

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIRTEL
PAYMENTS BANK LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

To,

The Members of Airtel Payments Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Airtel Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ("the 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 rules made thereunder, of the state of affairs of the Bank as at March 31, 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 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.

Information Other Than Financial Statements and Auditors' Report Thereon

The Bank's Board of Directors is responsible for the preparation of information other than the Financial Statements and Auditor's Report thereon. The Other Information comprises the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures).



Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Bank's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cashflows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time.

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

In preparing the Financial Statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Management and Board of Directors is also responsible for overseeing the Bank's financial reporting process.



Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

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.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provision of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act and Rules made thereunder.
2. 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. According to information and explanation given to us, the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. Accordingly, separate accounting returns are not required to be obtained from the branches.
3. Further, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books ;
 - c) the Balance Sheet, and the Profit and Loss Account, dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act and Rules made thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;



- e) on the basis of written representation received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as director in terms of Section 164 (2) of the Companies Act, 2013;
 - f) with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
4. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

5. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements to the extent determinable/ascertainable. – Refer Schedule 12 to the Financial Statements.
 - b. The Bank did not have any long-term contract including derivatives contracts for which they were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
 - d. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 24 (a) of Schedule 18 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- e. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 24 (b) of Schedule 18 to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Bank has neither declared dividend nor paid during the year.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the Reporting on Audit Trail as per the proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is given as follows: -

Based on our examination which included test checks, the Bank has used various accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except audit trail of primary accounting software of the Bank did not operate throughout the year as the functionality of enabling audit trail commenced in March 2024. During the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W



Murtuza Vajihi
Partner
Membership No.: 112555
UDIN: 24112555BKCYYP8328
Place: Mumbai
Date: May 10, 2024

**Annexure A to the Independent Auditor's Report of even date on the Financial
Statements of Airtel Payments Bank Limited**

**Report on the Internal Financial Controls with reference to financial statements under
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls with reference to financial statements of Airtel Payments Bank Limited ("the Bank") as at March 31, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing ("the SAs"), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, both 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial



statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Bank's internal financial control with reference to financial statements 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. Bank's internal financial control with reference to financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of Management and Directors of the Bank; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M P Chitale & Co.

Chartered Accountants

Firm Reg. No. 101851W



Murtuza Vajihi

Partner

Membership No. 112555

UDIN: 24112555BKCYYP8328

Place: Mumbai

Date: May 10, 2024

Airtel Payments Bank Limited

Financial Statements for year ended March 31, 2024

AIRTEL PAYMENTS BANK LIMITED**BALANCE SHEET AS ON 31 MARCH 2024**

	Schedule	As on 31.03.2024	(Rupees in thousands) As on 31.03.2023
CAPITAL & LIABILITIES			
Capital	1	24,131,581	23,742,715
Reserves & Surplus	2	(19,093,790)	(19,794,293)
Employee Stock Options Outstanding	18 (Note 16)	186,001	114,036
Deposits	3	26,305,360	16,789,458
Borrowings	4	-	849,820
Other Liabilities and Provisions	5	15,446,854	8,562,800
Total		46,976,006	30,264,536
ASSETS			
Cash & Balances with Reserve Bank of India	6	7,126,663	1,700,480
Balances with Banks and Money at Call & Short Notice	7	3,528,025	5,829,279
Investments	8	26,237,629	16,312,710
Advances	9	-	-
Fixed Assets	10	6,245,136	3,159,287
Other Assets	11	3,838,553	3,262,780
Total		46,976,006	30,264,536
Contingent Liabilities	12	2,487,731	598,927
Bills for Collection		-	-
Significant Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of this Balance Sheet

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date

For M.P. Chitale & Co
Chartered Accountants

For and on behalf of the Board of Directors of Airtel Payments Bank Limited




Murtuza Vajihi
Partner
Place : Mumbai



Rajesh Sud
Director
DIN: 02395182
Place : Gurugram



Harjeet Singh Kohli
Director
DIN: 07575784
Place : London



Arpita Pal Agrawal
Director
DIN: 08588528
Place : Gurugram



Anubrata Biswas
Managing Director & CEO
DIN: 08140188
Place : Gurugram



Anuj Bansal
Chief Financial Officer
Place : Gurugram



Suman Singh
Company Secretary
Place : Gurugram

Date : May 10, 2024



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Schedule	(Rupees in thousands except per share data) For the year ended 31.03.2024	For the year ended 31.03.2023
I. INCOME			
Interest Earned	13	1,651,081	961,342
Other Income	14	16,706,886	11,949,457
Total		18,357,967	12,910,799
II. EXPENDITURE			
Interest Expended	15	439,091	319,372
Operating Expenses	16	17,448,131	12,312,574
Provisions and Contingencies	18 (Note 13 d)	125,666	62,463
Total		18,012,888	12,694,409
III. PROFIT / (LOSS)			
Net Profit for the year		345,079	216,390
Loss Brought Forward		(19,891,171)	(20,053,463)
Total		(19,546,092)	(19,837,073)
IV. APPROPRIATIONS			
Transfer to :			
a) Statutory Reserves		86,270	54,098
b) Other Reserves		-	-
c) Proposed Dividend		-	-
d) Tax on Dividend		-	-
Balance Carried over to Balance Sheet		(19,632,362)	(19,891,171)
Total		(19,546,092)	(19,837,073)
V. Earning Per Share (Face value of Rs 10/-)			
Basic 'In Rs' [Refer Schedule 18 - Note 18]		0.14	0.09
Diluted 'In Rs' [Refer Schedule 18 - Note 18]		0.14	0.09
Significant Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of this Profit and Loss Account

The Profit and Loss account has been prepared in conformity with Form 'B' of the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date

For M.P. Chitale & Co
Chartered Accountants

For and on behalf of the Board of Directors of Airtel Payments Bank Limited



Murtuza Vajih
Partner
Place : Mumbai




Rajesh Sud
Director
DIN: 02395182
Place : Gurugram



Harjeet Singh Kohli
Director
DIN: 07575784
Place : London



Arpita Pal Agrawal
Director
DIN: 08588528
Place : Gurugram



Anubrata Biswas
Managing Director & CEO
DIN: 08140188
Place : Gurugram



Anuj Bansal
Chief Financial Officer
Place : Gurugram



Suman Singh
Company Secretary
Place : Gurugram

Date : May 10, 2024



AIRTEL PAYMENTS BANK LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(Rupees in thousands)

