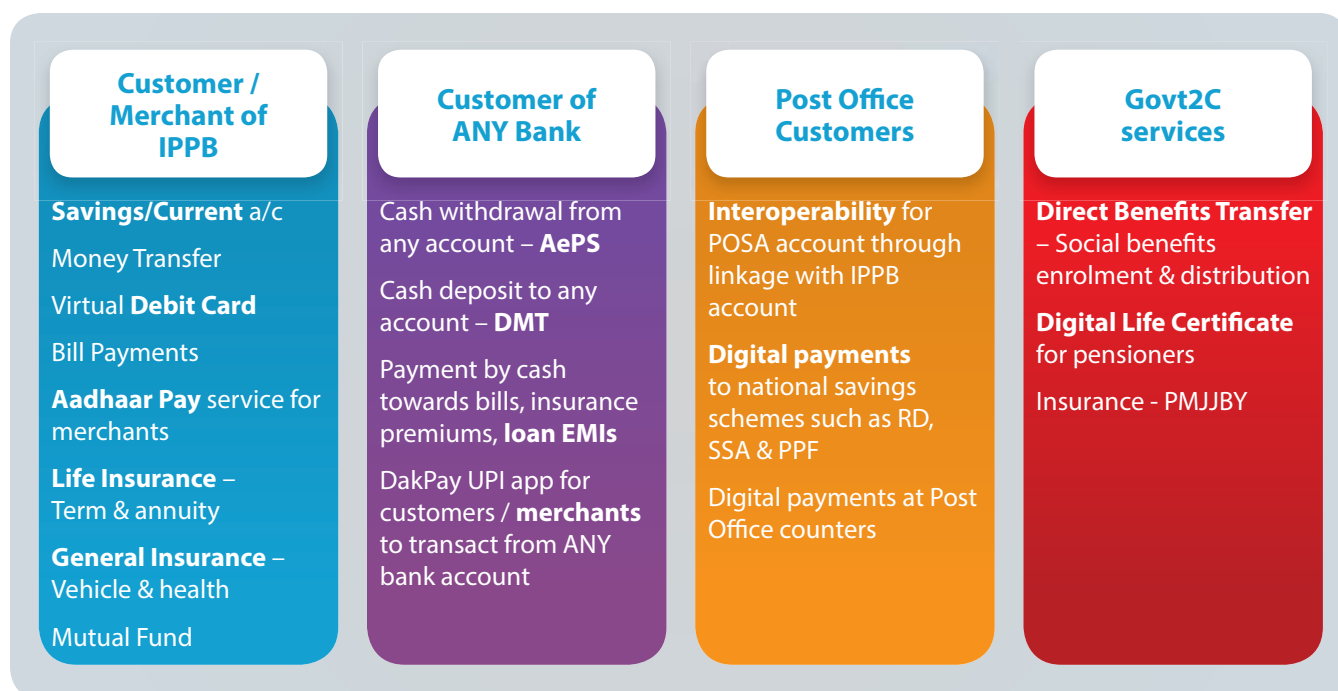
- ▶▶ 98% of accounts opened at customer's doorstep
- ▶▶ Nearly 50% of account holders women
- ▶▶ Over 68% of accounts held by women receive DBT
- ▶▶ 90% of customers from rural areas
- ▶▶ 11.13* lakh RuPay debit cards issued
- ▶▶ 4.32* lakh digital life certificates issued
- ▶▶ 61,000*+ customers insured through PMJJBY

* As of March 31, 2021



Since inception till March 31, 2021, IPPB has introduced a range of unique solutions that not only cater to the needs and requirements of different customer segments but also makes digital adoption easier at the last mile by enabling an assisted banking model.

Some of these services are:



By leveraging frugal innovation and top of the line technology infrastructure, IPPB has delivered simple and affordable banking solutions in **13 languages** across all self-service channels (mobile and merchant app) and assisted channel (Micro-ATM).

By virtue of its close and synergistic relationship with the Department of Posts (DoP), IPPB

enables customers of Postal department to enjoy interoperable banking services and connects them with the banking ecosystem. IPPB is committed to provide a fillip to a less cash economy and contribute to the vision of Digital India. Our motto stands true - **Every Customer is Important, Every Transaction is Significant and Every Deposit is Valuable.**

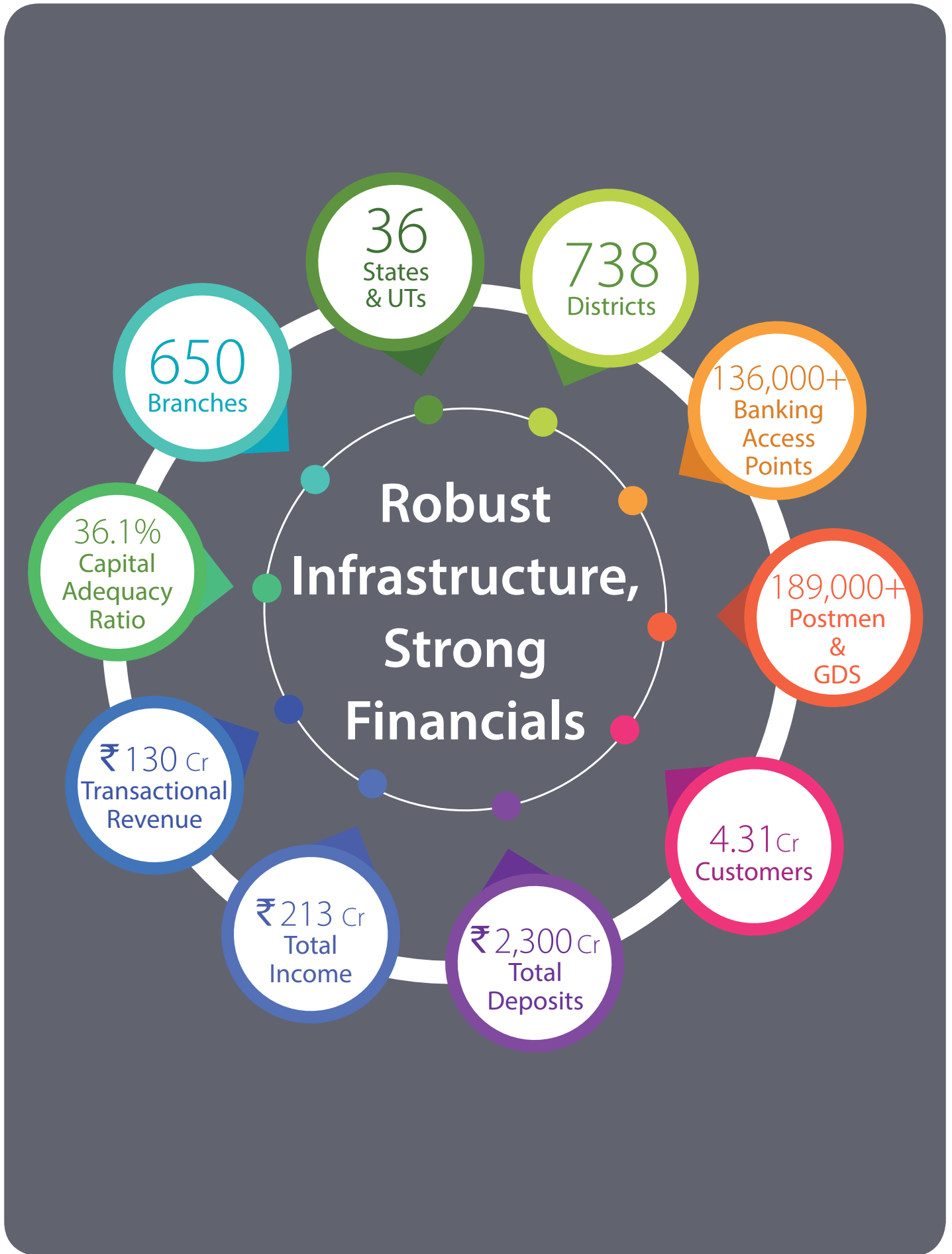


Our Vision

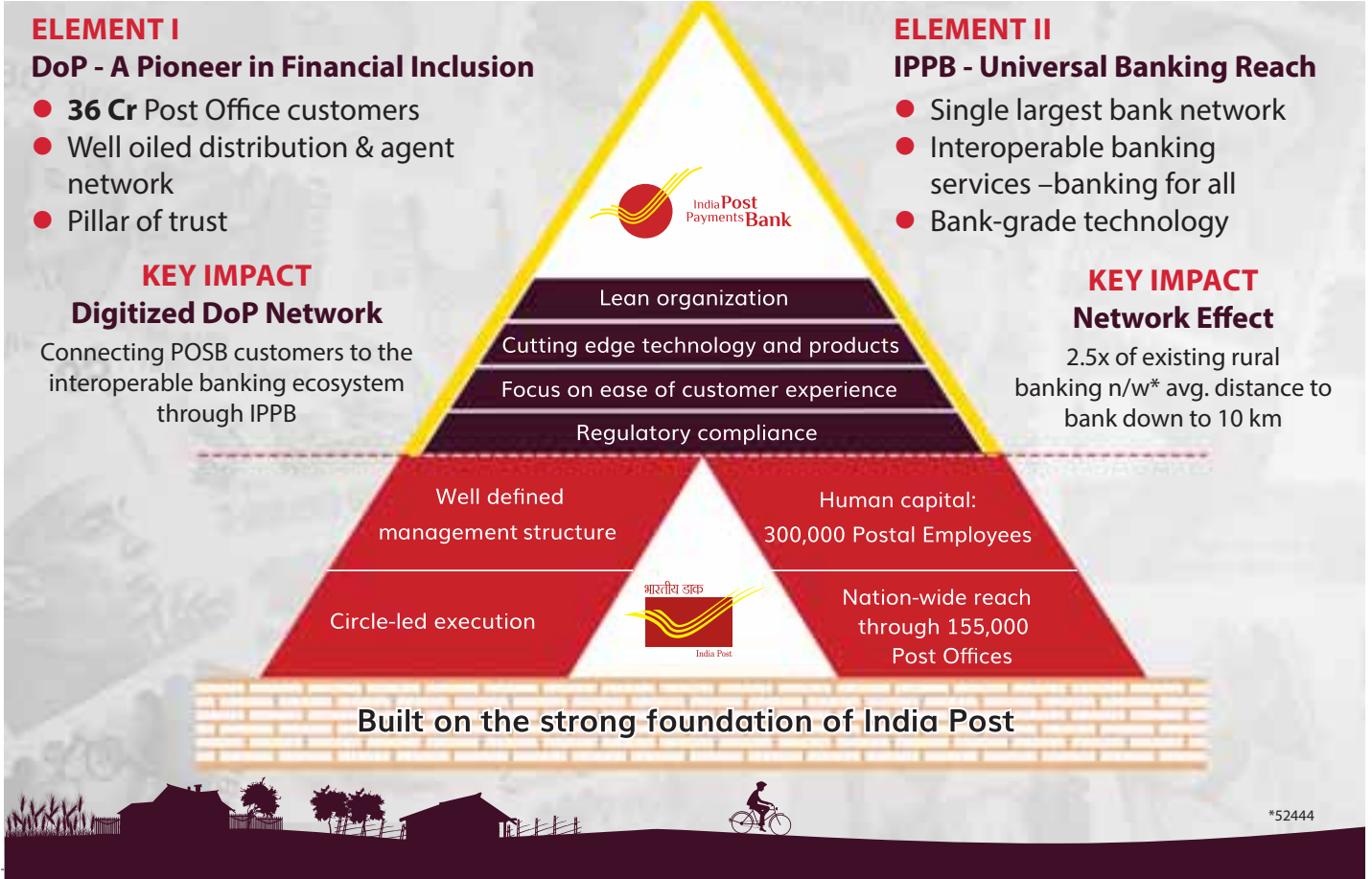
Building the **Most Accessible, Affordable and Trusted Bank** for the Common Man

Our Mission

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



Decoding Financial Inclusion - Genesis of IPPB



Giving a fresh impetus to inclusion of customers solving accessibility, affordability challenges of rural customers



Journey Towards Digital & Financial Empowerment

650 branches
covering every major district

Accessibility

800+ Head Post Offices

Execution

141,000+ Branch Post Offices
as banking access points,
covering the last mile

Accessibility

1.4 lakh + Branch Post offices

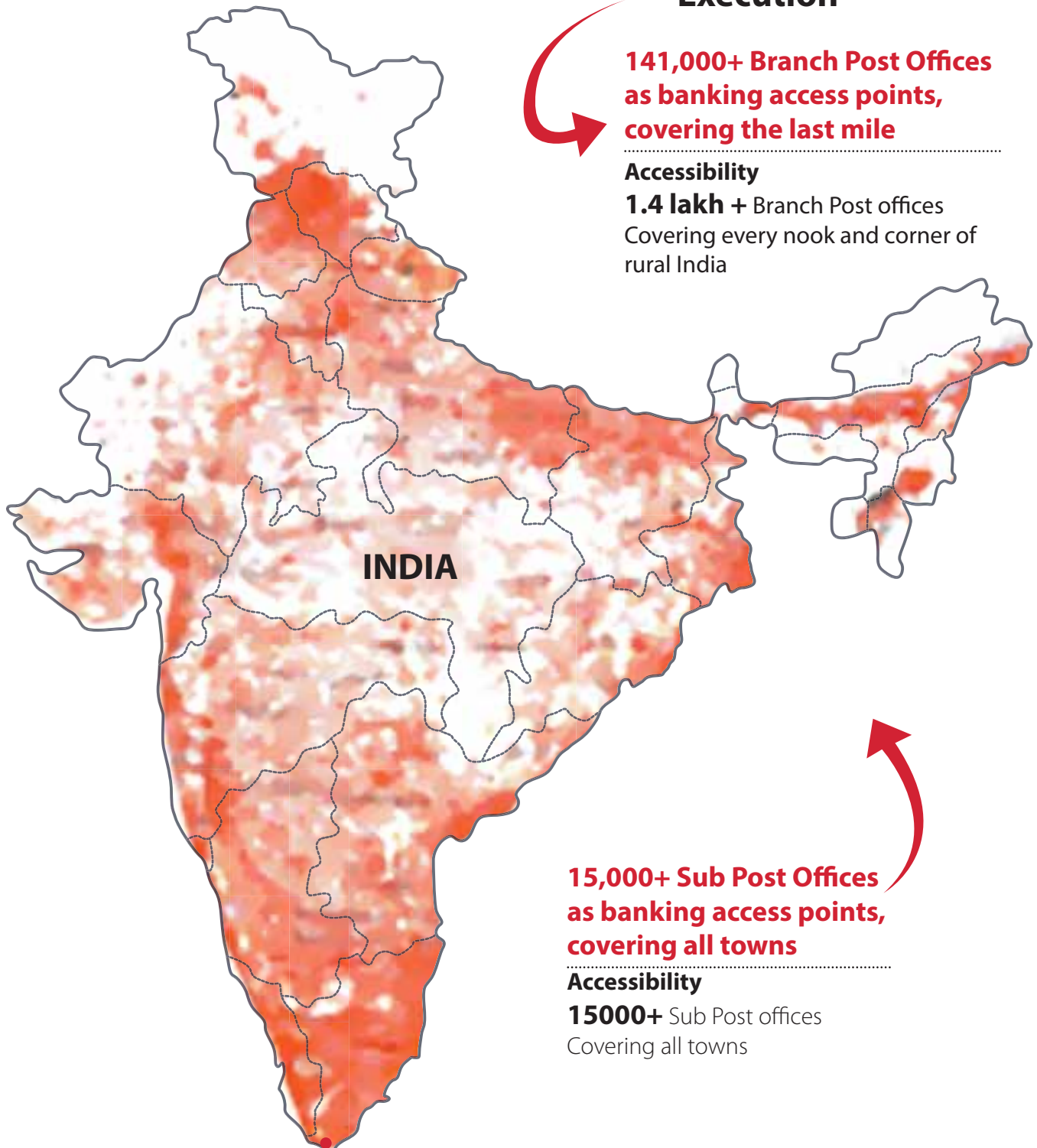
Covering every nook and corner of
rural India

15,000+ Sub Post Offices
as banking access points,
covering all towns

Accessibility

15000+ Sub Post offices

Covering all towns



Social Impact - Banking Enabled

300,000 Postmen and GDS

At your doorstep

0 KM

Banking access significantly improved

Aapka Bank, Aapke Dwaar

Banking on demand

India Post Payments Bank

The infographic features a circular arrangement of 300,000 icons representing postmen and GDS. A large red arrow points from this group towards a graphic of an open door. Inside the door, a postman in a white uniform and pink turban stands holding a cane. Below the door is a sign that reads 'Aapka Bank, Aapke Dwaar'. A road sign with '0 KM' is positioned between the postmen and the door. Text above the door states 'Banking access significantly improved', and text below it says 'Banking on demand'. The India Post Payments Bank logo is in the top right corner.



Customer Segments

IPPB is committed to serving the financial and banking needs of its customers. Keeping the customer at the centre of everything we do, our wide range of products and services are aimed at creating value and a delightful experience for them. Our easy-to-use, efficient, secure and intuitive solutions are driven by the emerging needs of Bharat and Urban India. In response to the evolving business environment and ecosystem, IPPB always strives to be ahead of the curve and meet the ambitions and aspirations of its customers.

Our customers come from all corners of the country and walks of life. While a significant

proportion of them are from rural areas many have never possibly visited a bank or have a savings account. With India Post's legacy of serving the nation for over 150 years combined with the last mile connect of the trusted local *Dakiya* this is now very much possible. Whether it is farmers, senior citizens, specially abled persons, kirana store owners, students or housewives, IPPB has been able to make a difference in their lives by not only bringing banking services at their doorstep but also creating an ecosystem that promotes and supports inclusive growth.