	For the year ended 31.03.2024	For the year ended 31.03.2023
A. Cash flow from operating activities:		
Profit before tax	345,079	216,390
Adjustments for:		
Depreciation and Amortisation Expense	1,473,549	570,679
Amortisation of Premium on Held To Maturity (HTM) investments	-	51
Employees Stock Option Expenses	71,966	48,771
Other Provisions & Write off	94,001	24,194
Loss/ (Profit) on Sale of Fixed Assets (net)	120	(19)
Operating cash flow/(used) before changes in assets and liabilities	1,984,715	860,066
Adjustments for changes in assets and liabilities :		
Increase/ (Decrease) in Deposits	9,515,902	6,865,474
Increase/ (Decrease) in Other Liabilities	5,307,224	1,286,728
(Increase)/ Decrease in Investments (other than HTM securities)	(9,924,920)	(5,498,781)
(Increase)/ Decrease in Other Assets	(688,501)	432,715
Cash generated/(used) from operations	6,194,420	3,946,202
Taxes (Paid) / Refund (including tax deducted at source)	63,174	(26,502)
Net cash flow from/(used) in Operating Activities (A)	6,257,594	3,919,700
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	(3,027,803)	(2,436,376)
Proceeds from Sale of Fixed Assets	667	616
Net (Purchase)/ Proceeds of Investments (HTM securities)	-	10,537
Net cash flow from/ (used) in Investing Activities (B)	(3,027,136)	(2,425,223)
C. Cash flow from financing activities:		
Proceeds from issuance of Equity Shares	744,290	259,244
Net Proceeds/ (Repayment) from Borrowings	(849,820)	274,874
Net cash flow from/ (used) financing activities (C)	(105,530)	534,118
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	3,124,929	2,028,595
Add : Balance as at the beginning of the year	7,529,759	5,501,164
Balance as at the end of the year (Schedule 6 and 7)	10,654,688	7,529,759

Cash and cash equivalents include cash in hand balances with RBI, balances with other banks (including Fixed deposits) and money at call and short notice.

Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of these financial statements
As per our report of even date

For M.P. Chitale & Co
Chartered Accountants

For and on behalf of the Board of Directors of Airtel Payments Bank Limited

Murtuza Vajih
Partner
Place : Mumbai



Rajesh Sud
Director
DIN: 02395182
Place : Gurugram

Harjeet Singh Kohli
Director
DIN: 07575784
Place : London

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Director
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Anubrata Biswas
Managing Director & CEO
DIN:08140188
Place : Gurugram

Anuj Bansal
Chief Financial Officer
Place : Gurugram

Suman Singh
Company Scretary
Place : Gurugram

Date : May 10, 2024



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024

As on 31.03.2023

SCHEDULE 1: CAPITAL
Authorised Capital

3,250,000,000 equity shares of Rs. 10 each (March 31, 2023 - 3,250,000,000 equity shares of Rs. 10 each)	32,500,000	32,500,000
1,400,000,000 (March 31, 2023 - 1,400,000,000) preference shares of Rs. 10 each)	14,000,000	14,000,000
	46,500,000	46,500,000

Issued Capital

2,335,384,946 (March 31, 2023 - 2,335,384,946) fully paid up equity shares of Rs. 10 each	23,353,849	23,353,849
129,622,090 partly paid up equity shares of Rs. 10 each (Rs. 6 paid up) (March 31, 2023 - 129,622,090 partly paid up equity shares of Rs. 10 each (Rs. 3 paid up))(Refer Note below)#	1,296,221	1,296,221
	24,650,070	24,650,070

Subscribed and Paid-Up Capital

2,335,384,946 (March 31, 2023 - 2,335,384,946) fully paid up equity shares of Rs. 10 each	23,353,849	23,353,849
129,622,090 partly paid up equity shares of Rs. 10 each (Rs. 6 paid up)(March 31, 2023 - 129,622,090 Rs. 3 paid up) (Refer Note below)#	777,732	388,866

Total	24,131,581	23,742,715
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Note - Bank issued 129,622,090 equity shares of face value of 10/- each on right basis ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of 14.742 per Rights Equity Share (including premium of 4.742 per Rights Equity Share). In accordance with the terms of issue, Rs. 8.742 including share premium i.e. 59.30% (Previous Year Re. 3 i.e. 20.35%) of the Issue Price per Rights Equity Share was received from the concerned allottees on application. Balance amount of Rs 6 will be called as per terms of issue.

SCHEDULE 2: RESERVES & SURPLUS
I. Statutory Reserves

Opening Balance	76,648	22,550
Additions during the year	86,270	54,098
Deductions during the year	-	-
Total	162,918	76,648

II. Capital Reserves

Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Total	-	-

III. Share Premium

Opening Balance	10,914	10,914
Additions during the year	355,424	-
Deductions during the year	-	-
Total	366,338	10,914

IV. Revenue and Other Reserves

Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Total	-	-

V. General Reserves

Opening Balance	9,316	9,316
Additions during the year	-	-
Deductions during the year	-	-
Total	9,316	9,316

VI. Balance In Profit and Loss Account

	(19,632,362)	(19,891,171)
Total (I,II,III, IV, V & VI)	(19,093,790)	(19,794,293)



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024**As on 31.03.2023****SCHEDULE 3: DEPOSITS****A I. Demand Deposits**

i) From Banks

ii) From Others

Total

38,483

3,295

38,483**3,295****II. Saving Banks Deposits**

26,266,877

16,786,163

III. Term Deposits

i) From Bank

ii) From Others

Total

-

-

-

-

-

-

Total (I, II & III)**26,305,360****16,789,458****B Deposits of Branches**

i) In India

26,305,360

16,789,458

ii) Outside India

-

-

Total**26,305,360****16,789,458****SCHEDULE 4: BORROWINGS****I. Borrowings in India**

i) Reserve Bank of India

-

-

ii) Other Banks

-

500,021

iii) Other Institutions and Agencies

-

349,799

Total

-

849,820**II. Borrowings Outside India**

-

-

Total (I & II)

-

849,820

Secured Borrowings (Included in I and II)

-

349,799



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024 As on 31.03.2023**SCHEDULE 5: OTHER LIABILITIES AND PROVISIONS**

I.	Bills Payable	-	-
II.	Inter Office Adjustments (net)	-	-
III.	Interest Accrued	17	170
IV.	Others (Including provisions) (Refer schedule 18 - Note 23 C)	15,446,837	8,562,630
Total (I to IV)		15,446,854	8,562,800

SCHEDULE 6: CASH & BALANCES WITH RESERVE BANK OF INDIA

I.	Cash in Hand	-	-
II.	Balance with Reserve Bank of India:		
	a) In Current Account	1,746,663	1,700,480
	b) In other Accounts	5,380,000	-
Total (I & II)		7,126,663	1,700,480



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024 **As on 31.03.2023****SCHEDULE 7: BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE****I. IN INDIA**

i) Balances with Banks		
a) In Current Accounts	811,289	2,058,422
b) In other Deposit Accounts*	2,716,736	3,770,857
ii) Money at Call & Short Notice		-
a) With Banks	-	-
b) With Other Institutions	-	-

Total (i & ii)**3,528,025** **5,829,279****II OUTSIDE INDIA**

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

Total (i, ii & iii)**-** **-****Total (I & II)****3,528,025** **5,829,279**

* Includes deposits pledged with other bank of Rs 284,565 thousands (March 31 2023 : Rs 259,749 thousands) for bank guarantee



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024 **As on 31.03.2023****SCHEDULE 8: INVESTMENTS****A. I. Investment in India in**

i) Government Securities	26,237,629	16,312,710
ii) Other Approved Securities	-	-
iii) Shares	-	-
iv) Debentures & Bonds	-	-
v) Subsidiaries and/ or Joint Ventures	-	-
vi) Others	-	-

Total Investment in India**26,237,629** **16,312,710****II. Investments Outside India**

i) Government securities (Including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-
iii) Other investments	-	-

Total Investment Outside India**-** **-****Total (I & II)****26,237,629** **16,312,710**

AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024**As on 31.03.2023****SCHEDULE 9: ADVANCES**

A) i) Bills Purchased and Discounted	-	-
ii) Cash Credits, Overdrafts & Loans repayable on demand	-	-
iii) Term Loans	-	-
Total	-	-
B) i) Secured by Tangible Assets	-	-
ii) Covered by Banks/ Government Guarantees	-	-
iii) Unsecured	-	-
Total	-	-
C) I. Advances in India		
i) Priority Sector	-	-
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	-
Total	-	-
II. Advances Outside India		
i) Dues from Banks	-	-
ii) Dues from others	-	-
a) Bills purchased and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
Total	-	-
Grand C (I & II)	-	-
Grand Total (A, B & C)	-	-



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024 As on 31.03.2023**SCHEDULE 10: FIXED ASSETS****I. Premises**

At cost on 31st March of the preceding year

-

-

Additions during the year

-

-

Deductions during the year

-

-

Depreciation to date

-

-

Net Block

-

-

II. Other Fixed Assets (Including Furnitures & Fixtures)**[Refer Note 14 - Schedule 18]**

At cost as on 31st March of the preceding year

4,390,078

1,949,009

Additions during the year

4,560,185

2,443,349

Deductions during the year

(1,814)

(2,280)

Depreciation to date*

(2,703,313)

(1,230,791)

Net Block**6,245,136****3,159,287****Total (I & II)****6,245,136****3,159,287**

*Includes depreciation charge for the current financial year amounting to Rs 1,473,549 thousands (March 31, 2023 : Rs 570,679)



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

As on 31.03.2024 **As on 31.03.2023****SCHEDULE 11: OTHER ASSETS**

I Inter-office adjustment (net)	-	-
II Interest Accrued	156,551	179,162
III Tax paid in advance/ Tax deducted at source (Net)	83,890	149,736
IV Stationery and Stamps	-	-
V Non- banking assets acquired in satisfaction of claims	-	-
VI Deferred Tax Assets	-	-
VII Others (Refer schedule 18 - Note 23D)	3,598,112	2,933,882
Total (I to VII)	3,838,553	3,262,780

SCHEDULE 12: CONTINGENT LIABILITIES

I Claims against the banks not acknowledged as debts	43,217	22,906
II Liabilities for partly paid investments	-	-
III Liability on account of outstanding forward exchange contracts	-	-
IV Guarantees given on behalf of constituents	-	-
a) In India	-	-
b) Outside India	-	-
V Acceptances, endorsements and other obligations	-	-
VI Other items for which the bank is contingently liable*	2,444,514	576,021
Total (I to VI)	2,487,731	598,927

*Includes

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (capital commitment)	2,419,260	574,515
(b) Outstanding balance of amount transferred to DEA fund	25,254	1,506



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

For the year ended	For the year ended
31.03.2024	31.03.2023

SCHEDULE 13: INTEREST EARNED

I. Interest/ Discount on Advances/ Bills	-	-
II. Income on Investments	1,304,236	701,982
III. Interest on balances with RBI and other inter-Bank funds	340,358	255,228
IV. Others	6,487	4,132
Total (I to IV)	1,651,081	961,342

SCHEDULE 14: OTHER INCOME

Commission, Exchange and Brokerages (Refer Schedule 18 - Note I. 23B)	16,709,938	11,947,042
II. Profit on Sale of Investments	82	-
Less: Loss on sale of investments	(1,878)	-
III. Profit on revaluation of Investments	-	-
Less: Loss on revaluation of investments	-	-
IV. Profit on Sale of land, building and other assets	4	119
Less: Loss on Sale of land, building and other assets	(124)	(100)
V. Profit on Exchange Transactions	1,247	3,780
Less: Loss on exchange transactions	(2,383)	(1,384)
VI. Income earned from Subsidiaries/ Joint Ventures	-	-
VII. Miscellaneous Income	-	-
Total (I to VII)	16,706,886	11,949,457



AIRTEL PAYMENTS BANK LIMITED

(Rupees in thousands)

	For the year ended 31.03.2024	For the year ended 31.03.2023
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SCHEDULE 15: INTEREST EXPENDED

I. Interest on Deposits	398,650	295,814
II. Interest on Reserve Bank of India and inter-Bank Borrowings	22,190	12,011
III. Others	18,251	11,547
Total (I, II & III)	439,091	319,372

SCHEDULE 16: OPERATING EXPENSES

I. Payment to and Provision for employees	2,012,449	1,666,575
II. Rent, Taxes and Lighting	61,933	53,904
III. Printing and Stationery	8,837	3,225
IV. Advertisement and Publicity	674,757	359,554
V. Depreciation/Amortisation on Bank's Property	1,473,549	570,679
VI. Directors' fees, allowances and expenses	11,494	8,947
VII. Auditors' fee and expenses (including Branch Auditors)	7,918	6,440
VIII. Law Charges	-	-
IX. Postage, Telegram, Telephones etc.	45,103	30,780
X. Repairs and Maintenance	61,423	15,959
XI. Insurance	194,722	96,293
XII. Other Expenditure (Refer Schedule 18 - Note 23A)	12,895,946	9,500,218
Total (I to XII)	17,448,131	12,312,574



Schedule 17: Significant Accounting Policies

1. Background

Airtel Payments Bank Limited (the 'Bank' or 'Company') was incorporated under Companies Act, 1956. The Company had been in business of providing Semi-Closed Prepaid Payment Instrument and domestic remittance services.

The Company applied for the Payments Bank License to Reserve Bank of India and obtained the banking license on April 11, 2016. Registrar of Companies issued a fresh Certificate of Incorporation (COI) dated May 2, 2016 from which the name of the company changed from 'Airtel M Commerce Services Limited' to 'Airtel Payments Bank Limited'. The Payments Bank commenced its operation on November 23, 2016. As per the Reserve Bank of India (RBI) guidelines, Payments Bank cannot directly undertake lending activities but can offer Savings & Current account, issue prepaid wallets, offer remittance products, other payments product and distribute non risk sharing financial products such as insurance, mutual fund, loans etc. As the Payments Bank cannot lend to any person except their own employees, accordingly, all the disclosures pertaining to advances have not been made.

The Bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DoR.LIC.No.S2659/16.13.215/2021-22 dated December 02, 2021, and published in the Gazette of India (Part III – Section 4) dated January 01- January 07, 2022.

The Bank currently provides Savings Account and Current Account, Semi-Closed Prepaid Payment Instrument, Remittance service, Collection services and distributing non risk sharing financial product such as insurance to the customers. The Bank has received a license from Insurance Regulatory and Development Authority to operate as Corporate Agent, that has enabled the Bank to distribute insurance products of the partner Companies.

2. Basis of preparation

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time, the Accounting Standards specified under Section 133 of the Companies Act, 2013 read together with of the Companies (Accounting Standards) Amendment rules 2016 to the extent applicable and other relevant provisions of the Companies Act, 2013, in so far as they apply to bank's and practices generally prevailing within the banking industry in India. The financial statements have been prepared under the historical cost convention and on an accrual basis except unless otherwise stated by RBI guidelines. The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year.

The Bank's Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

3. Summary of significant accounting policies

3.1 Investments

Classification: In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Held for Trading" ('HFT'), "Available for Sale" ('AFS') and Held to Maturity ('HTM') categories (hereinafter called "categories"). Subsequent shifting amongst the categories, if done, is also done in accordance with these guidelines.



Under each of these categories, investments are further classified under six groups (hereinafter called "groups") - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments for the purposes of disclosure in the Balance Sheet.

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

Basis of classification: Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above two categories are classified under AFS category.

Acquisition Cost: Cost of investment includes broken period interest on debt instruments and government securities are considered as a revenue item under Profit and Loss Account as per RBI guidelines. The transaction costs including brokerage, commission etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Disposal of investments:

- a. Investments classified as HFT or AFS-** Profit or loss on sale or redemption is recognised in the Profit and Loss Account.
- b. Investments classified as HTM-** Profit on sale or redemption of investments is recognised in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognized in the Profit and Loss Account.

Valuation: -

- i. Investments classified as HTM** - These are carried at their acquisition cost and not marked to market. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of investment is provided.

ii. Investments classified as HFT or AFS:

- a.** Investments are marked to market on a periodical basis as per relevant RBI guidelines and the net depreciation, if any, within each category is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored, except to the extent of depreciation previously provided. Further, provision other than temporary diminution is made at individual security level. Except in cases where provision other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.
- b.** Traded investments are valued based on the trades / quotes on the recognised stock exchanges, price list of RBI or prices declared by Financial Benchmarks India Pvt Ltd. ('FBIL'), periodically.

The market or fair value of unquoted government securities included in the 'AFS' and 'HFT' categories, is determined as per the price published by FBIL.

Unquoted bonds and debentures are valued by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity (YTM) rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FBIL.

- c.** Treasury Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
 - d.** Units of mutual funds are valued as per the latest Net Asset Value declared by the mutual fund in respect of each particular scheme.
- iii.** Non-performing investments are identified and valued based on the RBI guidelines. The depreciation / provision on such Non-performing investment are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Statement of Profit and Loss until received.



iv. Repurchase and reverse repurchase transactions- Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

3.2 Fixed assets and depreciation / amortization

i) Tangible assets and depreciation

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working conditions for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit /functioning capability from / of such assets. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Profit and Loss Account as incurred. Capital work in progress is valued at cost.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in Profit and Loss Account on the date of retirement or disposal.

Depreciation on fixed assets is provided on the straight line method based on useful lives of respective assets as estimated by the management. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Amortization is computed using the straight-line method over the expected useful life of intangible assets.

Estimated useful lives of the assets are as follows:

Sr. No	Particulars	Years
1	Computers	2-3
2	Servers	5
3	Office Equipment	
3(a)	Mobile phones	2
3(b)	Other Office Equipment	5
4	Furniture & Fixtures	5
5	Leasehold Improvements	Period of lease or useful life, whichever is less

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

ii) Intangible assets and amortization

Intangible assets comprising of software and acquired intangible assets which are stated at cost less amortization. Significant expenditure on improvement to software are added to its book value only when it is probable that such expenditure will enable the assets to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to assets reliably.

Sr. No	Particulars	Years
1	In-house developed Software / platform	3
2	Purchase Software/ License*	Over the period of Software/ License, generally not exceeding five years
3	Other intangible assets	Over the period of contract / agreement



*Software/ License is capitalized at the amounts paid to acquire the respective software/ license for use and is amortized over the period of software/ license, generally not exceeding five years. Wherever the life is not specified/ ascertainable then life is generally not exceeding five years.

Addition to software are assessed on a line by line basis and grouped together if they are considered to be used independent of the application software. Such additions are considered to be separate software and amortized over the useful life. If such addition cannot be used independent of the application software then they are capitalized as a part of application software and amortized over the useful life.

Bank has entered into certain long term contracts for NCMC metro related projects under these contracts the bank is obligated to make payments towards certain fees over the period of contracts. Entire amount payable over the contract term is initially recognized as capital work in progress. On commencement of the operations the amount are considered "other intangible assets" and amortized over the life of the agreement/ contract.

3.3 Impairment of assets

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

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

3.4 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise Balances with RBI, cash on hand, cheques on hand, balances with other Banks/Institutions and money at call and short notice.

3.5 Revenue recognition and receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable, excluding discounts, rebates, and Goods and Service Tax (GST) or duty.

i) Investing and other activities

Income on account of interest and other activities are recognised on an accrual basis. Interest income on discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return. Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

ii) Commission exchange and brokerage

Service revenue is recognised on completion of provision of services. Revenue, net of discount, is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration. The major streams and its recognition criteria are as follow: -

- A. Revenue from collection services is recognised on completion of provision of services.
- B. Revenue from remittances and transfers services is recognised as and when the transaction is completed.
- C. Revenue from insurance commission and referral fee is recognised on completion of provision of services.
- D. Transactions fees and all other fees are accounted for as and when it is due.
- E. Revenue from government authorities/ projects and all other fees and transactions are accounted for as and when it is due.



3.6 Foreign currency translation and accounting for derivatives

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using exchange rates prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Bank's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

3.7 Employee benefits

The Bank's post-employment benefits include defined benefit plan and defined contribution plans. The Bank also provides other benefits in the form of compensated absences.

Under the defined benefit retirement plan, the Bank provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Bank.

For defined benefit retirement plans, the present value of the plan recognised as liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the statement of profit and loss as incurred.

The Bank's contributions to defined contribution plans are recognised in statement of profit and loss as they fall due. The Bank has no further obligations under these plans beyond its periodic contributions.