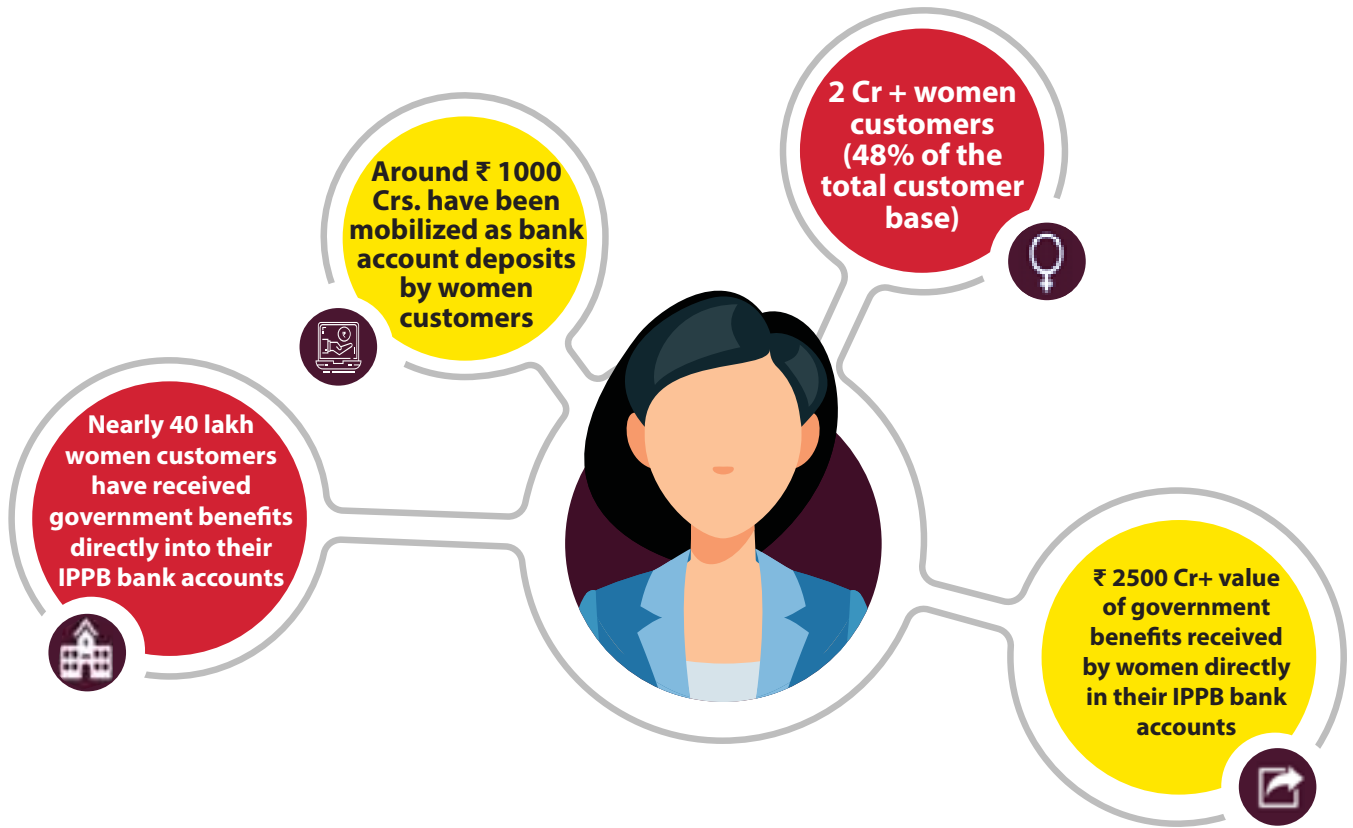
Financial Services for Bharat

IPPB Customer Segments

Every customer is important, every transaction is significant and every deposit is valuable.

A step towards financial inclusion and digital economy...

Leading Women-focused Bank in India



Unique & Innovative Services

IPPB's product portfolio is wide ranging and includes savings and current account, 24x7 instant money transfer, direct benefits transfer including Mahatma Gandhi National Rural Employment Guarantee Scheme and payment of scholarships, social welfare benefits, bill and utility payments, third party products, Aadhaar enabled Payment System, and other such customer-centric services.



Diversified Presence

With a diversified geographical footprint that covers the entire length and breadth of the country, IPPB caters to the banking and financial needs of over 4 crore customers in 37 states/ union territories currently. With the proliferation of digital technologies, India's financial services landscape is undergoing transformation at a speed and scale that has not been witnessed

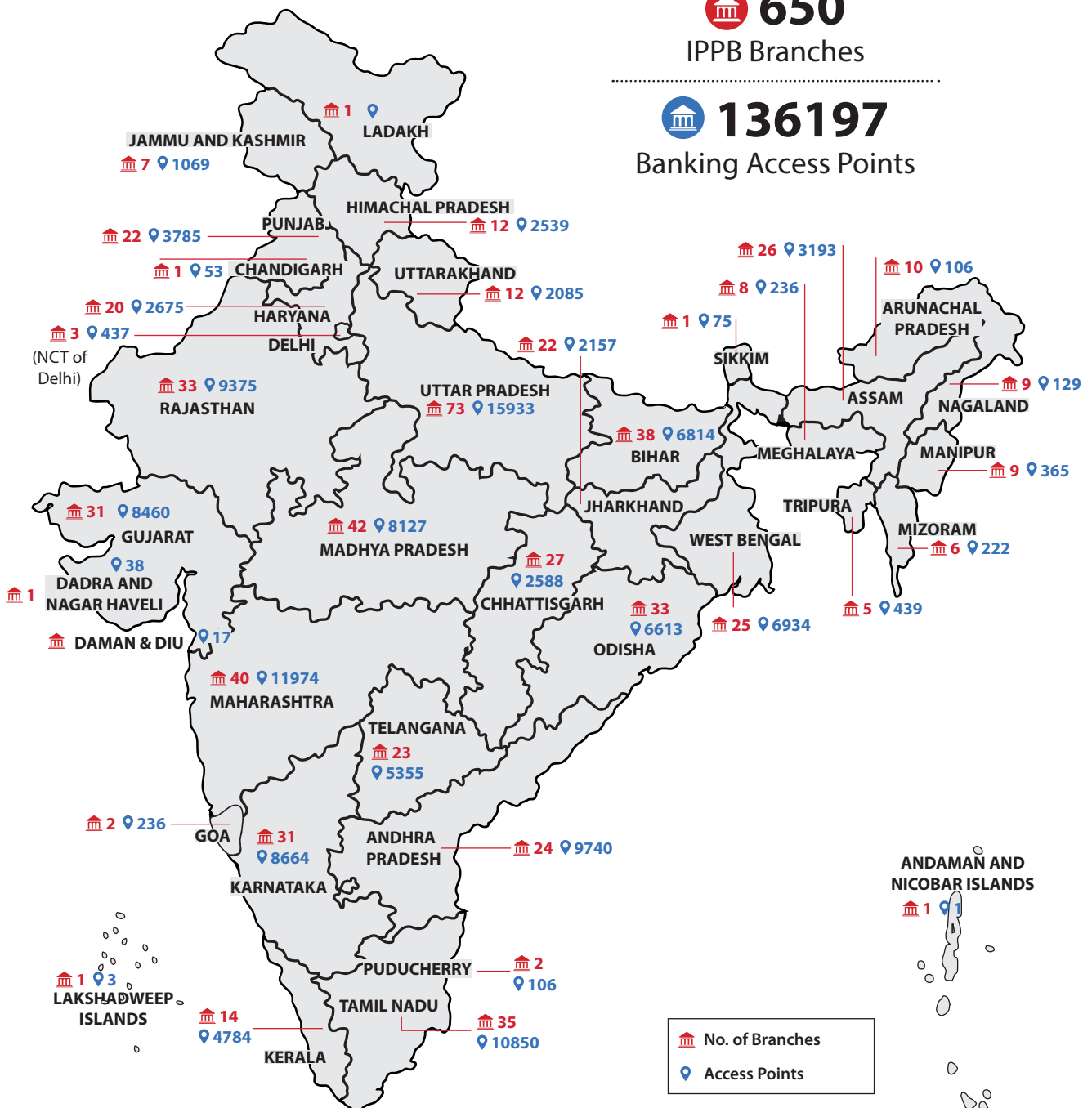
before. Combining an unparalleled and robust network of 650 branches and over 136,000 banking access points, IPPB wants to be at the forefront of this transformation through its expansive physical presence and digital capabilities, and is deploying innovative ways to take banking to the last mile.

 **650**

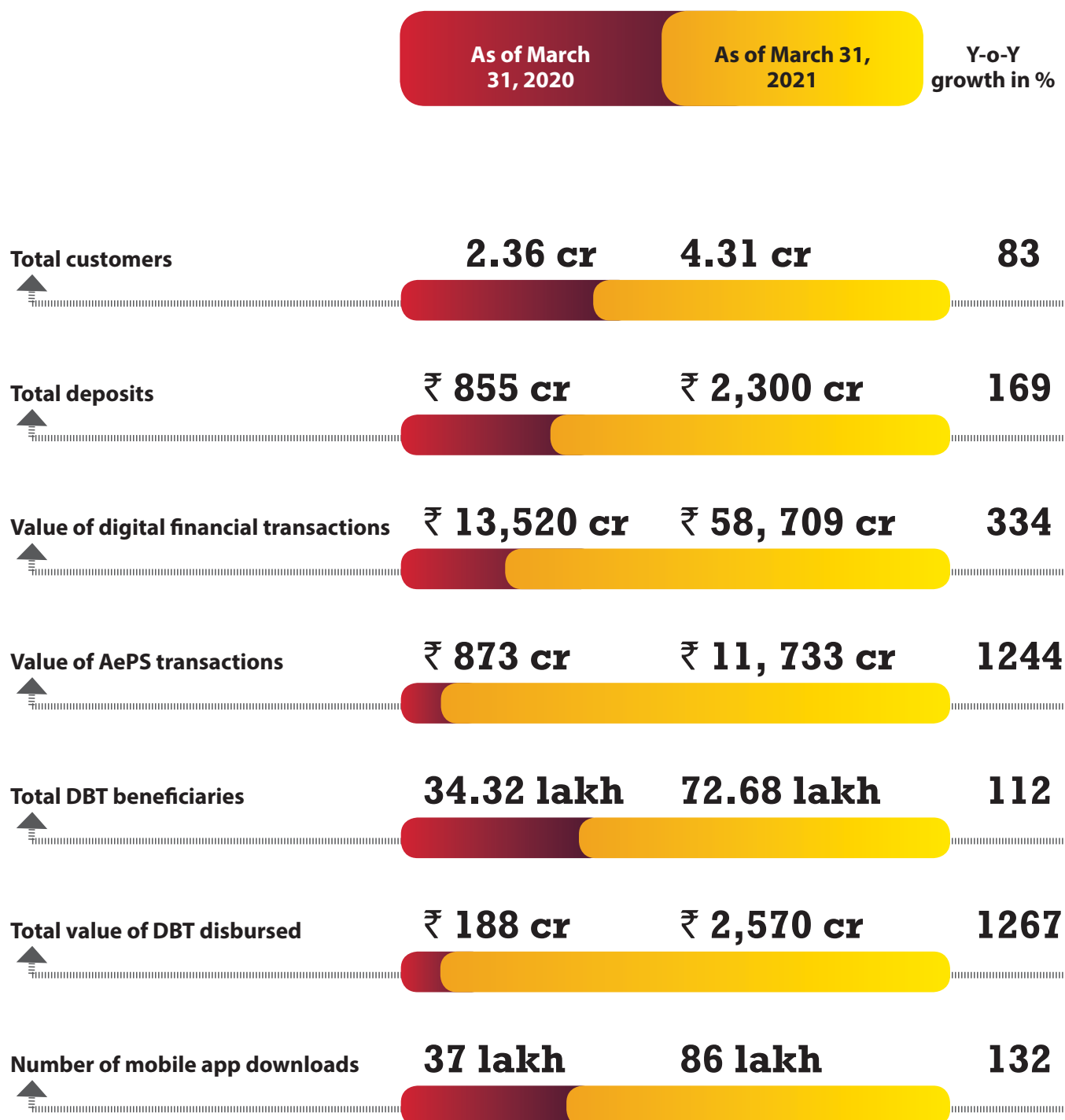
IPPB Branches

 **136197**

Banking Access Points

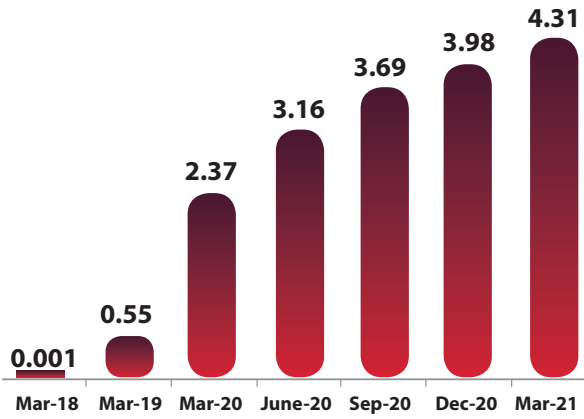


Business Highlights

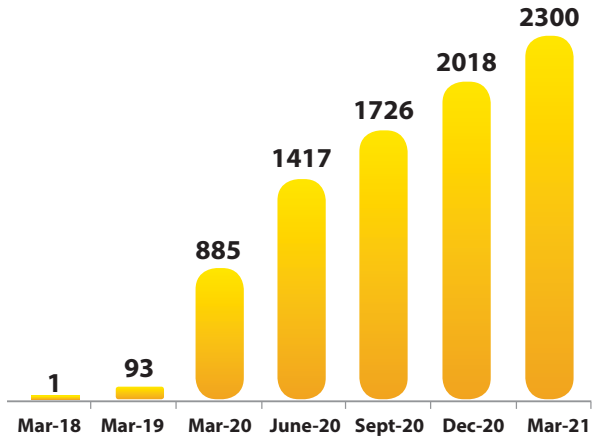


Key Business Metrics

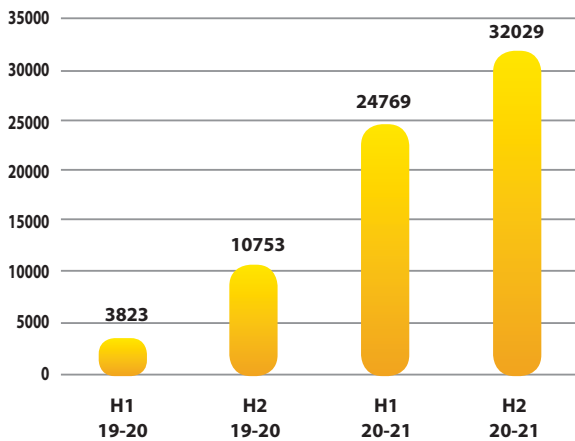
Customer Base in cr



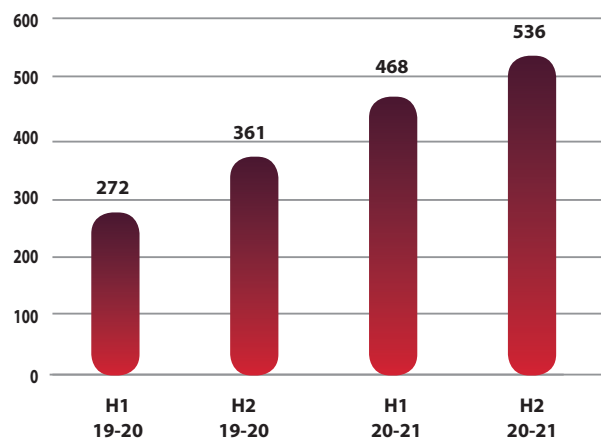
Total Deposits in ₹ cr



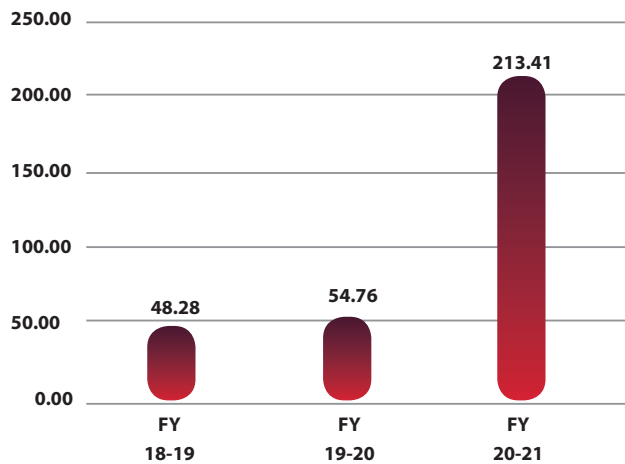
Transaction Throughput in ₹ cr



Average Balance in ₹ cr



Total Income in ₹ cr



Functional Highlights



Human Resources

For any organization, human capital is the most valuable asset and cornerstone of its growth and success. At IPPB too we share the same philosophy. In a year overshadowed by an unprecedented health crisis and the various challenges posed by it, our employees continued to work with unwavering commitment, dedication and passion. The Pandemic not only brought to the fore the resilience and strength of our employees in times of adversity but also reinforced our belief that having a committed workforce is important to ensure consistent and sustainable growth of the organization.

In a rapidly changing business environment, we understand and recognize the need for having robust human capital with the right combination of learning, skills, aptitude and talent. The Human Resources Department of the Bank launched a slew of initiatives during 2020-21 financial year that were aligned with the aspirations of the workforce to boost efficiency and promote participative work culture in the organization. These initiatives revolved around digitizing HR processes, measures taken to ensure health and safety of employees during COVID-19 crisis, and impactful/revenue generating projects.

- Digital Platform for IPPB-DoP Coordination Meetings:** A digital platform to record minutes of IPPB-DoP coordination meetings in real time and create an automated analytical dashboard to identify action areas across 650 branches of IPPB, 450 divisions & 23 circles of DoP was initiated after taking detailed requirements from senior personnel of DoP & IPPB.
- Nivaraan:** An online grievance redressal mechanism called Nivaraan with pre-defined

TAT and automated escalation and deviation documentation capabilities was launched to address all employee grievances/complaints.

- Mobile Training App for Postmen/GDS:** With an aim of empowering and upskilling over 300,000 Postmen and GDS, a digital training app with self-learning and certification programs on products like life and general insurance, Child Enrolment Lite Client, Pradhan Mantri Jeevan Jyoti Bima Yojana, Jeevan Pramaan etc has been developed. The app can be easily accessed by the end users on their mobiles. The app provides a platform for these Postmen and GDS to get certified as per various regulatory requirements and learn about features, advantages and benefits of various financial products/services.