The employees of the Bank are entitled to compensated absences based on the un-availed leave balance as well as other long term benefits. The Bank records liability based on actuarial valuation computed under projected unit credit method.

Employee Stock Option Scheme (ESOS)

The Employees Stock Option Scheme (APBL ESOP – 2017 scheme, as amended so far) provides for grant of options on the Bank's equity shares/ non-cumulative compulsorily convertible non-redeemable preference shares to certain employees of the Bank and Bharti Airtel Limited. The scheme provides that employees are granted an option to subscribe to equity shares of the Bank that vest in a graded manner. The options may be exercised within specified period. The Bank records the Employees Stock Options in accordance with the Guidance Note on Accounting for Share Based Payments. The Bank follows the fair value method to account for its stock-based employee compensation plans. In case of equity-settled awards, the stock option is fair valued on grant date and amortized over the vesting period. The amortization of fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with the corresponding increase in share-based payment reserve.

Gain on cancellation/forfeiture of unvested options are recognized as a decrease in expense in Profit and Loss Account within employee benefits. Further, share based payment reserve transferred to General Reserve at the time of cancellation/expiry/forfeiture of vested options.



3.8 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. A lease that transfers substantially all the risks and rewards incidental to ownership to the Bank is classified as finance lease.

3.9 Taxes

Income tax expenses comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act 1961) and deferred tax charge (reflecting the tax effect of timing differences between accounting income and Taxable income for the year.

Current Income tax

Provision of current tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with tax laws applicable.

Deferred tax

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

3.10 Segmental reporting

The, segment information as per AS 17, "Segment Reporting", has been disclosed as per guidelines issued by RBI on AS-17 vide circular dated April 18, 2007. Attributable assets, liabilities, income and expenses are either specifically identified with individual segment or are allocated to the segment in a systematic basis.

3.11 Earnings / (loss) per share

The Bank reports basic and diluted earnings per share in accordance with Accounting Standard 20 Earnings Per Share The earnings / (loss) considered in ascertaining the Bank's Earnings per Share ('EPS') comprises of the net profit / (loss) after tax attributable to equity shareholders.

Basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares and dilute potential equity shares outstanding during the year.



3.12 Provisions and contingencies

Provisions are recognised when the Bank has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs



Schedule -18: Notes to Accounts

Disclosure as laid down by Reserve Bank of India (RBI) Circulars. Amounts in notes forming part of the financial statements for the year ended March 31, 2024 and March 31, 2023 are denominated in rupee crore to conform to extant RBI guidelines, except where stated otherwise.

1) Regulatory Capital
a) Composition of Regulatory Capital

The Bank computes capital adequacy ratio as per New Capital Adequacy Framework Basel II and operating guidelines for Payments Banks (issued by RBI on October 06, 2016).

The Capital adequacy ratio (CRAR) of the Bank is calculated as per the standardized approach for Credit Risk. As per RBI directions dated November 08, 2017 DBR. NBD. No. 4503/16.13.2018/2017-18, RBI for the time being has advised that no separate capital charge is prescribed for market risk and operational risk for Payments Banks. Capital Adequacy Ratio of the Bank at March 31, 2024 is 38.31% against the regulatory requirement of 15.00% prescribed by RBI.

Capital conservation buffer & Counter-cyclical capital buffer is not applicable on Payments Banks as per operating guidelines issued on Payments Banks by RBI.

The following table sets forth, for the period indicated, computation of capital adequacy as per Basel-II framework.

(Rupees in Crores)

Sr. No.	Particulars	As on March 31, 2024	As on March 31, 2023
i)	Common Equity Tier 1 capital (CET 1)	503.78	394.84
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	503.78	394.84
iv)	Tier 2 capital	-	-
v)	Total capital (Tier 1+Tier 2)	503.78	394.84
vi)	Total Risk Weighted Assets (RWAs)	1,315.05	804.24
vii)	CET 1 Ratio (CET 1 capital as a percentage of RWAs)	38.31%	49.10%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	38.31%	49.10%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	-	-
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	38.31%	49.10%
xi)	Leverage Ratio	10.18%	12.79%
xii)	Percentage of the shareholding of	-	-
	a) Government of India	-	-
	b) State Government (specify name)	-	-
	c) Sponsor Bank	-	-
xiii)	Amount of paid-up equity capital raised during the year*	74.42	25.92
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-
xv)	Amount of Tier -2 Capital raised during the year of which:	-	-
	a) Perpetual Non -Cumulative Preference Shares	-	-
	b) Perpetual Debt instruments	-	-

*Including share premium Rs. 35.54 crore issued during FY 2023-24

b) Drawdown from reserves The Bank has not undertaken any drawdown from reserve during the year ended March 31, 2024 and March 31, 2023



Airtel Payments Bank Limited
Notes to Financial Statements

2) Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities : The following table sets forth, the maturity pattern of assets and liabilities of the Bank.

(Rupees in Crores)

Maturity Pattern	March 31, 2024										Total
	Day 1	2-7 days	8-14 Days	15-30 Days	31 days - 2 months	2 months - 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Deposits	263.25	-	-	-	-	-	-	-	2,367.29	-	2,630.54
Loans & Advances	-	-	-	-	-	-	-	-	-	-	-
Investments	-	164.91	104.81	54.80	297.67	143.14	571.07	1,249.42	-	4.96	2,623.76
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	0.42	-	-	-	-	-	-	-	0.42
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	0.42	-	0.42

(Rupees in Crores)

Maturity Pattern	March 31, 2023										Total
	Day 1	2-7 days	8-14 Days	15-30 Days	31 days - 2 months	2 months - 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Deposits	167.91	-	-	-	-	-	-	-	1,511.03	-	1,678.94
Loans & Advances	-	-	-	-	-	-	-	-	-	-	-
Investments	-	19.98	19.96	79.71	148.98	325.65	615.79	383.26	-	4.96	1,631.27
Borrowings	0.00	84.98	-	-	-	-	-	-	-	-	84.98
Foreign Currency Assets	-	-	0.41	-	-	-	-	-	-	-	0.41
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	0.41	-	0.41

Note:- Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.



b) Liquidity Coverage Ratio(LCR)

The provisions of Liquidity Coverage Ratio (LCR), as per the circular on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards dated June 9, 2014 and as amended from time to time, are not applicable to the Payments Banks and hence no disclosures have been provided.

c) Net Stable Funding Ratio (NSFR)

The provisions of Net Stable Funding Ratio (NSFR), as per the circular on Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), are not applicable to the Payments Banks and hence no disclosures have been provided.