Employee Engagement

The Bank continued with its focus on engaging with employees through a range of activities that included

Celebrating IPPB's 2nd Anniversary: IPPB celebrated its 2nd anniversary with a series of month long activities across all 650 branches that included organizing various events such as quizzes, IPPB's Got Talent, family talent show, singing competition, Hindi Pakhwara etc using live streaming video conferencing technology.

Women's Day Celebrations: Celebrating the power of womanhood and their equal contribution in the growth and success of IPPB, a weeklong program called 'Nari Shakti Week' was organized from March 8-13 with a series of events that included 'Nari Shakti Awards' given to our woman employees across different categories.



Marketing & Communication

India Post Payments Bank is a symbol of unity, equality, inclusion, service and trust, now has power to expand not only the banking system of the country, but also the system of digital transactions.

- Prime Minister Shri Narendra Modi at Launch of India Post Payments Bank on Sep 1, 2018

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

प्रधान मंत्री नरेंद्र मोदी इंडिया पोस्ट पैमेन्ट्स बैंक के उद्घाटन पर सितम्बर १, २०१८

Financial Year 2020-21 has witnessed one of the most disruptive events that humankind faced due to the unprecedented challenges brought by COVID-19. On the brighter side, the Pandemic has also provided businesses an opportunity to launch breakthrough and game changing solutions across industries. For marketing and marketers, the Pandemic has been a period of re-strategizing, and rethinking about go-to-market strategies, engaging with customers, brand loyalty, media mix etc. Amidst the challenges of lockdowns and other similar restrictions, IPPB not only maintained continuity in its services with branches and banking access points functioning uninterrupted but it was also able to create awareness about and promote a range of products and services by extensively using social media and other traditional and new media platforms.

Ever since the launch of the Bank, it has been

Marketing & Communication team's constant endeavor to work closely with various departments in strengthening Brand IPPB across India with a focus on underpenetrated and unserved markets, drive sales for new products and services, help acquire new and retain existing customers, and deliver the right brand experience across touchpoints. The Bank's branding, marketing and communication strategy is a mix of the traditional and new media that it has been using effectively to enhance customer experience and brand salience.

Multiple marketing initiatives were rolled out to support the launch of new products and services like Direct Money Transfer, Digital Life Certificate, Prime Minister Jeevan Jyoti Bima Yojana, Bharat Bill Payment Service, DakPay UPI, IPPB Mobile Banking App with UPI & RuPay, Virtual Debit Card, and Life Insurance.



इंडिया पोस्ट पेमेंट्स बैंक | India Post Payments Bank

UPI empowers me to receive & send money,
make merchant payments & do online shopping
Easily, Safely & Instantly!

DakPay | UPI

इंडिया पोस्ट पेमेंट्स बैंक | India Post Payments Bank

Instant Money Transfer
SAFE | SECURE | CONVENIENT

Now Available
at any Post Office or at your doorstep

The easiest way to send money
to your loved ones

इंडिया पोस्ट पेमेंट्स बैंक | India Post Payments Bank

JEEVAN PRAMAAN
DIGITAL LIFE CERTIFICATE

**Pensioners
need not go to
Bank Branches to
give Life Certificate**

To avail the facility contact Postman/Grाम्भेन Dak Sevak or
place your request for doorstep service on Post Info App

इंडिया पोस्ट पेमेंट्स बैंक | India Post Payments Bank

LAUNCHING SOON

DakPay | UPI

The future of payments

Join the Cashless Revolution!

Business Development - Enterprise and Government

The 2020-21 financial year witnessed IPPB's Business Development - Enterprise and Government (BDEG) Team leading multiple engagements with government and private enterprises to develop customer-centric and digitally driven products and services for the masses. With DBT beneficiaries constituting an important customer segment utilizing various services, especially doorstep banking and AePS, the BDEG function has been working closely with various stakeholders across government and private sector to ensure that IPPB's most important constituency – our customers – continue to have a seamless banking experience through simple, intuitive and innovative solutions.

Key Partnerships

- IPPB signed a Memorandum of Understanding with **HPCL** and **BPCL** to bank the PAHAL and PMUY beneficiaries who do not have a bank account. IPPB coordinated with the state/ district offices of BPCL/HPCL and also the distributors to reach the beneficiaries.
- IPPB also signed an MoU with The **Confederation of Real Estate Developers Association of India** to open the accounts of construction workers and bring them into the financial mainstream. As part of the agreement, IPPB will liaise with contractors to open such accounts in camp mode at the construction sites across the country.
- IPPB has also partnered with various state governments for effective disbursement of DBT like NREGA, pensions, scholarships etc.

Strategic Initiatives

Along with government and corporates, IPPB is executing various people friendly initiatives for providing a range of services in Post Offices and at the doorstep of the citizens. Some of the key initiatives of BDEG team in 2020-21 were:



- **Facilitating Digital Life Certificate (DLC):** In a major step aimed at easing the process for receiving pensions by retired government employees, IPPB has enabled pensioners to record and submit their annual life certificates (Jeevan Pramaan) from the comfort of their home or at the nearest Post Office. This initiative was launched in partnership with and supported by Department of Pensions and Pensioners Welfare, Govt. of India and National Informatics Centre. The DLC service is not limited to IPPB customers only but is bank agnostic, and all pensioners whose pension sanctioning authority is live on the DLC platform can generate their life certificates through IPPB.
- **Aadhaar Seeding:** With an aim of becoming the preferred banker for DBT beneficiaries, IPPB has implemented systems to improve the Aadhaar seeding and also for better tracking of accounts opened under mandates. The Bank has enabled Aadhaar enquiry during account seeding process due to which there has been a significant decline in DBT seeding failures, enabling beneficiaries to receive DBT in their IPPB accounts. IPPB has also enabled mandate based account opening that has helped in tracking and monitoring of DBT account opening mandates.
- **Project DISHA :** The project was launched in the five districts of Akola, Washim, Aurangabad (BH), Patna and Varanasi across states of Maharashtra, Bihar and Uttar Pradesh to leverage the combined strength of DoP network and existing/proposed financial products and services of Postal Department and IPPB. The project envisages covering over 25 lakh households. As part of the project, the DoP and IPPB teams focused on increasing financial literacy, digitizing payments through merchant onboarding, ramping up customer base, and financial planning through the existing products of IPPB and DoP.



Customer Service

Customer service has an extremely important role to play in any services driven industry, especially banking. The banking sector in India has one of the largest outreach for delivery of financial services, and is also serving as an important conduit for delivery of these services. With a vast network of branches, millions of customers, a diverse range of products and services offered, and the varied institutional framework, the enormity and complexity of banking operations in India invariably leads to scenarios where banks are unable to meet the level of service standards that customers expect due to various factors.

Providing efficient service to customers with a quick turnaround and speedy resolution of their grievances is integral to a bank's strategy for achieving sustained business growth. At IPPB, it is our constant endeavor to be ahead of the curve by anticipating customers' needs and identifying any potential gaps or deficiencies in service standards. Our customer service approach is driven by understanding customer needs through continuous engagement, and providing solutions that not only meet but exceed their expectations. Taking the customer centric approach further, IPPB has a **Customer Protection and Grievance Redressal Policy** that among other things aims at timely resolution of all grievances/complaints to the satisfaction of the customer.

With a view to make the redressal mechanism effective, the Bank has a structured system in place at corporate office/circle offices/branches/customer service points to ensure that the resolution provided is just and fair, and is within the given frame work of rules and regulations. IPPB has laid down framework to monitor key customer service areas. In order to treat customers fairly and provide transparency, branch level customer service committees meetings are conducted on monthly basis. The Standing Committee on Customer Service at corporate office meets on quarterly basis to review and address the customer related matters and to take steps for improvement on ongoing basis.

The committee of the Board on Customer Service meets bi-yearly to bring about improvement on customer service provided by the bank on ongoing basis and review the performance of the Standing Committee on Customer Service.

Some of the steps taken by IPPB during 2020-21 to address service issues and provide long-term solutions are:

- The contact centres in Noida, Chennai, and Kolkata continued to provide 24x7x365 assistance to customers in 13 languages through IVR and inbound and outbound calling. These centres are equipped to handle complaints relating to unauthorized debit transactions, blocking of virtual debit card, enquiries or grievances.
- IPPB sustained improvement in Quality Score Card, which is key metric for measuring customer satisfaction. During 2020-21, 99.08% of complaints were resolved with turnaround time of 2.63 days.
- Doorstep banking and banking through mobile has been made easy for customers and non-customers with addition of PSP application and other services with existing multiple frequently used options and functionalities (nomination registration). The PSP and existing mobile application are being enhanced with new features in order to provide better user experience.
- During financial year 2020-21, the total number of complaints (including 590 that were outstanding as of April 1, 2020) received were 14,582. Of these, 14,323 complaints were resolved while 259 complaints remained outstanding as of April 1, 2021.



S No	Particulars		For year ended March 31, 2020	For year ended March 31, 2021
Complaints received by IPPB from customers				
1		No. of complaints pending at beginning of year	1,352	590
2		No. of complaints received during year	72,969	13,992
3	No. of complaints disposed during year	No. of complaints rejected	73,731	14,323
			0	
4		No. of complaints outstanding at the end of year	590	259
Maintainable complaints received by IPPB from OBOs				
5	No. of maintainable complaints received from OBOs		0	45
		No. of complaints resolved in favour of IPPB by OBOs	0	44
		No. of complaints resolved through conciliation/mediation/advisories issued by OBOs	0	1
		No. of complaints resolved after passing of awards by BOs against IPPB	0	0
6		No. of awards unimplemented within the stipulated time (other than those appealed)	0	0

- All open 259 complaints are closed as on date.
- While the overall customer base increased, the number of complaints received have declined. While for FY 2019-20 the ratio of number of complaints to customer was **0.028%**, it stood at **0.007%** as of March 31, 2021.



Information & Cyber Security

IPPB has adopted sophisticated technology to roll out the best banking solutions to customers. However, with latest technologies comes the risks of information and cyber security threats. It is therefore imperative for the banks to develop and have appropriate technology risk management strategies to secure its most vital information assets and to ensure that related risk management systems and processes are strengthened for smooth and continuous banking operations.

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

Cyber Security

IPPB believes that cyber security is an important risk focus area considering the rapid digitization, increasing transaction intensity and connectivity to

networks and ecosystems. It is vital to protect the Bank's and customers' assets and ensure continued trust of all stakeholders.

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

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

Information Security and Cyber Risk Management

A board approved **Cyber Security & Information Security Policy** is in place which provides guidelines on various cyber security related initiatives. The Bank



also has **Cyber Crisis Management Plan (CCMP)** that provides the strategy, direction and roadmap towards cyber threat mitigation. The cyber security governance is part of the Bank's Information Security framework.

A steering committee comprising of senior executives of the Bank known as **Information Security Committee** is formed with formal terms of reference. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication channel and guide for the overall direction of the Bank management's cyber security aims and directions. The committee also guides and monitors development and facilitation and implementation of information security, cyber security policies, standards and procedures to ensure that all identified risks are managed considering the Bank's risk appetite.

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

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

IPPB has a fully equipped disaster recovery set-up in place which is supplemented by periodic disaster recovery drills. Further, stringent controls are followed at the time of induction of new applications. Based on the changing cyber security threat landscape, the Bank has procured a cyber-insurance policy which is reviewed and renewed every year and new risk areas are included if deemed necessary. The Bank also

conducts and participates in cyber security drills to continuously fine tune its response mechanisms.

Employees are kept updated about latest security threats and best practices. The Bank provides cyber security awareness to its employees and customers continuously through various channels like SMS/ email/learning portal website/ etc.

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

During Pandemic

In the wake of the COVID-19 outbreak, and banking being classified as an essential service, IPPB made arrangements for several key activities to be performed through secure work-from-home technology solutions. While rolling out these solutions, appropriate controls have also been implemented for information security. Further, detailed advisories have been issued on dos and don'ts for employees to follow when they work from home. This is also being followed up with regular communication on information security best practices. Additional monitoring parameters have also been configured on the Bank's 24x7 (SOC) to continually monitor logs pertaining to WFH access of employees and generate alerts in case of any unusual events.



In the News

Financial Express, May 7, 2020

NDTV, June 19, 2020



India Post provides Rs 720-cr cash at doorsteps via AePS since March 25

By Anurag Kumar
May 07, 2020 11:37 AM

During the period, around 2.7 crore Post Office Savings Bank transactions were carried out involving more than Rs 40,000 crore, while 1.3 crore India Post Payments Banks (IPPB) transactions were carried out worth Rs 2,854 crore.



Since the start of the lockdown from March 25, India Post has provided cash to the tune of Rs 720 crore at the doorsteps of around 36 lakh people through the Aadhaar Enabled Payments System (AePS). During the period, around 2.7 crore Post Office Savings Bank transactions were carried out involving more than Rs 40,000 crore, while 1.3 crore India Post Payments Banks (IPPB) transactions were carried out worth Rs 2,854 crore. Now, more than 2 lakh AePS transactions are happening every day. Around 46 lakh mail articles were delivered, apart from payment of about 37 lakh money orders, during the lockdown. During normal times, monthly average AePS transactions stand at around Rs 120 crore. Similarly, during normal times, IPPB transactions are to the tune of Rs 1,760 crore. The number of money orders are around 12 lakh during normal times. Postal secretary Pradyots Kumar Bhasi told PE, "The department has used air cargo rights to dispatch mail to the nearest metro or big towns and thereafter used its fleet of mail motor vans and a few hired vans to reach shipment to various destinations within the state or to the neighbouring states." He said that more than 250 tonnes of medicines and medical equipment are being delivered through tie-ups with the Indian Drug Manufacturers' Association, the Directorate General of Health Services and online pharmaceutical companies.



India Post Payments Bank Extends Helping Hand To Old Woman In Odisha

The woman will now be able to withdraw cash at her doorstep using Aadhaar enabled payment system with India Post Payments bank which seeks to provide house to house banking service has opened a bank account in her name.

News Desk at Delhi June 19, 2020 11:04 AM IST



Bhubaneswar: Days after an 80-year-old bedridden woman of Odisha's backward Neopada district was dragged on a cot to a bank by her elderly daughter to withdraw money from her Jan Dhan account, India Post Payments bank has come to her aid.

The woman, identified as Lalita Rajhat of Bargain village, will now be able to withdraw cash at her doorstep using Aadhaar enabled payment system with India Post Payments bank which seeks to provide house to house banking service has opened a bank account in her name.

The information about the development has been shared by Union Law Minister Kiren Rijiju through a Twitter post. He expressed happiness that the India Post Payments bank has extended a helping hand to the old woman.

"I read reports from media about difficulty faced by a very old lady in Odisha in withdrawing cash from her bank account. Happy to share that India Post Payments bank helped her by opening a bank account. Now she can withdraw cash at her doorstep using Aadhaar Enabled Payment System," Mr Rijiju tweeted.

The old woman's 80-year-old daughter, Purjindal Das, had to drag a cot with her sick mother lying on it to Utkal Gramin Bank branch at Bargain in Neopada district around 300 metres away to withdraw money.

A video purportedly showing Purjindal Das dragging a cot with her mother on it had sparked an outrage after it went viral. Bank officials described the incident as unfortunate and said it happened because of a communication gap.

Ms Das had gone to the branch on June 8 to collect ₹ 500 from her mother's Jan Dhan account, which came under the Pradhan Mantri Garib Kalyan fund to tide over the COVID-19 crisis. The Central government had in March announced ₹ 500 monthly assistance for women Jan Dhan bank account holders from April to June.

Some of the villagers claimed that Ms Das had been to the bank to withdraw money from her mother's account but the branch officials refused, saying the account holder needs to come in personally.

When the woman said that her mother was sick and cannot visit the bank, the branch manager promised her that he will personally visit her house the next day and hand over the money to her mother. Bank officials said.

Since there was heavy rush in the branch on June 8, the branch manager promised the woman that he would visit her house on June 13. But unfortunately, before the opening of the bank, the woman brought her mother to the bank pulling her on a cot. "It was a misunderstanding on the part of the daughter of the account holder," he said.

"The branch manager did not have any intention to harass anybody. But the unfortunate developments led to a communication gap resulting in misery of human and insensitive approach by the bank in treating senior citizens. A departmental action is being initiated against the wrong official," the bank had said in a statement.

In the News

Patrika, November 18, 2020

घर-घर जाकर पोस्ट ऑफिस कर्मचारी बना रहे प्रमाण पत्र

सुशिक्षित नवयुवकों

राज्यभर में स्थितिगत कर्मचारी, अधिकांशों को पेशान बनाने के लिए अपने जॉबिंग होने का प्रमाण पत्र संबंधित बैंक में देना पड़ता है। यह प्रमाण पत्र अब पोस्ट ऑफिस के कर्मचारी पेशान के घर-घर जाकर बना रहे हैं, ताकि किसी पेशान को पेशाने में न हो और प्रमाण पत्र के अभाव में उनकी पेशान नहीं की। इंडिया पोस्ट पेमेंट्स बैंक द्वारा यह डिजिटल प्रमाण पत्र विकसित किए जा रहे हैं।



अपनी पेशान प्रदाता एजेंटों को नाबंजर माह में जमा करना होता है। पोस्टमस्टर नेपात सिंह राजक ने बताया कि जो पेशान नाबंजर में प्रमाण पत्र बनवा पाएंगे उन्हें बाद में भी यह सुविधा लगातार मिलेगी। उन्होंने बताया कि कोरोना काल में बुजुर्गों का घर प्रेरितकाल्य खतरो में था है, इसलिए आरंभिकी यह सेवा दे रही है, ताकि बुजुर्गों को इस जल्दी प्रमाण पत्र के लिए किसी तरह का खतरा और परेशानी न उठाना पड़े। केन्द्र या राज्य सरकार का किसी अन्य सरकारी संगठन से पेशान प्राप्त करने वाली सेवाग्राहक कर्मचारी इस सुविधा का लाभ उठा सकते हैं।

इस नई सेवा को सुरुआत के साथ पेशान भीगियों को पेशान अधिकार एजेंटों के कवायतन में खर्च उपस्थित होने की जरूरत नहीं होगी। पेशान नजदीकी टाकसर में जाकर या डोर स्टैप बैंकिंग सेवा के माध्यम से जीवन प्रमाण पत्र बनवा सकते हैं। जो पेशान पोस्ट ऑफिस नहीं जा सकते थे पोस्ट ऑफिस तक सुचना पहुंचा दें तो कर्मचारी उनके घर जाकर प्रमाण पत्र बना देंगे। राज्यभर में अब तक ऐसे लगभग 50 प्रमाण पत्र बनए जा चुके हैं। बताया जा रहा है कि पेशानों को यह प्रमाण पत्र

ETBFSI.com, November 24, 2020

IPPB ties-up with PNB MetLife to extend PMJJBY Insurance

India Post Payments Bank (IPPB) has tied-up with PNB MetLife to extend PMJJBY insurance, available since 2015, providing protection and financial security to the poor and underprivileged.