Airtel Payments Bank Limited
Notes to Financial Statements

3) Investments

a) Composition of Investment Portfolio

(Rupees in Crores)

March 31, 2024												
Particulars	Investments in India						Investments Outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India	
Held to Maturity												
Gross Investment	37.94	-	-	-	-	-	37.94	-	-	-	-	37.94
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	37.94	-	-	-	-	-	37.94	-	-	-	-	37.94
Available for Sale												
Gross Investment	2,585.82	-	-	-	-	-	2,585.82	-	-	-	-	2,585.82
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	2,585.82	-	-	-	-	-	2,585.82	-	-	-	-	2,585.82
Held for Trading												
Gross Investment	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments												
Gross Investment	2,623.76	-	-	-	-	-	2,623.76	-	-	-	-	2,623.76
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment	2,623.76	-	-	-	-	-	2,623.76	-	-	-	-	2,623.76



Airtel Payments Bank Limited
Notes to Financial Statements

(Rupees in Crores)

March 31, 2023										
Particulars	Investments in India					Investments Outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross Investment	37.94	-	-	-	-	-	37.94	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net Investment	37.94	-	-	-	-	-	37.94	-	-	-
Available for Sale										
Gross Investment	1,593.33	-	-	-	-	-	1,593.33	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net Investment	1,593.33	-	-	-	-	-	1,593.33	-	-	-
Held for Trading										
Gross Investment	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net Investment	-	-	-	-	-	-	-	-	-	-
Total Investments										
Gross Investment	1,631.27	-	-	-	-	-	1,631.27	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net Investment	1,631.27	-	-	-	-	-	1,631.27	-	-	-
Total Investments										
Gross Investment	1,631.27	-	-	-	-	-	1,631.27	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net Investment	1,631.27	-	-	-	-	-	1,631.27	-	-	-



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve
(Rupees in Crores)

Particulars	March 31,2024	March 31,2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	-	-
b) Add: Provision made during the year	-	-
c) Less: Write off/write back of excess provisions during the year	-	-
d) Closing balance	-	-
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	-	-
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	-	-
d) Closing balance	-	-
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	-	-

c) Sales and transfers of securities to/from Held to Maturity (HTM) category

During the current and previous year, the Bank has not sold/ transferred any securities to/from Held to Maturity category.

d) Non-SLR Investment Portfolio

i) Non performing Non-SLR Investments: - During current and previous year, the Bank does not have any non-performing Non- SLR investments.

ii) Issuer composition of Non SLR investments: - The Bank does not have any Non SLR investments as on March 31, 2024 & March 31, 2023.

e) Repo Transactions (in face value terms): -
(Rupees in crores)

March 31,2024				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31,2024
Securities sold under repo				
a) Government Securities	14.99	124.98	46.47	-
b) Corporate Debt Securities	-	-	-	-
c) Any other Securities	-	-	-	-
Securities purchased under reverse repo				
a) Government Securities	1.00	880.00	133.83	538.00
b) Corporate Debt Securities	-	-	-	-
c) Any other Securities	-	-	-	-



(Rupees in crores)

March 31, 2023				
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2023
Securities sold under repo				
a) Government Securities	8.00	54.39	24.17	34.98
b) Corporate Debt Securities	-	-	-	-
c) Any other Securities	-	-	-	-
Securities purchased under reverse repo				
a) Government Securities	10.00	115.00	31.73	-
b) Corporate Debt Securities	-	-	-	-
c) Any other Securities	-	-	-	-

f) Government Security Lending (GSL) transactions (in market value terms)
(Rupees in crores)

March 31, 2024					
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2024
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

(Rupees in crores)

March 31, 2023					
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2023
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-



4) Fraud Accounts

- a) Claims where there was liability against bank

(Rupees in Crores, except no. of frauds reported)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	No. of frauds reported	880	65
B	Amount involved in such frauds (net of recovery)#	5.42	0.73
C	Quantum of provision made during the year	4.94	0.25
D	Quantum of unamortized provision debited from 'other Reserves' at the end of the year	-	-

FUA pending against 309 cases amounting to Rs 1.63 crore for year ended 31 March 2024

- b) Claims where there was no Liability against bank (reported as Fraud vide RBI advisory dated 13th January 2023)

(Rupees in Crores, except no of frauds reported)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	No. of frauds reported	66,425	7,570
B	Amount involved in such frauds	28.23	5.90

5) Exposure
a) Exposure to Capital Market and Real estate sector

The Bank does not have any exposure to capital market and real estate sector as at March 31, 2024 and as at March 31, 2023. Accordingly, the disclosure requirements with respect to exposure to capital market and real estate sector are not applicable.

- b) Intra group Exposure:** - The Bank does not have any exposure (advances/investments) within the group.

6) Concentration of Deposits

(Rupees in Crores)

Particulars	As on March 31, 2024	As on March 31, 2023
Total Deposits of twenty largest depositors	0.40	0.40
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	0.02%	0.02%

7) Derivatives

The Bank has not undertaken any derivative transactions during the current year and previous year. Accordingly, the disclosure requirements with respect to derivative contracts and risk exposure in derivatives are not applicable.

8) Off Balance Sheet SPVs sponsored (domestic & overseas)

There are no off balance sheet SPVs sponsored by the Bank. Accordingly, the disclosure requirements with respect to Off Balance Sheet SPVs Sponsored are not applicable.



Airtel Payments Bank Limited**Notes to Financial Statements****9) Transfers to Depositor Education and Awareness Fund (DEA Fund)***(Rupees in Crores)*

Particulars	March 31,2024	March 31,2023
Opening Balance of amounts transferred to DEA Fund	0.15	-
Add: Amount transferred to DEA Fund during the year	2.38	0.15
Less: Amount reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	2.53	0.15

10) Disclosures of Complaints**a. Summary information of customer complaints received by bank from customers and from the office of Ombudsman(OBO)**

Sr. No.	Particulars	For the year ended March 31,2024	For the year ended March 31,2023
1	Number of complaints pending at the beginning of the year	6	5
2	Number of complaints received during the year	1208	1057
3	Number of complaints disposed during the year	1200	1056
3.1	Of which, number of complaints rejected by the bank	-	-
4	Number of complaints pending at the end of the year	14	6
Maintainable complaints received by the bank from OBOs			
5	No. of maintainable complaints received by Bank from OBOs	1475*	1070
5.1	Of 5, number of complaints resolved in favor of Bank by BOs	594	320
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issues by BOs	881**	750
5.3	Of 5, number of complaints resolved after passing awards by BOs against the Bank	-	-
6	No. of awards unimplemented within stipulated time (Other than those appealed)	-	-

Note- In line with RBI requirements, Complaints reported above do not include cases that were resolved within the next working day.