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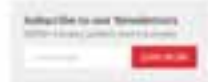
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Nai Duniya, Dec 31, 2020

डाक विभाग ने लांच किया डाक-पे एप, घर बैठे मिलेगी डाक विभाग की सेवाएं



देशभर में डाक विभाग और इंडिया पोस्ट पेमेंट्स बैंक ने अपने ग्राहकों को सुविधा के लिए अपना डिजिटल पोस्ट एप लांच किया है। अब कोई भी उपरोक्त एप एप के जरिए बैंक सेक्रेट और पेशान उपर्युक्त तक अनवरत पहुंच सकते हैं। डाक विभाग अपने ग्राहकों को बेहतर सुविधा देने के लिए सातवां काल का एप है।

एप कस्टोमर अब डाक-पे एप लांच किया गया है। इस एप को यूनिआ से खोल सकते हैं, जिसमें सुलभ, पेशान जैसे अन्य पोस्ट एप को खोलते हैं डिजिटल टूल्स बन सकते हैं।

यह है सुविधाएं

डाक-पे एप के जरिए डाक खर्चोंक मनी ट्रांसफर के जरिए पैसे

पेशानें। अब डाक-पे एप का भी अपने पेशान खोल सकते हैं। एप के माध्यम से उपरोक्त को खोल सकते हैं। एप के माध्यम से पेशान डाक खर्चोंक मनी ट्रांसफर के जरिए पैसे

सकते हैं। इसके जरिए कालेज इन्फॉर्मेशन पेशान करने में मदद मिलेगी। इंडिया पोस्ट पेमेंट्स बैंक का सबसे अधिकवाक्य के लिए एक भर्त्सा प्रदान करने और डिजिटल इंडिया मिशन में अपना योगदान देने के लिए प्रेरित है। धारा अब सुलभ होना अब डाक-पे एप के पेशान अधिक काल से सुविधा और सातवां काल का समय अपना होगा।

Community Connect - Stories of Change



Banking Services

India Post Payments Bank

Postal Bank YOUR BANK, AT YOUR DOORSTEP

Prime Minister Narendra Modi launched the India Post Payments Bank (IPPB) on September 1, 2018 by opening his account following a series of steps like GST, Aadhaar and Jan Dhan accounts to give huge impetus to the economy. The objective was to use a vast network of 1.55 Lakh post offices and 3 Lakh postmen to provide banking and financial services to people in the rural areas



Senior citizen Sundaram, who lives in Mugaiyur (Thopu) village in Tamil Nadu, is not physically fit. The nearest government bank branch is 10 kms away from his village. Therefore, it was no less than a challenge for him to visit his bank to withdraw money. Realising his problem, postmaster Arun Selva Kumar told him about the Aadhaar Enabled Payment System (AEPS) service of the Post Office. Now, Sundaram doesn't need to travel that far to withdraw money from his account or to request bank employees to fill withdrawal slips. He can easily withdraw money by using his thumb impression on the biometric equipment available with the postman who comes to his house. Today, if crores of people in the country are able to withdraw their money easily just by using their thumb impressions, it is because of the India Post Payments Bank. The service, which was launched simultaneously in Ranchi and Raipur as a pilot project under the Ministry of Communications, is now available in every district.

BANK AT YOUR DOORSTEP

If you have to open an account or to avail any other banking facility, postman is just a SMS away. You just need to send him a message. That's all. This service by the India Post Payments Bank (IPPB) is proving to be very useful for those who are not able to visit their banks due to some reasons. IPPB has emerged as an accessible, inexpensive and reliable bank for the common man. Presently, 1,36,078

ROLE OF POSTAL BANKING DURING THE CORONA EPIDEMIC...

- Core Banking Services (CBS) during the lockdown and the first phase of unlock: As many as 48.82 Crore over the counter transactions took place in the Post Office Savings Bank (POSB) totaling Rs 9.86 Lakh Crore.
- More than Rs 3,550 Crore were withdrawn from POSB ATMs through about 1.06 Crore transactions
- From September 1, 2019 to March 24, 2020 till the time Corona struck the country, IPPB distributed over Rs 848 Crore under 25.7 Lakh AEPS.

access points are in operation in urban and rural areas and 25,259 counters have been set up for banking services. Moreover, 2.90 Lakh postmen across the country are now delivering banking services on mobile phones and biometric devices, and that too, at the doorsteps of the people.

TWO SERVICES THAT STARTED FOR THE FIRST TIME...

- Providing banking services to the doorstep of every household through postmen and rural post offices.
- Providing ancillary services to those who are not aware of new changes related to cash and digital banking

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“The India Post Payments Bank has paved the way for making banking services available at the doorsteps of the poor and remote areas across the country. Now, we are ensuring the reach of the banks to the doorsteps of the village and the poor. ‘Your bank at your doorstep’ is our commitment.”

Prime Minister Narendra Modi



HISTORY OF THE POSTAL BANK

The year was 1833 when the country's first Government savings bank came into being in Kolkata. Thereafter, several more Government banks like District Bank, Presidency Bank, Railway Bank and Regimental Bank were opened. Later, the Government Savings Bank Act was enacted in 1873, creating a legal framework for these banks. After Independence in 1947, it was felt that savings of the people needed to be put to better use and thus was born the National Savings Organisation (NSO), which is now known as NSI, in 1948. Three decades later, the idea of a postal bank was conceived so that the banking services could be made available to people living in villages and remote areas where such facilities were not accessible. The Post Office Savings Bank started functioning from April 1, 1982 and thereafter all the above banks were merged with the Post Office Savings Bank in a phased manner. This was the beginning of the post office banking in India and the India Post Payments Bank has taken it further to newer heights.

FACILITIES THAT YOU CAN AVAIL

You can also open your account through the India Post Payments Bank Mobile App. In addition, one can visit the nearest post office to open his/her account. ■

Plans currently underway

- **POST OFFICE SAVINGS ACCOUNT:** You can open savings account in post office with Rs 500 only
- **5-YEAR POST OFFICE RECURRING DEPOSIT (RD) SCHEME:** The Post Office provides RD facility with the minimum Rs 100 per month for a maturity period of 5 years
- **POST OFFICE TIME DEPOSIT (TD) SCHEME:** Time deposit account can be opened in Post Office with a minimum Rs 1,000. One can avail tax exemption on investment made for 5 years under Section 80C
- **NATIONAL SAVINGS MONTHLY INCOME SCHEME (MIS):** Rs 1,000 per month or the multiple of the same can be deposited. The interest rate offered on the Post Office Monthly Income Scheme is 6.6 per cent per annum
- **ENIOR CITIZEN SAVINGS SCHEME:** Anyone above 60 or a retired Government employee between 55 and 60 years can open an account. The interest rate offered is 7.4 per cent
- **PUBLIC PROVIDENT FUND:** One can deposit a minimum of Rs 500 and a maximum of Rs 1,50,000 in a financial year. Tax exemption under Section 80C is available
- **SUKANYA SAMRIDHI SCHEME:** One can deposit minimum Rs 250 and maximum Rs 1,50,000 in a financial year. One can also avail tax exemption.
- **NATIONAL SAVINGS CERTIFICATE:** There is no maximum investment limit. The maturity period is 5 years
- **KISAN VIKAS PATRA:** One can invest a minimum of Rs 1,000. At the interest rate of 6.9 per cent, the investment amount gets doubled after 124 months.
- **WESTERN UNION MONEY TRANSFER:** Online facility to receive or transfer money. In addition, one can also avail National Pension Scheme and Accident Insurance Scheme.

New India Samachar | 29

COVID-19 – A Befitting Response to Pandemic



COVID-19 has defined and redefined the entire concept of living. A seminal event of sorts, the Pandemic's impact has been widespread and disruptive not only for humanity but also for organizations. Nonetheless the spirit of resilience, the will to survive against all odds, the transition into new normal, and above all rising to the challenge in times of adversity ensured organizations continued to serve their customers uninterrupted even as the turnaround and response times were slightly longer than usual.



At IPPB, we proactively took several precautionary measures at corporate office, CPC, circle offices and branches to minimize the spreading and impact of COVID-19 virus. From having advisories for sensitizing customers and employees on dealing with Corona virus, to having an action plan on preventive measures, and ensuring adherence to strict social distancing guidelines during various Unlock phases, safety and health of our customers and employees came first.

Board Of Directors



Shri. Vineet Pandey
Chairman, IPPB



Shri. J. Venkatramu
MD & CEO, IPPB



Smt. Anindita Sinharay
Nominee Director



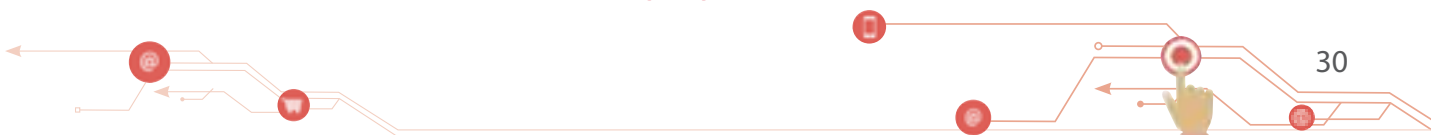
Shri. Sanjay Prasad
Nominee Director



Shri. Pawan Kumar Singh
Nominee Director



Major Milestones During 2020-21



Awards & Recognition

IPPB was conferred with
ET Digital Warriors Awards 2021
for the Digital Life Certificate Service in the
category of Best Automation



Chairman's Message



At India Post Payments Bank, we believe that a nation can only grow when every citizen gets an opportunity to prosper, regardless of their way of life.”

Dear Shareholders

It is with immense pleasure that I present before you the Annual Report of your Bank's performance and initiatives for the financial year 2020-21. In the growth and evolution of IPPB, 2020-21 marks a significant milestone as the Bank continued to scale greater heights despite the insurmountable challenges posed by the Pandemic.

It has been our belief that access to finance has a transformational impact on the lives of people and communities, particularly in areas where there is little or no access to finance. For a significant majority of these people, the Postmen and Gramin Dak Sevaks (GDS) are the most important and trustworthy channel for delivery of various financial services at the last mile, making IPPB the most accessible, affordable and trusted bank for them.

During the year, the Bank has launched a series of products & services that not only included financial services like general insurance, ability to deposit loan repayments at the post offices and enable

migrant labor to transfer their hard-earned cash to the account of their families, but also value added services like Digital Life Certificate for pensioners.

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

As we move forward on this exciting and challenging journey, the banking landscape in the country is witnessing unprecedented changes and transformation. I am delighted at the prospect of shaping the future of financial inclusion in our country through India Post Payments Bank.

Thank you very much.

Vineet Pandey
Secretary, DoP & Chairman, IPPB



MD & CEO's Message



Dear Shareholders

I am delighted to present before you the Annual Report of India Post Payments Bank (IPPB) for FY 2020-21. I also hope and wish that you and your family is safe and healthy in these testing and challenging times of the Pandemic.

On September 3, 2021, your Bank completed three years of successful operations. In the course of our three-year journey, we have achieved significant milestones and have set up the largest banking infrastructure across the country, with the potential to launch population-scale services that can instantly reach every nook and corner of the country. We have been able to fulfil the Government's objective of having an interoperable banking access point within 5 km of any household and create alternate accessibility for ANY BANK customer, including over 43 crore Jan-Dhan account holders.

Setting up a technologically enabled bank on the foundations of a legacy institution is not an easy task. We have created an institution that has the potential to transform and impact millions of lives. Our assisted network is equipped to provide service to the customers of any bank by allowing them to access their bank account for withdrawals and deposits, pay their loan instalment and bills, update their mobile

number linked with Aadhaar and receive their life certificate for pension.

Despite the difficult operating environment, I am happy to share that the Bank's revenue growth tripled while its CASA balances surged by 177% in 2020-21 fiscal even as it opened nearly 2 crore accounts in the same period. Simply put, an account is being opened every 2 seconds!

As we continue this journey together, this is an opportune time to acknowledge the commitment of our Corona Warriors, without whom this would not have been possible.

This year we look forward to many new initiatives towards creating a Universal Digital Services Platform that will pave the path for our sustained growth and newer avenues for our customers to experience digital financial service delivery at their doorstep. A deeper integration with DoP, expanding our product portfolio, strengthening asset quality and capital adequacy backed by continued risk mitigation measures, and people transformation will be some of the areas to focus on and are high on the priority agenda for the Bank in the 2021-22 fiscal. In line with its digital transformation agenda, IPPB is committed to fulfilling the evolving and aspirational needs of customers across markets, segments and regions.

As we pass through one of the most critical times in our history, let us dedicate ourselves to achieve the objectives that we have set for the Bank and contribute to the Digital India mission, thus ensuring inclusive growth for each and every citizen.

ACKNOWLEDGEMENT

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

Warm regards

J. Venkatramu
Managing Director & CEO
IPPB

Director's Report

To,
The Members,

Your Directors are pleased to present the Fourth Annual Report of the Company ("IPPB") together with the audited financial statements for the financial year ended 31st March, 2021 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 ₹

	Financial year ended	Financial year ended
	31 st March, 2021	31 st March, 2020
Total revenue	2,13,13,15,740	54,76,23,537
Total expenditure	5,33,67,54,617	3,88,77,57,578
Extraordinary items prior period expenditure	-	-
Net profit/Net loss	(3,20,54,38,877)	(3,34,01,34,041)
Balance carried to balance sheet	(5,00,89,55,059)	(1,64,40,97,989)
Profit available for absorption	(8,21,43,93,936)	(4,98,42,32,030)
Earnings per share (Basic)	(3.04)	(4.00)
Earnings per share (Diluted)	(3.04)	(4.00)
Shareholding of Govt. of India (%)	100%	100%

PERFORMANCE HIGHLIGHTS AND OVERVIEW

During the period, the Company has recorded a total revenue of ₹2,13,13,15,740 and total expenditure of ₹5,33,67,54,617. Total loss during the year is ₹3,20,54,38,877. In the previous year, Company has incurred a loss of ₹3,34,01,34,041.

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. Mehra Goel & Company, Chartered Accountants (FRN – 000517N) were appointed as statutory auditors of your Company for the financial year 2020-21 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, 2021.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report and addendum report on the financial statements of the Company for the financial year ended 31st March, 2021 and the comments of Comptroller & Auditor General of India on financial statements for the period ended 31st March, 2021 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, 2021 is annexed to the Report.

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

BOARD OF DIRECTORS

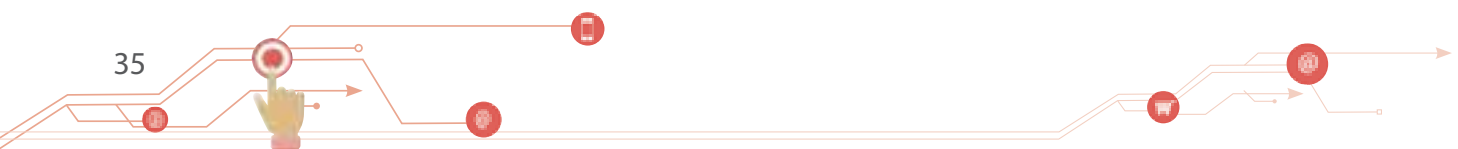
The Bank's Board of Directors are broad-based and its constitution is governed by the provisions of the Companies Act 2013 and Banking Regulation Act 1949. The Board functions directly as well as through various Board Committees constituted to provide focused governance in the important functional areas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

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

QUORUM FOR THE BOARD MEETINGS

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



BOARD OF DIRECTORS OF THE COMPANY AS ON 31ST MARCH 2021:

S.No.	Name of the Director	Designation	Period of occupancy with effect
1	PRADIPTA KUMAR BISOI	CHAIRMAN & DIRECTOR	03/01/2020
2	ANINDITA SINHARAY	NOMINEE DIRECTOR	28/07/2020
3	K SANDHYA RANI	NOMINEE DIRECTOR	27/01/2021
4	J VENKATRAMU	MD & CEO	29/10/2020
5	SANJAY PRASAD	NOMINEE DIRECTOR	05/12/2018
6	VISHNU RAMPRATAP DUSAD	INDEPENDENT DIRECTOR	30/01/2018
7	PILLARISETTI SATISH	INDEPENDENT DIRECTOR	30/01/2018

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

S.No.	Name of the Director	Designation	Period of occupancy with effect
1	V EASWARAN	INTERIM MD & CEO	01/08/2020
2	J VENKATRAMU	MD & CEO	29/10/2020
3	ANINDITA SINHARAY	NOMINEE DIRECTOR	28/07/2020
4	K SANDHYA RANI	NOMINEE DIRECTOR	27/01/2021
5	VINEET PANDEY	MD & CEO	09/06/2021

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	KRISHNA GOPAL KARMAKAR	INDEPENDENT DIRECTOR	28/06/2017	01/11/2020
2	GAURI SHANKAR	INDEPENDENT DIRECTOR	28/06/2017	16/10/2020
3	V EASWARAN	INTERIM MD & CEO	01/08/2020	29/10/2020
4	SUSHAMA NATH	INDEPENDENT DIRECTOR	30/01/2018	31/01/2021
5	MANISHA SINHA	NOMINEE DIRECTOR	06/08/2019	21/01/2021
6	PRADIPTA KUMAR BISOI	DIRECTOR & CHAIRMAN	03/01/2020	30/04/2021
7	VISHNU RAMPRATAP DUSAD	INDEPENDENT DIRECTOR	30/01/2018	29/09/2021
8	PILLARISETTI SATISH	INDEPENDENT DIRECTOR	30/01/2018	29/09/2021

THE FOLLOWING PERSONS WERE DESIGNATED AS KMP AS PER PROVISIONS OF THE COMPANIES ACT, 2013 DURING THE PERIOD UNDER REPORT:

S. No.	Name of the Person	Designation	Period of occupancy with effect
1	V EASWARAN	INTERIM MD & CEO	01/08/2020
2	J VENKATRAMU	MD & CEO	29/10/2020
3	SEEMA SINGH	CHIEF FINANCIAL OFFICER	30/04/2019
4	PRIYANKA BHATNAGAR	COMPANY SECRETARY	16/01/2017

BOARD MEETINGS

During the year 2020-21, the Board of Directors of the Company met five (05) times on: -

36 th Board Meeting 21 st July, 2020	37 th Board Meeting 19 th August, 2020	38 th Board Meeting 13 th November, 2020
39 th Board Meeting 05 th January, 2021	40 th Board Meeting 16 th March, 2021	

Director's Attendance at the Board Meeting

Name of The Director	Attendance at your Bank's Board Meetings (Total No. of Meeting held- 05)
PRADIPTA KUMAR BISOI	05 out of 05
KRISHNA GOPAL KARMAKAR	02 out of 02
GAURI SHANKAR	02 out of 02
SANJAY PRASAD	02 out of 05
VISHNU RAMPRATAP DUSAD	05 out of 05
PILLARISETTI SATISH	05 out of 05
SUSHAMA NATH	04 out of 04
ANINDITA SINHARAY	01 out of 04
MANISHA SINHA	04 out of 04
V EASWARAN	01 out of 01
J VENKATRAMU	03 out of 03

COMMITTEES

The Board of Directors of the Bank has constituted various sub-committees of directors and / or executives to look into different areas of strategic importance in terms of Reserve Bank of India / SEBI / Government of India guidelines on corporate governance and risk management. The important committees are as under:

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

AUDIT COMMITTEE

The Audit Committee of the Company has been constituted on 28th June, 2017 and consists of two independent directors and two nominee directors along with MD & CEO as permanent special invitee. During the year 2020-21, five (5) audit committee meetings were held.

16 th Audit Committee 20 th July, 2020	17 th Audit Committee 18 th August, 2020	18 th Audit Committee 05 th November, 2020
19 th Audit Committee 28 th December, 2020	20 th Audit Committee 05 th March, 2021	

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 standards 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 (RMC) of the Company had been constituted on 28th June, 2017 and consists of two independent directors, one nominee director, MD & CEO and Risk and Compliance Officer as a special Invitee. 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 2020-21, two (2) Risk Management Committee meetings were held.

7 th RMC	8 th RMC
02 nd September, 2020	08 th December, 2020

Nomination & Remuneration Committee

The Nomination Remuneration Committee (NRC) of the Company had been constituted on 28th June, 2017 and consists of two independent directors, one nominee director and MD & CEO. 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 2020-21, one (01) committee meeting was held.

02 nd NRC
02 nd September, 2020



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. Committee consists of two independent directors, one nominee director, MD & CEO and Lead Customer Service Officer as a special Invitee. During the year 2020-21) committee meetings was held.

4 th Customer Service Committee	5 th Customer Service Committee
10 th August, 2020	30 th March, 2021

HR Steering Committee (Formerly known as - Recruitment Advisory Committee)

The HR Steering Committee of the Company had been constituted on 01st December, 2017 and consists of two independent directors, one nominee director, MD & CEO and Chief Human Resource Officer as a special Invitee. During the year 2020-21, two (2) Recruitment Advisory Committee meetings were held.

12 th RAC	13 th RAC
02 nd September, 2020	31 st December, 2020

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company had been constituted on 28th June, 2017 and consists of two independent directors, one nominee director and MD & CEO. The Committee is responsible for looking into the mechanism of redressal of grievances of shareholders. During the year 2020-21, no meetings of this committee were held.

IT Steering Committee

The IT Steering Committee of the Board had been constituted on 05th December, 2018 and consists of two independent directors, one nominee director and MD & CEO. CTO is the permanent invitee to the committee. The Broad functions of the IT Steering Committee of the Board are to:

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

During the year 2020-21, two (02) IT Steering Committee meetings were held.

07 th IT Steering Committee	08 th IT Steering Committee
10 th August, 2020	28 th December, 2020



INDEPENDENT DIRECTORS DECLARATION

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he or she between he and 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 no disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in form AOC 2.

HOLDING & SUBSIDIARY COMPANY

There is no Holding or Subsidiary Company.

CHANGES IN AUTHORIZED AND PAID SHARE CAPITAL OF THE COMPANY

(I) **AUTHORIZED CAPITAL:** 1,25,50,00,000 Equity Shares of ₹10/-each

(II) **PAIDUP CAPITAL:** 1,25,50,00,000 Equity Shares of ₹10/- each

RIGHTS ISSUE OF EQUITY SHARES

The Company has made rights issue of **22,00,00,000** equity shares to President of India through Secretary Department of Posts, existing equity shareholder in proportion of existing shareholding of the shareholders.

EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return in Form MGT 9 as on 31st March, 2021, pursuant to subsection (3) of section 92 of the Companies Act, 2013 and forming part of this report is annexed to this report as **Annexure A**.

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

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

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

RIGHT TO INFORMATION ACT, 2005

Your Company has set up an elaborate mechanism throughout the Organization to deal with the requests received under the Right to Information (RTI) Act, 2005. To assist and facilitate the citizen in obtaining information, detailed guidelines have been placed on IPPB's website, spelling out the procedure for securing access to information and filing of first appeals under the Act. Proactive disclosures have been made on IPPB's website 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 2020-21, no complaints were received by the Company.

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

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

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

SECRETARIAL STANDARDS

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

DISCLOSURE ABOUT COST AUDIT

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

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.

ADDENDA: The following documents are annexed:

1. "Extract of Annual Return" of the Company is attached to this report as ANNEXURE A.
2. "Secretarial Audit Report" of the company.
3. "Independent Auditor Report and addendum" of the company.
4. "Annual Accounts" for the Financial Year 2020-2.
5. "CAG Audit Report."

For and on behalf of Board of Directors

Place: Delhi
Date: 23/12/2021

VINEET PANDEY
CHAIRMAN
DIN- 09199133
B2 Tower 5,
New Moti Bagh,
New Delhi

J. VENKATRAMU
MD & CEO
DIN -08918442
Plot No. 169,
CBR Krishna Veni Enclave
Yapral, Tirumalagiri
Hyderabad, 500087

Annexure A

FORM NO. MGT. 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) CIN	U74999DL2016GOI304561
ii) Registration Date	17 th August, 2016
iii) Name of the Company	India Post Payments Bank Limited
iv) Category/ Sub-Category of the Company	Company limited by shares / Union Government Company
v) Address of the Registered Office and contact details	Post Office, Speed Post Centre Building, Market Road, New Delhi – 110001
vi) Whether listed Company	No (Shares of the Company are held in Demat form)
vii) Name, Address and Contact details of Registrar and Transfer Agent	NSDL Database Management Limited (CIN U72400MH2004PLC147094) Address: 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Payments Bank	Group 649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1.		NA			

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)
i. Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year			% Change during the year	No. of shares held at the end of the year			% Change during the year
	Physical	Demat	Total	% of Total shares	Physical	Demat	Total	% of Total shares
A. Promoters								
(1) Indian	-	-	-	-	-	-	-	-
a) Individual/ HUF (Nominee of President of India)	-	6	6	.01%	-	6	6	.01%
b) Central Govt./ State Govt(s)		1034999994	1034999994	99.99%	-	1255999994	1255999994	99.99%
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+ (A)(2)	-	1,03,50,00,000	1,03,50,00,000	100	-	1,25,50,00,000	1,25,50,00,000	100
B. Public Shareholding	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-



Category of shareholders	No. of shares held at the beginning of the year			% Change during the year	No. of shares held at the end of the year			% Change during the year
2. Non-Institutions	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual* shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-
i) Foreign	-	-	-	-	-	-	-	-
ii) Bodies Corporate	-	-	-	-	-	-	-	-
iii) Directors	-	-	-	-	-	-	-	-
iv) Non Resident Indians	-	-	-	-	-	-	-	-
v) Overseas Corporate Bodies	-	-	-	-	-	-	-	-
vi) Clearing Members	-	-	-	-	-	-	-	-
vii) Trusts	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,03,50,00,000	1,03,50,00,000	100	-	1,25,50,00,000	1,25,50,00,000	100

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

ii. Shareholding of Promoters (Equity)

Equity

Sn. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	President of India through Secretary, Department of Posts	1,03,50,00,000*	100	69,99,99,994*	1,25,50,00,000*	100	-	-
2	Ajay Kumar Roy (Nominee of President of India)	1	0.000	1	1	0.000	-	-
3	B.P. Sridevi (Nominee of President of India)	1	0.000	1	1	0.000	-	-
4	Sachin Kishore (Nominee of President of India)	1	0.000	1	1	0.000	-	-
5	T.Q. Mohammad (Nominee of President of India)	1	0.000	1	1	0.000	-	-
6	Vineet Mathur (Nominee of President of India)	1	0.000	1	1	0.000	-	-
7	Alok Pande (Nominee of President of India)	1	0.000	1	1	0.000	-	-
	Total	1,03,50,00,000	100	-	1,25,50,00,000	100	-	-

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



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

Sn. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1,03,50,00,000	100		
	Date wise Increase in Promoters Shareholding during the year by rights issue	22,00,00,000			
	At the end of the year	1,25,50,00,000*	100		
	Total	1,25,50,00,000*	100		

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

Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the top 10 Shareholders				
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc)	NIL	NIL	NIL	NIL
3	At the end of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

iv. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NIL				
	At the beginning of the year	-	-	-	-
	Transfer during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors (WTD) and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Mr. V. Easwaran	₹ 81.66 lacs
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify (performance incentive)	-	-

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Mr. J. Venkatramu	₹ 21.65 lacs
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify (performance incentive)	-	-

B. Remuneration to other directors: (as on 31/3/2021)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount(₹)
		Mr. Gauri Shankar	Dr. K.G. Karmakar	Mr. Vishnu Dusad	Mr. P. Satish	Ms. Sushama Nath	
1.	Independent Directors	Mr. Gauri Shankar	Dr. K.G. Karmakar	Mr. Vishnu Dusad	Mr. P. Satish	Ms. Sushama Nath	
	• Fee for attending board / committee meetings • Commission • Others, please specify	₹ 1,00,000/- plus GST -	₹70,000/- plus GST -	₹1,60,000/- plus GST -	₹1,80,000/- plus GST -	₹1,50,000/- plus GST -	₹6,60,000/- plus GST -
	Total (1)	1,00,000	70,000	1,60,000	1,80,000	1,50,000	6,60,000
2.	Other Non-Executive Directors	Mr. P.K. Bisoi	Ms. Manisha Sinha	Mr. Sanjay Prasad	Mr. Anshuman Sharma	Ms. K Sandhya Rani	Ms. Anindita Sinharay
	• Fee for attending board committee meetings • Commission • Others, please specify						
	Total (2)		-	-	-		-
	Total (B) = (1 + 2)		-	-	-		-
	Total Managerial Remuneration		-	-	-		-
	Overall Ceiling as per the Act		-	-	-		-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	₹13.49 Lacs pa	₹44.56 Lacs pa	-
2.	Stock option	-	-	-	-
3.	Sweat equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify (Performance Incentive)	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of Board of Directors

Place: Delhi
Date: 23 /12/2021

VINEET PANDEY
CHAIRMAN
DIN- 09199133
B2 Tower 5,
New Moti Bagh,
New Delhi

J. VENKATRAMU
MD & CEO
DIN -08918442
Plot No. 169,
CBR Krishna Veni Enclave
Yapral, Tirumalagiri
Hyderabad, 500087



Annexure II

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

(A) Conservation of energy:

Steps taken for conservation of energy	Installation of energy efficient equipment
Steps taken for 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 technology has 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: ₹ Nil

Foreign exchange earned: ₹ Nil



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To
The Members,
India Post Payments Bank Limited

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

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 ('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, 2021 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit period)**
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit period);**
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not Applicable to the Company during the Audit Period)**
 - (vi) Having regard to the compliance system prevailing in the Company, on the basis of certificates received from the various departments by the Compliance Department of the Company, we report that the Company has generally complied with the provisions of those Acts, the management has identified and confirmed that are specifically

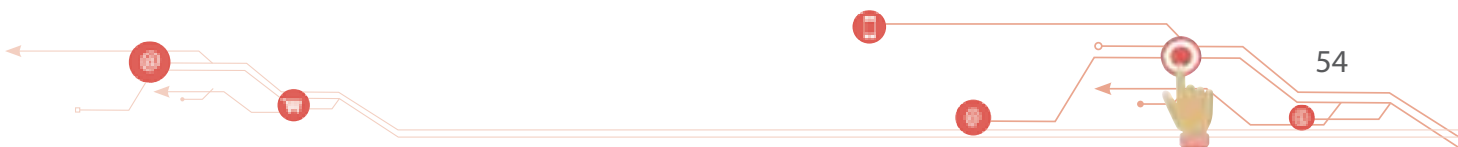


applicable to company, including Banking Regulation Act, 1949, The Reserve Bank of India Act, 1934, Payment and Settlement Systems Act, 2007, Deposit Insurance and Credit Guarantee Corporation Act, 1961 and the rules and regulations made there under, etc., to the extent of their applicability to company. *However, with regard to the Department of Public Enterprises (DPE) guidelines on Corporate Governance, compliance for the same are not being done*, as per information and documents provided to us, the Company has applied to Ministry of Heavy Industries & Public Enterprises that “the Company should be categorised as Public Sector Bank and not as CPSE”.

- 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:
- a) With reference to the provisions of Section 203 of the Companies Act, 2013, position of the Managing Director was vacant from April 1, 2020 till July 31, 2020.
 - b) Composition of the Audit Committee is not in accordance with Section 177 of the Companies Act, 2013 w.e.f. 1st November, 2020. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority.
 - c) The number of independent directors in the Board as on March 31, 2021 were not in majority as stipulated in the guidelines for Licensing of Payments Banks (“licensing guidelines”).
 - d) The Company has invested ₹77.01 Lakh in equity shares of NPCI on 26th November, 2020 without seeking prior approval of the RBI. Thereafter, as per letter dated 7th September, 2021, RBI instructed to withdraw the investment made in NPCI. The Company has started the process of transferring the equity shares of NPCI.

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 the number of independent directors in the Board as on March 31, 2021 were not in majority as stipulated in licensing guidelines*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, *however, in some cases notice and agenda papers were sent with shorter notice with the consent of the Board* and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



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

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

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

- a) Altered the Memorandum of Association to increase the Authorised Capital of the Bank from 1,035 Crore to 1,255 Crore on 01.12.2020".
- b) During the audit period the company has allotted 22,00,00,000 equity shares of ₹10/- each to President of India through Secretary, Department of Post on right issue basis.

Note:

- a) This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.
- b) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

Sd/

For VAP & Associates

Company Secretaries

FRN: S2014UP280200

Peer Review No: 1083/2021

Sd/

Parul Jain

Proprietor

M. No. F8323

CP No. 13901

Place: Ghaziabad

Date: 01.12.2021

UDIN: F008323B000921611



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. We have relied on the Internal Auditor's Report/ other Audit Reports for the period under review; hence we have verified the correctness and appropriateness of Statutory/ Legal Compliances on sample basis. The qualifications/observations mentioned in their report are also forming part of this report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

Sd/-

For VAP & Associates

Company Secretaries

FRN: S2014UP280200

Sd/-

Parul Jain

Proprietor

M. No. F8323

CP No. 13901

Place: Ghaziabad

Date: 01.12.2021



INDEPENDENT AUDITOR'S REPORT OF INDIA POST PAYMENTS BANK LIMITED

TO THE PRESIDENT OF INDIA

Report on the Audit of the Standalone Financial Statements Opinion

Opinion

1. We have audited the accompanying standalone financial statements of India Post Payments Bank Limited ("the Bank"), which comprise the balance sheet as at 31st March 2021, the profit and loss account, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('Act') and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view, in conformity with the accounting principles generally accepted in India 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 31st March 2021, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Schedule No. 18 (41) "Depreciation on Servers and Network Switches" of accompanying standalone financial statements regarding life cycle change of an asset resulting in the reversal of depreciation of earlier years amounting to ₹18.12 crores.
5. We draw attention to Schedule No. 18 (45) "SI Cost" of accompanying standalone financial statements regarding treatment of implementation of its dedicated and customized technology platform.

6. Since Department of Posts (DoP) got the entire work done related to furnishing, branding and managing the launch events some of the vendors have raised the bills in the name of DoP. Taking into consideration that the DoP is the parent organization, The Bank has acknowledged the said bills in the name of the DoP as if the bills belonging to it and has accounted for them in its books of accounts.
7. We draw attention to Schedule No. 18 (43) of the accompanying standalone financial statements which describes the uncertainties due to the outbreak of Novel Coronavirus (COVID- 19). In view of these uncertainties, the impact on the Bank's standalone financial statements is significantly dependent on future developments.

Our opinion is not modified in respect of these matters.

Other Matter

The financial statement of the Bank for the year ended March 31, 2020 prepared in accordance with Companies (Accounting standard) Rules, 2006 (as amended), were audited by another firm of chartered accountants under the Companies Act, 2013 who vide their report dated July 21, 2020, expressed an unmodified opinion on those financial statement.