**Subject to downward revision basis reconciliation with ORBIOs, which is in progress.*

***Further, for 86 complaints, closure clause is yet to be updated by ORBIOs.*



b. Top five grounds of complaints received by bank from customers

For the year ended March 31, 2024					
Ground Of Complaints	Number Of Complaints Pending at 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
Internet/Mobile/Electronic Banking	3	411	3%	4	0
ATM/Debit Cards	0	219	3029%	1	0
Account opening/difficulty in operation of accounts	0	54	(-46%)	0	0
Pension and facilities for senior citizens/differently abled	0	22	120%	0	0
Non-observance of Fair Practices Code	0	13	(-7%)	0	0
Others	3	489	(-7%)	9	0

For the year ended March 31, 2023					
Ground Of Complaints	Number Of Complaints Pending at 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
Internet/Mobile/Electronic Banking	2	400	(-52%)	3	0
Account opening/difficulty in operation of accounts	0	100	(-46%)	0	0
Non-observance of Fair Practices Code	0	14	(-79%)	0	0
Pension and facilities for senior citizens/differently abled	0	10	(-93%)	0	0
ATM/Debit Cards	0	7	(-82%)	0	0
Others	3	526	(-66%)	3	0

Note: - In others, we have included "Mis-selling/Para-banking" cases.

11) Disclosure of Penalties imposed by RBI under Banking Regulation Act, 1949

During the year ended March 31, 2024 and March 31, 2023, no penalty was imposed on the Bank by RBI under the provisions the (i) Banking Regulation Act, 1949, (ii) Payment and Settlement Systems Act, 2007 and (iii) Government Securities Act, 2006.



12) Disclosure on Remuneration

Qualitative Disclosure

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

The Nomination & Remuneration committee comprises of non-executive directors including Independent Directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the identification, appointment and fixation of remuneration of directors, Key Managerial Personnel ("KMP") and senior management positions and in overall design and operation of the compensation policy of the Bank to achieve alignment between risks and remuneration.

b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

- To lay down the criteria and terms and conditions with regard to appointment of Directors (executive and non-executive including Independent Directors), KMP and senior management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Bank.
- To determine remuneration of Directors, KMPs and other senior management personnel's keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Bank's targets.

The remuneration process is aligned to the Bank's Compensation Policy objectives.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable.

In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any code of conduct related issue or future drop in performance of individual/ business/ bank.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

Individual performance is assessed against the Key Result Areas (KRAs) determined for each Individual and bank (Airtel Payments Bank Limited) for the year to achieve the top business priorities. The Total Cost to bank (TCC) for all employees is a mix of fixed pay and variable pay. The variable pay, as a percent of the TCC is a function of the nature of job and the band of the individual in the hierarchy. The variable payout is calculated as a percent of the target variable pay basis individual performance against the pre - determined KRAs and the bank's performance measured against a bank-specific scorecard.

e. A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

Employees are classified into following three categories for the purpose of remuneration:

Category I: Chief Executive Officer (CEO)

Category II: Risk Control and Compliance Staff

Category III: Other categories of Staff – includes all other employees not covered in the first 2 categories.

Following principles are applied for deferral / vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

Category I: Chief Executive Officer (CEO)

- a. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period). In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
- b. The Cash component of the Variable Pay will not exceed 50% of the Variable Pay.
- c. In case the Variable Pay in any year reaches the level of 50% or more of the Total Fixed Pay, an appropriate portion of the Variable Pay shall be deferred as per the Board approved Remuneration Policy.

The compensation will be approved by the Nomination and Remuneration committee and RBI



Category II: Risk Control and Compliance Staff

The bank has separated The Risk, Control and Compliance functions from Business functions in order to create a strong culture of checks and balances and to eliminate any possible conflict of interest between revenue generation and risk management and control. Accordingly, overall variable pay as well as annual salary increment of the employees in these functions will be based on their performance and functional objectives. The Bank ensures that the mix of fixed to variable compensation for these functions is weighed in favour of fixed compensation. A reasonable proportion of compensation will be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

For adjusting deferred remuneration before & after vesting:

The deferred/variable remuneration (including Long Term Incentive) of employees shall be subject to malus/clawback arrangements in the event of negative contributions of the bank and/or the relevant line of business in any year.

Malus: A malus arrangement permits the bank to prevent vesting of all or part of the amount of a deferred remuneration, however, it does not reverse vesting after it has already occurred.

Clawback: A clawback is a contractual agreement between the employee and the bank wherein the employee returns previously paid or already vested deferred/variable pay to the Bank under certain circumstances.

Under Malus and/or clawback arrangement, the bank, at the discretion of Nomination and remuneration Committee/Board of Directors, shall have the power to prevent vesting of all or part of the amount of a deferred/variable remuneration or reduce, withhold, cancel, clawback such remuneration or impose further conditions in certain circumstances including:

- Significant drop in performance of individual/ bank;
- Disciplinary Action against the individual;
- Resignation of the individual prior to the payment date;
- Directions/approval of any authority governing the bank.

f. Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

The main forms of such variable remuneration include:

- Cash – this may be at defined intervals (quarterly/annual/other custom frequency).
- Deferred Cash / Deferred Incentive Plan.
- ESOP as per SEBI guidelines.

The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality and longevity of the assignments performed.

g. Quantitative Disclosure:

(Rupees in Crores except no. reported)

Sr. No.	Particulars	As on / for the year ended March 31,2024	As on / for the year ended March 31,2023
I	Number of meetings held by the Remuneration Committee during the financial year Remuneration paid to its members.	5 0.10	5 0.10
II	Number of employees having received a variable remuneration award during the financial year.	1	1
III	Number and total amount of sign-on/Joining bonus made during the financial year	-	-
IV	Details of severance pay, in addition to accrued benefits, if any.	-	-
V	Total amount of outstanding deferred remuneration, split into cash, type of share-linked instruments and other forms.	1.10	0.93
VI	Total amount of deferred remuneration paid out in the financial year.	1.08	0.90



(Rupees in Crores except no. reported)

Sr. No.	Particulars	As on / for the year ended March 31,2024	As on / for the year ended March 31,2023
VII	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred*. Fixed pay including perquisites Deferred Variable pay Non-Deferred Variable pay Share Linked Instruments (ESOP grant)	 2.54 0.63 0.63 1.26	 2.54 0.63 0.63 1.26
VIII	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	-	-
IX	Total amount of reductions during the financial year due to ex-post explicit adjustments.	-	-
X	Total amount of reductions during the financial year due to ex-post implicit adjustments.	-	-
XI	Number of MRTs identified.	1	1
XII	Number of cases where malus has been exercised.	-	-
XIII	Number of cases where clawback has been exercised	-	-
XIV	Number of cases where both malus and clawback have been exercised	-	-

* Approval for revision in remuneration for FY 22-23 has been received on May 16,2023 from Reserve Bank of India. Further, approval for Fixed pay of FY2023-24 has been received on October 25, 2023, approval for variable pay for 2023-24 is awaited.

h. General Quantitative Disclosure

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Ratio/Deviation of pay of WTD from the mean pay	The mean pay for the bank as a whole is 0.18 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 14.23:1.	The mean pay for the bank as a whole is 0.16 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 15.44:1.