Scope Limitation Due to COVID 19

The opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the bank management. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the head office or the branches for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- a) Inspection, observation, examination and verification of the original documents/ files
- b) Physical verification process of fixed assets/ stationery movement records
- c) Visit to the branches for verification of FA
- d) Restraints on movement between states also restricted the visit to the data centre to study the IT systems and the controls therein.

Our opinion is not qualified on the above said matters.

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
9. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the revenue recognition policy adopted by the Bank • Selected a sample of revenue items and tested the operating effectiveness of the internal controls and the inbuilt system controls relating to identification of the revenue items and treatment of the same in the books of accounts. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls • Tested the relevant information technology systems' access and change management controls relating to revenue and related information used in recording and disclosing revenue • Considered the table of charges to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration
2	Accuracy of recognition, measurement, presentation and disclosures of expenses and other related balances	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the expenses recognition policy adopted by the Bank. • Selected a sample of expense items and tested the operating effectiveness of the internal controls and the inbuilt system controls relating to identification of the expense items and treatment of the same in the books of accounts. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to revenue and related information used in recording and disclosing revenue

Information Other Than the Standalone Financial Statements and Auditor's Report thereon

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

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



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

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

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

11. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
12. In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
13. Those Board of Directors is also responsible for overseeing the Bank's financial reporting process.

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. 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.
17. 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.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. The balance sheet and the profit and loss account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act read with Rule 7 of the Companies (Rules), 2014 (as amended).
20. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
- a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) We were not able to visit the branches due to restrictions and lockdown by government. However, 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 all the necessary records and data required for the purposes of our audit are available therein.
21. 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.

22. 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".
23. Further, as required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Bank as on 31st March 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated July 29, 2021 as per "Annexure B" expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Bank has disclosed the impact of pending litigations on its financial position as at 31st March 2021;
 - ii. the Bank has made provision as at 31st March 2021, 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 31st March 2021.

Sd/-
 For Mehra Goel & Company
 Chartered Accountants
 Firm's Registration No.: 000517N

Sd/-
 Devinder Kumar Aggarwal
 Partner
 Membership No. 087716
 UDIN No:

Place: New Delhi
 Date: July 29, 2021



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 31st March 2021.

COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of India Post Payments Bank Limited for the year ended 31st March 2021 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 the directions/ sub-directions issued to us.

Sd/-
For Mehra Goel & Company
Chartered Accountants
Firm's Registration No.: 000517N

Sd/-
Devinder Kumar Aggarwal
Partner
Membership No. 087716
UDIN No:

Place: New Delhi
Date: July 29, 2021

AUDIT REPORT OF INDIA POST PAYMENTS BANK LIMITED FOR THE YEAR 2020 - 2021 PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Directions for the Year 2020-21

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

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

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

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

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

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

Sd/-

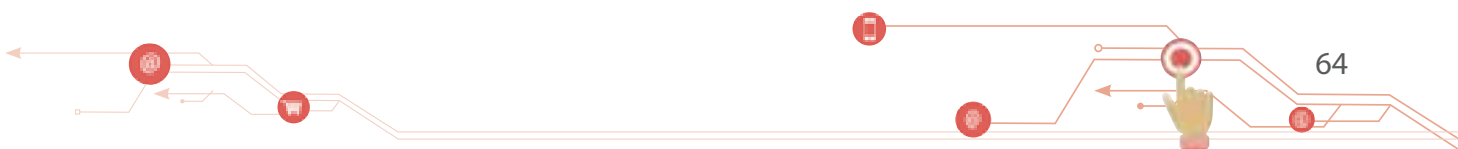
For Mehra Goel & Company
Chartered Accountants
Firm's Registration No.: 000517N

Sd/-

Devinder Kumar Aggarwal
Partner
Membership No. 087716
UDIN No:

Place: New Delhi

Date: July 29, 2021



Annexure “B”

The Annexure referred to the Independent Auditor’s Report of even date to the members of India Post Payments Bank Limited on the standalone financial statements for the year ended 31st March 2021

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

1. In conjunction with our audit of the standalone financial statements of India Post Payments Bank Limited (‘the Bank’) as at and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting (‘IFCoFR’) of the Bank as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Bank’s IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (‘ICAI’) prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s IFCoFR.
6. A Bank’s IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31st March 2021, 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.

Sd/-

For Mehra Goel & Company

Chartered Accountants

Firm's Registration No.: 000517N

Sd/-

Devinder Kumar Aggarwal

Partner

Membership No. 087716

UDIN No:

Place: New Delhi

Date: July 29, 2021



INDIA POST PAYMENTS BANK LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

CAPITAL & LIABILITIES	Schedule	(in ₹)	
		As at 31.03.2021	As at 31.03.2020
Capital	1	12,550,000,000	10,350,000,000
Reserves & surplus	2	-8,103,855,507	-4,609,882,204
Deposits	3	22,996,851,061	8,550,312,137
Borrowings	4	169,963,638	-
Other liabilities and provisions	5	3,004,436,771	2,162,238,607
TOTAL		30,617,395,963	16,452,668,540
ASSETS			
Cash and balances with reserve bank of India	6	854,128,200	326,956,650
Balances with banks & money at call & short notice	7	6,294,543,972	4,546,291,831
Investments	8	19,090,898,351	6,942,493,469
Loans & advances	9	-	-
Fixed assets	10	1,577,432,606	2,004,516,878
Other assets	11	2,800,392,834	2,632,409,712
TOTAL		30,617,395,963	16,452,668,540
Contingent liabilities	12	2,500,000	2,500,000
Bills for collection		-	-
Significant accounting policies	17		
Notes to accounts	18		

Sd/-
(Priyanka Bhatnagar)
Company Secretary (PAN No. AQKPB7572L)
R/o Flat No 901/O1, Oxirich Avenue,
Ahinsa Khand II, Indirapuram, Ghaziabad, UP

Sd/-
(Seema Singh)
Chief Financial Officer
(PAN No. AHSPS3813Q)
E 75, Anand Niketan, New Delhi-110021

Sd/-
(J Venkatramu)
MD & CEO (PAN No. AEQPJ5187D)
E 62, Anand Niketan
New Delhi - 110021

Sd/-
(K Sandhya Rani)
Director (Din no.07314954)
D 10, Tower 7, Type VI A
New Moti Bagh, Delhi -21

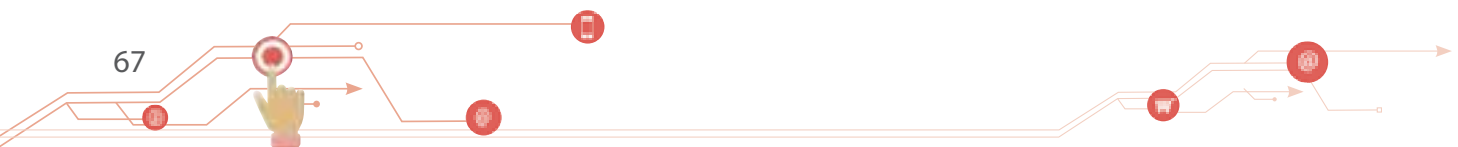
Sd/-
(Vineet Pandey)
Chairman (DIN 09199133)
B2, Tower 5, New Moti Bagh, New Delhi -21

As per our report of even date

Sd/-
For Mehra Goel & Company
Chartered Accountants - FRN No. 000517N

Sd/-
(Devinder Kumar Aggarwal)
Partner
Membership No. 087716

Dated: 29 July 2021
Place: New Delhi



INDIA POST PAYMENTS BANK LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

		Year ended 31.03.2021	Year ended 31.03.2020
(in ₹)			
	Schedule	----- -----	----- -----
I. INCOME			
Interest earned	13	804,429,672	457,567,936
Other income	14	1,326,886,068	90,055,601
TOTAL		2,131,315,740	547,623,537
		----- -----	----- -----
II. EXPENDITURE			
Interest expended	15	459,080,921	135,993,347
Operating expenses	16	4,940,231,466	4,875,264,588
Provisions and contingencies		-62,557,770	-1,123,500,357
TOTAL		5,336,754,617	3,887,757,578
		----- -----	----- -----
Extraordinary items			
Prior period expenditure			
Net profit/Net loss		-3,205,438,877	-3,340,134,041
Balance in profit & loss account		-5,008,955,059	-1,644,097,989
(Carried forward)			
Profit available for appropriation		-8,214,393,936	-4,984,232,030
		----- -----	----- -----
APPROPRIATIONS			
Transfer to reserves (Net) :			
Statutory reserve		-	-
Grant account - Capital reserve		14,364,130	24,723,029
Investment fluctuation reserve		-	-
Other reserve		-	-
Special reserve		-	-
Balance carried over to balance sheet		-8,228,758,066	-5,008,955,059
TOTAL		-8,214,393,936	-4,984,232,030
		----- -----	----- -----

Sd/-
(Priyanka Bhatnagar)
 Company Secretary (PAN No. AQKPB7572L)
 R/o Flat No 901/O1, Oxirich Avenue,
 Ahinsa Khand II, Indirapuram, Ghaziabad, UP

Sd/-
(J Venkatramu)
 MD & CEO (PAN No. AEQPJ5187D)
 E 62, Anand Niketan
 New Delhi - 110021

Sd/-
(Seema Singh)
 Chief Financial Officer
 (PAN No. AHSPS3813Q)
 E 75, Anand Niketan, New Delhi-110021

Sd/-
(K Sandhya Rani)
 Director (Din no.07314954)
 D 10, Tower 7, Type VI A
 New Moti Bagh, Delhi -21

Sd/-
(Vineet Pandey)
 Chairman (DIN 09199133)
 B2, Tower 5, New Moti Bagh, New Delhi -21

As per our report of even date
 Sd/-
For Mehra Goel & Company
 Chartered Accountants - FRN No. 000517N

Sd/-
(Devinder Kumar Aggarwal)
 Partner
 Membership No. 087716

Dated: 29 July 2021
 Place: New Delhi

**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	As at 31.03.2020
(in ₹)		
SCHEDULE 1 - CAPITAL		
Authorised Capital		
125,50,00,000 Equity Shares of ₹ 10 each	12,550,000,000	10,350,000,000
Issued & Subscribed		
125,50,00,000 Equity Shares of ₹ 10 each	12,550,000,000	10,350,000,000
Paid up Capital		
125,50,00,000 Equity Shares of ₹ 10 each	12,550,000,000	10,350,000,000
TOTAL	12,550,000,000	10,350,000,000

SCHEDULE 2 - RESERVES & SURPLUS

I. Statutory Reserve

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

II. Capital Reserve

a) Revaluation Reserve		
Opening Balance	-	-
Addition during the year	-	-
Deduction during the year (being Depreciation on revalued portion of Property)	-	-
b) Others (Grant A/c)		
Opening Balance	393,518,453	381,528,224
Addition during the year	14,364,130	62,131,595
Deduction (Utilised) during the year	288,534,426	50,141,366
	119,348,157	393,518,453



	As at 31.03.2021	(in ₹) As at 31.03.2020
III. Revenue and Other Reserve		
a) Investment Reserve	-	-
Opening Balance	-	-
Addition during the year	-	-
Less: Trf to P & L Account	-	-
b) Other Reserve	-	-
Opening Balance	-	-
Addition during the year	-	-
c) Exchange Fluctuation Reserve	-	-
Opening Balance	-	-
Add: Addition during the year (Net)	-	-
Less: Withdrawn during the year (Net)	-	-
IV. Share Premium	-	-
Opening Balance	-	-
Addition during the year	-	-
V. Special Reserve	-	-
Opening Balance	-	-
Addition during the year	-	-
Deduction during the year	-	-
VI. Balance in Profit & Loss Account	-8,228,758,066	-5,008,955,059
Total I,II,III,IV,V,VI,VI	-8,103,855,507	-4,609,882,204



**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	As at 31.03.2020
	(in ₹)	
SCHEDULE 3 - DEPOSITS		
A. I DEMAND DEPOSITS		
(i) From Banks	-	-
(ii) From Others	171,514,834	77,247,321
	171,514,834	77,247,321
II SAVINGS BANK DEPOSITS	22,825,336,227	8,473,064,816
III TERM DEPOSITS		
(i) From Banks	-	-
(ii) From Others	-	-
TOTAL of I, II, III	22,996,851,061	8,550,312,137
B. (i) Deposits of branches In India	22,996,851,061	8,550,312,137
(ii) Deposits of branches outside India	-	-
TOTAL of i, ii	22,996,851,061	8,550,312,137
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	169,963,638	-
(iv) Bonds (including Tier-I, Tier-II, Subordinated Debts	-	-
II. Borrowings Outside India	-	-
	169,963,638	-

Secured Borrowings included in I & II above



(in ₹)

	As at 31.03.2021	As at 31.03.2020
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	12,125	-
IV. Deferred Tax Liability (Net)	-	-
V. Others (including Provisions)	3,004,424,646	2,162,238,607
TOTAL OF I, II, III, IV & V	3,004,436,771	2,162,238,607

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 in		
(i) Current account	854,128,200	326,956,650
(ii) in Other Accounts	-	-
	854,128,200	326,956,650
TOTAL of I, II	854,128,200	326,956,650



**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	----- As at 31.03.2021 -----	----- As at 31.03.2020 -----
	(in ₹)	
SCHEDULE 7- BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India		
(i) Balance with Banks:		
(a) In Current accounts	37,543,972	13,791,831
(b) In Other Deposit accounts	6,037,000,000	4,372,500,000
	-----	-----
	6,074,543,972	4,386,291,831
(ii) Money at Call and Short Notice:		
(a) with Banks	-	-
(b) with Other Institutions	220,000,000	160,000,000
	-----	-----
	220,000,000	160,000,000
	-----	-----
TOTAL (i & ii)	6,294,543,972	4,546,291,831
II. Outside India		
(i) In Current accounts	-	-
(ii) In Other Deposit accounts	-	-
(iii) Money at Call & Short Notice	-	-
	-----	-----
TOTAL	-	-
	-----	-----
GRAND TOTAL (I & II)	6,294,543,972	4,546,291,831
	-----	-----



(in ₹)

SCHEDULE 8 - INVESTMENTS**I. Investments in India in**

	As at 31.03.2021	As at 31.03.2020
(i) Government Securities	19,083,196,559	6,942,493,469
(ii) Other approved securities	-	-
(iii) Shares	7,701,792	-
(iv) Debentures and Bonds	-	-
(v) Investment in Associates/ Subsidiaries	-	-
(vi) Others (Various Mutual Funds & Commercial Paper etc.)	-	-
TOTAL of I	19,090,898,351	6,942,493,469

II. Investments outside India

(i) Government Securities	-	-
(ii) Investment in Associates/Subsidiaries	-	-
(iii) Other investments	-	-
TOTAL of II	-	-

III. Investments in India

I) Gross value of Investments	19,092,865,851	6,943,584,302
ii) Less: Aggregate of Provisions for Depreciation	1,967,500	1,090,833
iii) Net Investment	19,090,898,351	6,942,493,469

IV. Investments outside India

I) Gross value of Investments		
ii) Less: Aggregate of Provisions for Depreciation		
iii) Net Investments		
GRAND TOTAL of (I), (II)	19,090,898,351	6,942,493,469



**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	(in ₹) As at 31.03.2020
SCHEDULE 9 - ADVANCES		
A. i) Bills Purchased and discounted	-	-
ii) Cash Credits, overdrafts and loans repayable on demand	-	-
iii) Term Loans	-	-
Total	-	-
B. i) Secured by Tangible Assets (including advances against book debts)	-	-
ii) Covered by Bank/Govt.Guarantees	-	-
iii) Unsecured	-	-
Total	-	-
C. (I) Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	-
Total	-	-
C. (II) Advances outside India		
i) Due from banks	-	-
ii) Due from others	-	-
(a) Bills purchased & discounted	-	-
(b) Term Loans	-	-
(c) Others	-	-
Total	-	-
GRAND TOTAL of C (I) & C (II)	-	-



**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	As at 31.03.2020
SCHEDULE 10 - FIXED ASSETS		
I. Premises (including Land)		
-At cost as on 1st April of the year	-	-
-Additions during the year	-	-
Less: Deductions during the year	-	-
-Revaluation	-	-
Less: Depreciation to date	-	-
II. Other Fixed Assets (including furniture & fixtures)		
-At cost as on 1st April of the year	1,369,242,299	1,394,472,544
-Additions during the year/ Period	56,340,043	19,077,299
Less: Deductions during the year/ Period	1,340,047	44,307,544
Less: Depreciation to date	512,927,717	452,498,211
	911,314,578	916,744,088
III. Computer Software		
-At cost as on 1st April of the year	1,637,548,954	1,603,195,829
- Additions during the year/ Period	141,183,678	34,353,126
- Deductions during the year/ Period	-	-
Less: Amortised to date	1,112,614,604	549,776,164
	666,118,028	1,087,772,790
IV. Leased Assets		
-At cost as on 1st April of the year	-	-
-Additions during the year	-	-
-Deductions during the year	-	-
Less: Depreciation to date	-	-
V. Works in Progress	-	-
TOTAL OF I, II, III, IV	1,577,432,606	2,004,516,878

**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	(in ₹) As at 31.03.2020
SCHEDULE 11 - OTHER ASSETS		
I. Interest accrued	161,165,591	187,487,160
II. Tax paid in advance/tax deducted at source (net of provisions)	34,621,757	43,805,815
III. Stationery and Stamps	-	-
IV. Non Banking assets acquired in satisfaction of claims	-	-
V. Deferred Tax asset (net)	1,768,120,456	1,704,284,389
VI. Security Deposits	33,418,802	29,459,425
VII. DoP Capital Commitment	2,383,592	88,881,399
VIII. Others	800,682,636	578,491,524
TOTAL of I, II, III, IV, V, VI, VII, VIII	2,800,392,834	2,632,409,712

SCHEDULE 12 - CONTINGENT LIABILITIES

I. (i) Claims against the Bank not acknowledged as debts	-	-
I. (ii) Disputed income tax and interest tax demands under appeal, references, etc.	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	-	-
(b) Outside India	-	-
V. Acceptance, Endorsements and Other obligations	-	-
VI. Other items for which the Bank is contingently liable	2,500,000	2,500,000
TOTAL of I, II, III, IV, V, VI	2,500,000	2,500,000



**SCHEDULES TO THE ACCOUNTS
(INDIA POST PAYMENTS BANK LIMITED)**

	As at 31.03.2021	(in ₹) As at 31.03.2020
SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED		
I. Interest/discount on Advances/Bills	-	-
II. Income on Investments	516,413,039	242,526,258
III. Interest on balances with Reserve Bank of India & other inter-bank funds	286,043,400	215,041,678
IV. Others	1,973,233	-
TOTAL of I, II, III, IV	804,429,672	457,567,936
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange & Brokerage	1,298,819,668	73,235,105
II. Profit on sale of land, buildings and other assets	-	-
Less: Loss on sale of land, buildings and other assets	-	-
III. Dividend Income from Mutual Fund	-	-
IV. Profit on Exchange Transaction	-	-
Less: Loss on Exchange Transaction	-	-
V. Profit on sale of Investments	18,516,815	3,290,820
Less: Loss on sale of investments	2,720,397	206,250
	15,796,418	3,084,570
VI. Recruitment Income	-	277,122
VII. Recovery from employees on Separation	12,009,212	11,893,665
VIII. Miscellaneous Income	260,770	1,565,139
TOTAL of I, II, III, IV, V, VI, VII	1,326,886,068	90,055,601



	As at 31.03.2021	As at 31.03.2020
(in ₹)		
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	457,956,653	135,450,678
II. Interest on Reserve Bank of India/ inter-bank borrowings	1,124,268	542,669
III. Others	-	-
TOTAL of I, II, III	459,080,921	135,993,347

SCHEDULE 16 - OPERATING EXPENSES

I. Payment to and provisions for employees	2,832,259,611	2,642,852,204
II. Rent, Taxes and Lighting	3,882,066	5,638,127
III. Printing & Stationery	20,565,148	25,234,486
IV. Advertisement & Publicity	50,963,091	34,698,553
V. Depreciation on Fixed Assets	624,091,310	953,558,355
VI. Directors' Fees, allowances and expenses	740,000	980,000
VII. Auditors' fees and expenses (including expenses and Fee for GST Auditor)	950,780	1,077,249
VIII. Law charges	542,300	99,690
IX. Postage, Telegrams, Telephones, etc.	142,143,895	402,739,705
X. Repairs & Maintenance	3,177,596	2,664,182
XI. Insurance	27,354,810	53,403,956
XII. Professional Fee	13,859,835	123,370,901
XIII. GST Expenses	79,944,924	40,179,669
XIV. SI Cost	777,800,206	406,344,615
XV. Recruitment Expenditure	686,800	548,944
XVI. Training Expenditure	942,855	3,642,378
XVII. Outsourcing Expenses	62,040,068	36,356,434
XVIII. Travelling and Conveyance	37,783,176	58,291,360
XIX. Commission paid to DoP/ Incentive to DoP Staff	120,925,616	40,848,978
XX. Transactional Charges Paid	115,943,672	16,834,130
XXI. Other expenditure	23,633,707	25,900,672
TOTAL of I to XXI	4,940,231,466	4,875,264,588



SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION:

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

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

2. Use of Estimates

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

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

3. Revenue Recognition

Income & Expenditure are accounted for as under;

3.1 Income on Investments is accounted as below;

- a) Interest on Treasury Bills and Other Government Securities are recognized as income on time proportionate basis.
- b) Profit on sale of Investments is recognized as income on the date of sale of investment

3.2 Interest on Term Deposits is accounted for on time proportionate basis

3.3 Commission, Exchange and Brokerage is recognized as income as and when the underlying transaction is executed

3.4 Recruitment Income is recognized as and when the same is received

3.5 Recovery from employees and Miscellaneous Income is recognized as and when it is received.

3.6. All interest expenses relating to deposits accepted and borrowings are recognized on accrual basis.

3.7 All other operating expenses are accounted on accrual basis.

4. Investments

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

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

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

4.4 In determining acquisition cost of an investment



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

4.5 Investments are valued as per RBI/FIMMDA guidelines

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

5. FIXED ASSETS

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

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

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

5.4 DEPRECIATION

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

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

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



6. EMPLOYEE BENEFITS

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

Terminal Benefits

- i) **Provident Fund:** All eligible employees who joined up to 30.09.2018 are covered under the Employees Provident Fund.
- ii) **New Pension Scheme (NPS):** All eligible employees who joined on or after 01.10.2018 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes 10% of the Basic Pay plus Dearness Allowance and 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.

7. TAXES ON INCOME

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

Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably/virtually certain.

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes 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 recognized in the financial statements.

9. Accounting for Government Grants

As per the mandate, the grant has been sanctioned by the Government for purpose of furthering financial inclusion by India Post Payments Bank Ltd through provision of ATMs/Micro-ATMs/PoS and for emerging technologies solution for providing cash-out facilities, capacity building of village post offices, strengthening cash management systems at village post offices, and conducting financial literacy camps. 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 utilized as per Board approved policy.



SCHEDULE 18 NOTES TO ACCOUNTS

1. Capital

(₹ in 000)

S No.	Particulars	31.03.2021	31.03.2020
i.	Common equity tier I capital*	1892558	2554542
ii.	Common equity tier 1 capital ratio (%)	36.15	79.24
iii.	Tier 1 capital ratio (%)	36.15	79.24
iv.	Tier 2 capital ratio (%)	0.00	0.00
v.	Total capital ratio (CRAR) (%)	36.15	79.24
vi.	Percentage of the shareholding of the Government of India in the Bank	100.00%	100.00%
vii.	Amount of equity capital raised during the year	2200000	3350000
viii.	Amount of additional tier 1 capital raised, of which:		
	Perpetual non-cumulative preference shares (PNCPS)	Nil	Nil
	Perpetual debt instrument (PDI)	Nil	Nil
ix.	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.

2. Investments

(₹ in 000)

S No.	Particulars	31.03.2021	31.03.2020
(1)	Value of investments		
i	Gross value of investments	19092866	6943584
a	In India	19092866	6943584
b	Outside India	-	-
ii	Provision for depreciation	1968	1091
a	In India	1968	1091
b	Outside India	-	-
iii	Net value of investments	19090898	6942493
a	In India	19090898	6942493
b	Outside India	-	-



(₹ in 000)

S No.	Particulars	31.03.2021	31.03.2020
(2)	Movement of provisions held towards depreciation on investments		
i	Opening balance	1091	-
ii	Add: Provision made during the year	877	1091
iii	Less: Write Off/Write-back of excess provisions during the year (net)	-	-
iv	Closing balance	1968	1091

3. Repo Transactions (in face value terms)

(₹ in 000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	-	376416	38498	173982
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	25507000	348960	197730
ii. Corporate debt securities	-	-	-	-

4. Non-SLR Investment Portfolio

a) Issuer composition of non SLR Investments

(Amount in 000)

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	7702	7702	Nil	Nil	7702
(v)	Subsidiaries / Joint ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others	Nil	Nil	Nil	Nil	Nil
(vii)	Provision held towards depreciation	Nil				
	Total	7702	7702	Nil	Nil	7702

b) Non-performing non-SLR investments

The Bank is not holding any non-performing non-SLR Investments as on 31st March 2021 and as such, nothing is to be reported under this segment.

5. Sale and Transfers to/from HTM category

During the year, there was no transfer of investments to/from HTM category and there was no sale of investments from HTM category.

6. Derivatives

- a. Forward rate agreement/interest rate swap
- b. Exchange traded interest rate derivatives
- c. Disclosure on Risk Exposure in derivatives

The Bank has not done any transactions in derivatives and as such, nothing is to be reported in this segment.

7. Asset Quality

- a. Non-performing assets
- b. Particulars of accounts restructured
- c. Details of financial assets sold to securitisation/reconstruction company (SC/RC) for assets reconstruction
- d. Details of non-performing financial assets purchased/sold from/to Other Bank
- e. Provision on standard assets
- f. Break up of floating provisions

The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, disclosures requiring assets quality including non-performing advances, restructuring, standard assets and floating provisions are not applicable to the Bank.

8. Business Ratios

Particulars		31.03.2021	31.03.2020
i)	Interest income as a percentage to working funds	2.75%	3.48%
ii)	Non-interest income as a percentage to working funds	4.54%	0.68%
iii)	Operating profit as a percentage to working funds	-11.18%	-33.93%
iv)	Return on assets	-10.96%	-25.39%
v)	Business (deposit plus advances) per employee (₹ in lakhs)	131.26	41.75
vi)	Profit/ (Loss) per employee (₹ in lakhs)	(18.30)	(16.31)

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

9. Exposures:

- a. Exposure to real estate sector
- b. Exposure to capital market
- c. Risk category wise country exposure
- d. Details of single borrower limit and group borrower Limit exceeded by the bank
- e. Unsecured advances

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

10. Disclosure of Penalties Imposed by RBI:

RBI has not imposed any penalty on the Bank during the year ended 31st March, 2021.

11. AS-6 Depreciation Accounting:

Break up of total depreciation for each class of the assets:

(₹ in 000)

Class of Assets	31.03.2021	31.03.2020
Computer software	562838	540499
Other fixed assets	61253	413059
Total	624091	953558

12. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ in 000)

Maturity Pattern	Deposits	Advances	Investment	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Next Day	310490	NIL	487500	NIL	3661	NIL
	61350		NIL		NIL	
2-7 days	734312	NIL	NIL	169964	NIL	NIL
	368097		NIL	NIL		
8-14 days	738629	NIL	149873	NIL	NIL	NIL
	429447		349592			
15-30 days	694989	NIL	49936	NIL	NIL	NIL
	NIL		199360			
31 days to 2 months	NIL	NIL	149377	NIL	NIL	NIL
			149119			
Over 2 months to 3 months	NIL	NIL	695606	NIL	NIL	NIL
			1236353			
Over 3 months to 6 months	NIL	NIL	8294365	NIL	NIL	NIL
			1665381			
Over 6 months to 1 year	NIL	NIL	9104771	NIL	NIL	NIL
			3342688			
Over 1 year to 3 years	20518431	NIL	NIL	NIL	NIL	NIL
	7691419					
Over 3 years to 5 years	NIL	NIL	103878	NIL	NIL	NIL
			NIL			
Over 5 years	NIL	NIL	55592	NIL	NIL	NIL
			NIL			
Total	22996851	NIL	19090898	169964	3661	NIL
	8550312		6942493	NIL	NIL	

Figures given in the cell below are for the last year.

Note: In line with the RBI guidelines on Asset Liability Management, the withdrawal pattern of the current / savings deposit as on 31st March 2021 has been classified in the appropriate buckets on the basis of behavioral study approved by the Board of the Bank.

Other disclosures required by Accounting Standards

13. AS-9 Revenue Recognition:

Income & expenditure are accounted for as under;

A. Income on investments is accounted as below;

- a) Interest on treasury bills and other government securities are recognised as income on time proportionate basis
- b) Profit on sale of investments is recognised as income on the date of sale of investment



- B. Interest on term deposits is accounted for on time proportionate basis
- C. Commission, exchange and brokerage is recognised as income as and when the underlying transaction is executed
- D. Recruitment income is recognised as and when the same is received
- E. Recovery from employees and miscellaneous income is recognised as and when it is received
- F. All interest expenses relating to deposits accepted and borrowings are recognised on accrual basis
- G. All other operating expenses are accounted on accrual basis.

14. AS-11 Change in Foreign Exchange rates:

During FY 2020-21, Bank has entered into agreement with M/s. Western Union Financial Services under Money Transfer Service Scheme (MTSS). In this connection, Bank had received a collateral deposit of USD 50,070/-. This amount was kept with State Bank of India and was shown under "Current Deposits with Banks". The corresponding liability to M/s. Western Union was shown under "Other Liabilities – Others". Conversion to INR was made at the spot rate issued by FIMMDA applicable for 31st March 2021

15. AS-12 Government Grants Utilisation

The utilisation of the grant is given below:

Particulars	31.03.2021	31.03.2020
Opening balance of grant-in-aid	368795	381528
Add: Received during the year	NIL	NIL
Add: Refund from DoP circles	NIL	37408
Less: Utilised during the year	263811	50141
Closing balance of grant-in-aid (A)	104984	368795
Opening balance of interest accrued on grant-in-aid	24723	NIL
Add: Interest accrued during the year	14364	24723
Less: Interest of previous year remitted to Gol through DoP	24723	NIL
Closing balance of interest accrued on grant-in-aid (B)	14364	24723
Closing balance as per schedule 2 of balance sheet (A) + (B)	119348	393518

As directed by C&AG, Bank has transferred an amount of ₹ 1.44 core from profit and loss account to grant account being the interest accrued on unutilised portion of grants for the current financial year, which will be remitted to Consolidated Fund of India through Department of Posts.

Interest accrued during FY 2019-20 amounting to ₹ 2.47 crore has been transferred Department of Posts during the current financial year for onward remittance to Consolidated Fund of India.

16. AS-15: Employee Benefits

A) Gratuity:

During the year, Bank has purchased annuities worth ₹ 8.07 crore from Life Insurance Corporation of India based on actuarial valuation (₹ 5.85 crore during FY 2019-20). This amount is debited to Profit and Loss account for the year ended 31st March 2021.

B) Leave Encashment:

During the year, Bank has made a provision of ₹ 7.36 crore for encashment of privilege leave by employees based on best estimate basis (₹ 4.64 crore during FY 2019-20). This amount is debited to profit and loss account for the year ended 31st March 2021.

17. Disclosure of Related Parties as per AS-18:

Remuneration paid to Key Management Personnel

(₹ in 000)

Particulars	FY 2020-21	FY 2019-20
Remuneration paid to Directors	740	980
Remuneration paid to MD & CEO	10331	5275
Remuneration paid to CFO	4456	3860
Remuneration paid to Company Secretary	1349	1229



18. Segment Reporting as per AS-17

(₹ in 000)

Part A: Business Segments			
S No	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
i.	Segment Revenue		
	a) Treasury	818253	460653
	b) Corporate/Wholesale banking	NIL	NIL
	c) Retail banking	1299081	74800
	d) Other banking operations	13982	12171
	Total	2131316	547624
ii.	Segment Results		
	a) Treasury	-63515	21011
	b) Corporate/Wholesale banking	NIL	NIL
	c) Retail banking	-3216834	-4492625
	d) Other banking operations	12352	7980
	Total	-3267997	-4463634
iii.	Unallocated expenses	NIL	NIL
iv.	Operating profit	-3267997	-4463634
v.	Provisions	-62558	-1123500
vi.	Extraordinary item (prior period expenditure)	NIL	NIL
vii.	Net profit	-3205439	-3340134
Other Information:			
viii.	Segment Assets		
	a) Treasury	26202027	11801950
	b) Corporate/Wholesale banking	NIL	NIL
	c) Retail banking	4415369	4650718
	d) Other banking operations	NIL	NIL
	Sub total	30617396	16452668
	e) Unallocated assets	NIL	NIL
	Total assets	30617396	16452668
ix.	Segment Liabilities		
	a) Treasury	23630863	10250917
	b) Corporate/Wholesale banking	NIL	NIL
	c) Retail banking	6986533	6201751
	d) Other banking operations	NIL	NIL
	Sub total	30617396	16452668
	e) Unallocated assets	NIL	NIL
	Total liabilities	30617396	16452668

Part B – Geographic Segments

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

19. Accounting for leases as per AS-19:

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

20. Earnings per share as per AS-20

S No.	Particulars	31.03.2021	31.03.2020
A	EPS – Basic/Diluted (in ₹)	-3.04	-4.00
B	Amount used as numerator profit/(loss) (after tax) (₹ in 000)	(3205439)	(3340134)
C	Nominal value of share	₹10 each	₹10 each
D	Weighted average number of equity shares used as the denominator	1054301370	836000000

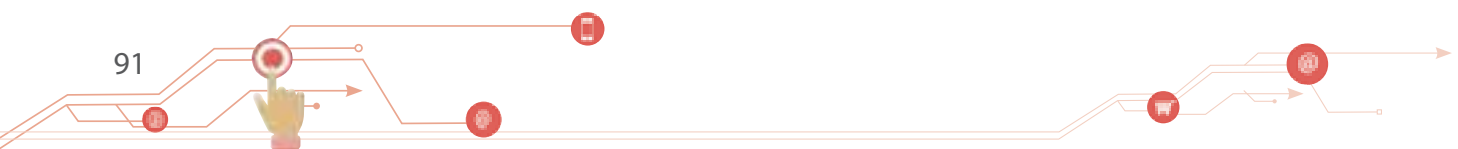
21. Accounting for taxes on income as per AS-22:

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

The Management is of the view that in the absence of reasonable certainty of adequate available surplus there is between surplus no provision for deferred tax assets recognised on losses for the current year ended on 31st March 2021. The existing deferred tax asset on accumulated losses recognized in FY 2018-19 and FY 2019-20 totalling to ₹168.80 crore was reviewed and a considered conservative view has been taken to retain the same as such. Accordingly, the 'carry forward loss' component of deferred tax assets and liabilities shown below represents the deferred tax assets recognized in FY 2018-19 and FY 2019-20.

Major components of deferred tax assets are set out below:

Particulars	(₹ in 000)	
	31.03.2021	31.03.2020
Deferred tax assets		
Carry forward loss	1688009	1688009
Gratuity	53431	33101
Leave encashment	43202	24681
Total	1784642	1745791
Deferred tax liabilities		
Depreciation on fixed assets	16522	41507
Total	16522	41507
Deferred Tax Assets (Net)	1768120	1704284



22. Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)

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

23. Impairment of Assets (AS-28)

There is no impairment of assets during the financial year ended 31st March 2021.

24. Draw Down from Reserves:

The grant received has been treated as shareholders fund and was credited to capital reserves. The grant is utilised as follows:

S.No	Net Usage of Grants	FY 2020-21	FY 2019-20
1.	Provision of ATMs/Micro ATMs/ PoS	Nil	Nil
2.	Emerging technologies to provide cash out facilities, Catering to capacity building of village post offices, strengthening cash management systems at village post offices and financial literacy	26.38	1.27
3.	Technology cost	Nil	Nil
	Total	26.38	1.27

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

SI No	Particulars	Current Year	Previous Year
Complaints received by the bank from its customers			
1	No. of complaints pending at the beginning of the year	590	1352
2	No. of complaints received during the Year	13992	72969
3	No. of complaints disposed during the year	14323	73731
	3.1 Of which, number of complaints rejected by the bank	Nil	Nil
4	No. of complaints outstanding at the end of the year	259	590
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	45	Nil
	5.1 Of 5, number of complaints resolved in favour of the bank by BOs	44	Nil
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	1	Nil
	5.3 Of 5, number of complaints resolved after passing of awards by BOs against the bank	Nil	Nil
6	Number of awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Top five grounds of complaints received by the Bank from customers

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% Increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2020-21)					
Internet/Mobile banking/ Electronic banking	452	10951	-76.63%	218	0
Tariff schedule & service charges	0	41	-99.54%	0	0
Others	138	3000	-82.64%	41	0
Total	590	13992	-80.82%	259	0
Previous Year (2019-20)					
Internet/Mobile banking/ Electronic banking	352	46850	421.54%	452	0
Tariff schedule & service charges	374	8841	12.88%	0	0
Others	626	17278	74.45%	138	0
Total	1352	72969	173.10%	590	0

26. Break up of "Provisions and Contingencies"

(₹ in 000)

Particulars	31.03.2021	31.03.2020
Provisions for depreciation on investment (net)	877	1091
Provision towards NPAs (net)	NIL	NIL
Provision towards standard assets	NIL	NIL
Provision made towards income tax/ deferred tax	-63435	-1124591
Other provisions & contingencies	NIL	NIL
Total	-62558	-1123500



27. Disclosure in Respect of Bancassurance Business

(₹ in 000)

Particulars	FY 2020-21	FY 2019-20
Commission earned from distribution of life insurance products	64957	9575

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

a) Concentration of Deposits:

(₹ in 000)

Particulars	31.03.2021	31.03.2020
Total deposit of 20 largest depositors	2000	2000
Percentage of deposits of 20 largest depositors to total deposits of the bank	00.0087%	00.02%

b. Concentration of advances	The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, disclosures relating to concentration of advances/ exposures/ npas and provision coverage ratio is not applicable
c. Concentration of exposures	
d. Concentration of NPAs	
e. Provision coverage ratio	
II. Sector-wise advances	
III. Movement of NPAs	The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, disclosures relating to sector wise advances, movement of NPAs is not applicable
IV. Overseas Assets, NPAs and Revenue	

29. Reward Points of Credit Card & Debit Card

The Bank has not issued any credit card and it does not have any reward point structure on its virtual debit card. As such, the disclosure regarding debit/ credit card is not applicable

30. Disclosures Relating to Securitization

The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, Bank has not undertaken any transactions relating to securitization.

31. Credit Default Swaps (CDS)

The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, Bank has not undertaken any transactions relating to credit default swaps

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

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



33. Unhedged Foreign Currency Exposure (UFCE)

The Bank has not undertaken any foreign currency transactions during the period and does not have any unhedged exposure. As such, this disclosure is not applicable.

34. Intra-Group Exposures

The Bank falls under the category of "Payment Banks" and is not allowed to do lending. As such, no disclosure is required under this segment.

35. Disclosures on Remuneration

IPPB is 100% owned by Government of India. As such, the disclosure on compensation of Whole Time Directors / Chief Executive Officers / Risk takers and control function staff, applicable to private sector banks is not applicable to IPPB.

Other Notes:

36. Interest on Grant

As directed by C&AG, Bank has transferred an amount of ₹1.44 core from profit and loss account to grant account being the interest accrued on unutilised portion of grants, which will be remitted to Consolidated Fund of India through Department of Posts.

Interest accrued during FY 2019-20 amounting to ₹2.47 crore has been transferred to Department of Posts for onward remittance to Consolidated Fund of India.

37. Contingent Liabilities

The Contingent Liability of ₹25 lakhs shown under Schedule 12 of the balance sheet represents the amount of bank guarantee issued by State Bank of India on behalf of IPPB favouring Unique Identification Authority of India (UIDAI) valid till November 2027 secured 100% by way of fixed deposits.

38. Rights Issue of Shares

During the Financial Year 2020-21, Bank has raised equity share capital to the tune of ₹220 crores by way of rights issue of equity shares to President of India.

39. Provision for Salary Revision as per 11th Bipartite Settlement

Bank follows the salary structure as decided by Indian Banks Association (IBA). As per the directions of the Board, Bank has decided to defer the implementation of 11th Bipartite Settlement, which is due from November 2017. As such, Bank has made an adhoc cumulative provision of ₹90 crore in the Books of Accounts towards payment of salary arrears as on 31.03.2021 (₹46.17 crore as on 31.03.2020.)



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

Fixed assets purchased out of grant-in-aid is maintained in the Fixed Assets Register keeping a nominal value of ₹1 for identification

41. Depreciation on Servers and Network Switches

Bank had capitalized the fixed assets related to DXC delivered hardware and IPPB-DoP integration totaling to ₹108.12 crore on 30th March 2019 on accrual basis, taking into consideration acquisition, proprietary and put to use policy. At the time of capitalisation, bank did not have the breakup of the assets. As such, these assets were shown in the Fixed Assets Register under computers with the useful life of 3 years and depreciation was accordingly calculated and provided for.

CAG Audit team during the supplementary audit of Financial Statements for FY 2019-20 advised the Bank to change the useful life of these assets from 3 years to 6 years as per the provisions of Companies Act, 2013 as the majority of such Fixed Assets were servers and network switches.

Bank accordingly changed the useful life of these assets totalling to ₹108.12 crore during FY 2020-21. The excess depreciation of ₹18.12 crore arising due to such reclassification charged during previous years, were reversed during the current financial year.

42. Going Concern

As at the year-end, the accumulated losses are more than fifty percent of the paid up share capital of the Bank and the net worth of the Bank has been eroded to that extent. The Bank's ability to continue as going concern is dependent on the success of operations and its ability to arrange funding for the operations.

The Bank is confident of meeting its operating and capital funding requirements in next twelve months. Accordingly, these financial statements have been prepared on a going concern basis.

43. COVID-19 Pandemic

The Novel Coronavirus (COVID-19) Pandemic continues to spread rapidly across the globe including India resulting in decline in economic activity and uncertainty in financial market.

In this situation, one of the worst affected segment are the workers in unorganized sector, migrant labourers and the other economically vulnerable segments of the society. They happen to be the target segments of the Bank, and there major challenges in taking care of their banking requirements. While the situation gradually unfolds, the Bank has been at the forefront, so far, and has geared itself to meet the challenge.

The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain, and the impact of same



cannot be envisaged or determined as on date, including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank.

44. Amount Given to DoP Circles for Furnishing/ Branding of IPPB Branches and Access Points

IPPB/ DoP (out of IPPB funds) had remitted an amount of ₹66.28 crore in FY 2017-18 to 23 DoP Circles for furnishing 650 IPPB Branches (₹16.81 crore) & branding at all IPPB branches/ DoP access points viz H.O., S.O. & B.O. (₹ 49.47 crore). All IPPB Branches have since gone live on launch w.e.f. September 1, 2018.

Thereafter, as against ₹16.81 crore advanced for furnishing, the Bank has so far received, in tranches, bills amounting to ₹14.79 crore and refunds amounting to ₹1.78 crore till 31.03.2021.

Similarly, as against ₹49.47 crore advanced for branding, Bank has so far received in tranches, bills amounting to ₹36.64 crore and refunds amounting to ₹12.83 crore as on 31.03.2021

The bills/ refunds to the tune of ₹0.24 crore are still receivable from DoP as on 31.03.2021 and the same is shown as receivable under DoP (Capital Commitment). Bank is regularly following up with DoP for obtaining remaining bills/ refunds referred above.

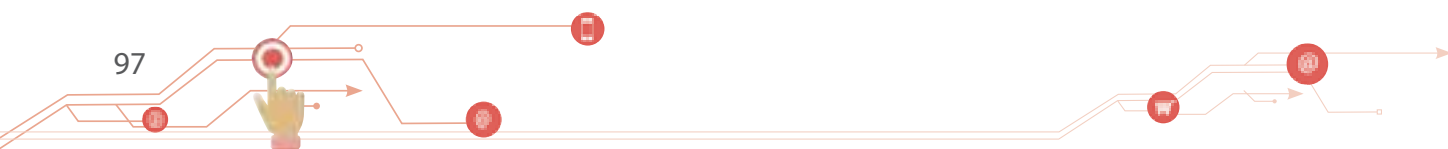
Since DoP got the entire work done related to furnishing, branding and managing the launch events, some of the vendors have raised the bills in the name of DoP. Taking into consideration that the DoP is the parent organization, Bank has acknowledged the said bills in the name of the DoP as if the bills belonging to it and has accounted for them in its books of accounts.

45. SI Cost

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

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

As a prudent accounting practice, IPPB had capitalised the entire amount of hardware owned by it and put to use till the date of GO LIVE aggregating to ₹106.32 crores as on 31st March 2019. The said hardware has been insured in Bank's name. Bills received till 31st March 2021 were for ₹98.03 crore. The remaining bills amounting to ₹8.29 crore will be received during the remaining period of the contract.



Similarly, it had also capitalised the entire amount of software owned and put to use till the date of GO LIVE aggregating to ₹240.46 crores as on 31st March 2019 against which the bills received till 31st March 2021 were for ₹198.98 crores. The remaining bills amounting to ₹41.48 crore will be received during the remaining period of the contract.

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

During the financial year 2020-21, the Bank has made payment of ₹70.34 crores inclusive of taxes, based on mile stone achievement to the vendor which includes payments towards hardware, software, AMCs fees, implementation and customisation etc.

46. Figures of previous year have been re-grouped and reinstated wherever necessary.

Sd/-

(Priyanka Bhatnagar)

Company Secretary (PAN No. AQKPB7572L)
R/o Flat No 901/O1, Oxirich Avenue,
Ahinsa Khand II, Indirapuram, Ghaziabad, UP

Sd/-

(Seema Singh)

Chief Financial Officer
(PAN No. AHSPS3813Q)
E 75, Anand Niketan, New Delhi-110021

Sd/-

(J Venkatramu)

MD & CEO (PAN No. AEQPJ5187D)
E 62, Anand Niketan
New Delhi - 110021

Sd/-

(K Sandhya Rani)

Director (Din no.07314954)
D 10, Tower 7, Type VI A
New Moti Bagh, Delhi -21

Sd/-

(Vineet Pandey)

Chairman (DIN 09199133)
B2, Tower 5, New Moti Bagh, New Delhi -21

As per our report of even date

Sd/-

For Mehra Goel & Company

Chartered Accountants - FRN No. 000517N

Sd/-

(Devinder Kumar Aggarwal)

Partner

Membership No. 087716

Dated: 29 July 2021

Place: New Delhi



Cash Flow Statement

Particulars		Amount (in ₹) (2020-21)	Amount (in ₹) (2019-20)
A. Cash Flow from Operations			
i) Net profit after tax		-3,205,438,877	-3,340,134,041
Add: Provision for tax (including deferred tax)		-62,557,770	-1,123,500,357
Profit before tax	i)	-3,267,996,647	-4,463,634,398
ii) Adjustments:			
Depreciation on fixed assets		624,091,310	953,558,355
Incorporation expenses written off		-	-
Prior period item written off		-	-
Less: Net amount utilized from Grants		288,534,426	12,732,800
Total adjustments	ii)	335,556,884	940,825,555
Operating profit before changes in operating assets & liabilities	(i)+(ii)	-2,932,439,763	-3,522,808,843
iii) Adjustments for net change in operating assets & liabilities			
Increase in investments (Net)		-12,148,404,882	-3,829,705,200
Increase in other assets (Net)		-105,425,353	-277,204,057
Increase in deposits (Net)		14,446,538,924	7,602,720,471
Increase in borrowings (Net)		169,963,638	-
Increase in other liabilities (Net)		842,198,164	-17,177,380
Total adjustment for net change in operating assets & liabilities	(iii)	3,204,870,491	3,478,633,833
Cash flow used from operations (i)+(ii)+(iii)		272,430,728	-44,175,010
Tax paid		-	-
Net cash flow used from operations	A	272,430,728	-44,175,010
B. Cash Flow used in Investing Activities			
Purchase of fixed assets		-197,007,038	-9,379,132
Net cash flow used in investing activities	B	-197,007,038	-9,379,132



Particulars	Amount (in ₹) (2020-21)	Amount (in ₹) (2019-20)
C. Cash Flow generated from Financing Activities		
Issue of Share Capital	2,200,000,000	3,350,000,000
Net Cash Generated from Financing Activities	C 2,200,000,000	3,350,000,000
Net Changes in Cash & Cash Equivalent (A)+(B)+(C')	D 2,275,423,691	3,296,445,858
Cash and Cash Equivalent at the beginning of the year		
Cash and Balance with RBI	326,956,650	109,028,399
Balance with Banks & Money at Call & Short Notice	4,546,291,831	1,467,774,224
	4,873,248,481	1,576,802,623
Cash and Cash Equivalent at the end of the year		
Cash and Balance with RBI	854,128,200	326,956,650
Balance with Banks & Money at Call & Short Notice	6,294,543,972	4,546,291,831
	7,148,672,172	4,873,248,481
	2,275,423,691	3,296,445,858

Sd/-

(Priyanka Bhatnagar)

Company Secretary (PAN No. AQKPB7572L)
R/o Flat No 901/O1, Oxirich Avenue,
Ahinsa Khand II, Indirapuram, Ghaziabad, UP

Sd/-

(J Venkatramu)

MD & CEO (PAN No. AEQPJ5187D)
E 62, Anand Niketan
New Delhi - 110021

Sd/-

(Seema Singh)

Chief Financial Officer
(PAN No. AHSPS3813Q)
E 75, Anand Niketan, New Delhi-110021

Sd/-

(K Sandhya Rani)

Director (Din no.07314954)
D 10, Tower 7, Type VI A
New Moti Bagh, Delhi -21

Sd/-

(Vineet Pandey)

Chairman (DIN 09199133)
B2, Tower 5, New Moti Bagh, New Delhi -21

As per our report of even date

Sd/-

For Mehra Goel & Company

Chartered Accountants - FRN No. 000517N

Sd/-

(Devinder Kumar Aggarwal)

Partner

Membership No. 087716

Dated: 29 July 2021

Place: New Delhi

गोपनीय



रिफ.वि.लेखा/एफ-286/IPPBL/2020-21/252

क्रमांक.....

No.

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 22/10/2021

Date

सेवा में,

अध्यक्ष,

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

विषय: भारतीय पोस्ट पेमेंट बैंक लि.(IPPBL) के वर्ष 2020-21 के वार्षिक लेखों पर कंपनी अधिनियम,
2013 की धारा 143 (6) (बी) के तहत सीएजी की टिप्पणियां।

महोदय,

I am to forward herewith 'Nil Comments' certificate under Section 143(6)(b) of the
Companies Act, 2013 on the annual accounts of IPPBL for the year ended 31st March 2021 for
information and further necessary action.

The receipt of this letter may please be acknowledged.

Encl: As above.

भवदीय,

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 Ltd. (IPPBL) FOR THE YEAR ENDED 31st MARCH 2021

The preparation of financial statements of **India Post Payment Bank Ltd. (IPPBL)** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the Management of the Company. The Statutory Auditor/Auditors appointed by the Comptroller & Auditor General of India under Section 139 (5) of the Act are/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 **29th July 2021**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IPPBL for the year ended 31 March 2021 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 143 (6) (b) of the Act.

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


(Manish Kumar)
Director General of Audit
(Finance & Communication)

Place: New Delhi
Date: -10-2021

Management's Reply to the Comments of the Secretarial Auditor Report for the Financial Year 2020-21

S.No.	Comments/Remarks	Management Reply
01	With reference to the provisions of Section 203 of the Companies Act, 2013, position of the Managing Director was vacant from April 1, 2020 till July 31, 2020. However, the RBI issued letter dated 26th March, 2020 regarding the interim arrangement on the resignation of MD & CEO and formation of Committee of Directors (CoD) to handle the work/ decision of the Company in lieu of MD & CEO till the new MD & CEO joins or period of four months whichever is earlier.	<p>Post the resignation of Mr. Suresh Sethi, MD & CEO IPPB, RBI pursuant to the terms of Section 10B(9) of the Banking Regulation Act, 1949 advised an interim arrangement which was duly approved by the Board for a period of 4 months or till the time new MD & CEO joins whichever is earlier.</p> <p>Post four months, pursuant to the approval of RBI, Mr. V Easwaran, COO was appointed as an interim MD & CEO of the Bank.</p>
02	Composition of the audit committee is not in accordance with Section 177 of the Companies Act, 2013 w.e.f. 1 st November, 2020. The audit committee shall consist of a minimum of three directors with independent directors forming a majority.	Post resignation of Mr. Gauri Shankar and Mr. K.G. Karmakar, Bank was left with only two independent directors. Ministry has already initiated the process of appointment of six independent directors of IPPB. Once the appointment is done the composition of the committee will be rectified.
03	The number of independent directors in the Board as on March 31, 2021 were not in majority as stipulated in the Guidelines for Licensing of Payments Banks ("licensing guidelines").	Ministry has already initiated the process of appointment of six independent directors of IPPB.
04	The Company has invested ₹77.01 Lakh in Equity Shares of NPCI on 26 th November, 2020 without seeking prior approval of the RBI. Thereafter, as per letter dated 7 th September, 2021, RBI instructed to withdraw the investment made in NPCI. The Company in process for transferring of equity shares of NPCI as per RBI instructions and the board approval.	<p>Board in its 44th meeting held on 8th November, 2021, directed the Bank to withdraw investment from equity share of NPCI by selling the shares to other shareholders and approach NPCI for completion of required formalities for transfer of these shares.</p> <p>Board further directed that every such proposal in future be accompanied by a certificate from risk and compliance team that all relevant regulations have been adhered to and the same shall be countersigned by MD & CEO, IPPB.</p>





इंडिया पोस्ट
पेमेन्ट्स बैंक

India Post
Payments Bank