13) Other Disclosures

a) Business Ratios

Sr. No.	Particulars	As on / for the year ended March 31,2024	As on / for the year ended March 31,2023
i)	Interest Income as a percentage to Working Funds	4.76%	3.89%
ii)	Non-interest income as a percentage to Working Funds	48.13%	48.30%
iii)	Cost of Deposits	2.05%	2.40%
iv)	Net Interest Margin	4.81%	3.70%
v)	Operating Profit as a percentage to Working Funds	1.36%	1.13%
vi)	Return on Assets	0.99%	0.87%



Sr. No.	Particulars	As on / for the year ended March 31,2024	As on / for the year ended March 31,2023
vii)	Business (Deposits plus advances) per employee (Rs. in Crores)	1.86	1.34
viii)	Profit per employee (Rs. in Crores)	0.02	0.02

1. For the purpose of computing the ratio, working funds represent the monthly average of total assets (excluding accumulated losses, if any) computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.

2. Operating profit is profit for the year before provisions and contingencies.

3. Return on assets has been calculated basis the monthly average of total assets computed for reporting dates of Form X.

4. Productivity ratios are based on number of employees as on the end of financial year.

b) Bancassurance business

The bank has earned Rs. 10.39 crores (Previous year Rs 5.12 Crores) during the year on account of fees / brokerage in respect of insurance broking, agency and bank assurance business undertaken.

c) Marketing and distribution

The bank has earned Rs. 12.27 crores (Previous year Rs. 9.12 crores) during the year on account of fees / remuneration received in respect of the referral income of third party products and pension policies (excluding bank assurance business) undertaken.

d) Provisions & Contingencies

(Rupees in Crores)		
Particulars	For the year ended March 31,2024	For the year ended March 31,2023
(i) Provisions for Non Performing Investment	-	-
(ii) Provision towards Non Performing Assets	-	-
(iii) Provision made towards Income Tax	-	-
(iv) Other Provisions and Contingencies (with details)		
(a) Provision for depreciation on Investment	-	-
(b) Provisions towards legal and fraud cases	5.02	0.25
(c) Others	7.55	6.00
Total	12.57	6.25

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

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (IndAS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). However, currently the implementation of Ind AS for banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India.

f) Payment of DICGC Insurance Premium

(Rupees in Crores)			
Sr. No.	Particulars	For the year ended March 31,2024	For the year ended March 31,2023
i)	Payment of DICGC Insurance Premium*	2.53	1.55
ii)	Arrears in payment of DICGC premium	-	-

*Including GST



14) Fixed Assets

Fixed Assets as per Schedule 10 includes Intangibles and software's, details of which are as follows:

(Rupees in Crores)

Particulars	As on March 31,2024	As on March 31,2023
At cost as on 31st March of the preceding year	277.02	97.06
Additions / Adjustments during the year*	442.39	179.96
Deductions during the year	-	-
Depreciation to date*	(194.34)	(81.14)
Net Block	525.07	195.88

* Includes reclassification from tangible to intangible assets amounting to Rs. 38.64 crores

15) Accounting Standard AS-15 Employees Benefits

a) During the year, the Bank has recognized the following in the Profit & Loss Account.

i. Defined Contribution Plans

(Rupees in Crores)

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Employer's Contribution to Provident Fund	10.15	8.52
Employer's Contribution to ESI and other Funds	0.06	0.39

ii. Defined Benefit Plans

(Rupees in Crores)

For the year ended March 31,2024		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Current service cost	4.80	3.50
Interest cost	1.15	0.59
Actuarial loss/(gain)	1.19	(0.11)
Net gratuity/Leave encashment cost	7.14	3.98

(Rupees in Crores)

For the year ended March 31,2023		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Current service cost	3.50	2.59
Interest cost	0.95	0.46
Actuarial loss/(gain)	1.13	0.10
Net gratuity/Leave encashment cost	5.68	3.15

b) The assumptions used to determine the benefit obligation are as follows:

For the year ended March 31,2024		
Particulars	Gratuity	Leave Encashment
Discount Rate	7.11%	7.11%
Expected Rate of increase in Compensation Levels	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A	N.A
Expected Average remaining working lives of employees (years)	24.51	24.51



For the year ended March 31, 2023		
Particulars	Gratuity	Leave Encashment
Discount Rate	7.38%	7.38%
Expected Rate of increase in Compensation Levels	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A	N.A
Expected Average remaining working lives of employees (years)	24.72	24.72

c) Reconciliation of opening and closing balances of benefit obligations
(Rupees in Crores)

For the year ended March 31, 2024		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	15.54	7.96
Current service cost	4.81	3.50
Acquisition/ Transfer In/ Transfer out	0.13	0.11
Interest cost	1.15	0.59
Benefits paid	(2.62)	(1.48)
Actuarial loss/(gain)	1.19	(0.11)
Projected benefit obligation at year end	20.20	10.57

(Rupees in Crores)

For the year ended March 31, 2023		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	13.14	6.36
Current service cost	3.50	2.59
Acquisition/ Transfer In/ Transfer out	0.71	0.30
Interest cost	0.95	0.46
Benefits paid	(3.89)	(1.85)
Actuarial loss/(gain)	1.13	0.10
Projected benefit obligation at year end	15.54	7.96



d) History of experience adjustment is as follows:
Gratuity
(Rupees in Crores)

Particulars	As on 31.03.2024	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
Defined benefit obligation	20.20	15.54	13.14	11.02	8.32
Plan Assets	-	-	-	-	-
Net Assets /(Liability)	(20.20)	(15.54)	(13.14)	(11.02)	(8.32)
Experience Adjustment on plan liabilities- (gain)/ loss	(0.99)	(1.39)	(0.90)	(0.38)	(0.34)

Leave Encashment
(Rupees in Crores)

Particulars	As on 31.03.2024	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021	As on 31.03.2020
Defined benefit obligation	10.56	7.95	6.36	5.69	4.08
Plan Assets	-	-	-	-	-
Net Assets /(Liability)	(10.56)	(7.95)	(6.36)	(5.69)	(4.08)
Experience Adjustment on plan liabilities- (gain)/ loss	0.21	(0.15)	0.10	(0.02)	0.14

Note:- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, Business plan, HR policy and other relevant factors, such as supply and demand in employment market.

- e) Long term service award provided by the Bank as on March 31,2024 is Rs. 0.53 Crores (as on March 31,2023 Rs. 0.44 Crores)

16) Employee Stock Option Scheme (ESOS)

The following table provides an overview of existing share option plans of the Bank:

Scheme	Vesting Period
Equity settled Plan	
ESOP scheme-2017	4 years

Weightage average fair value per unit is Rs. 8.22 to Rs 9.30 for the options granted during the year and previous year respectively. Total share based payment expenses during the year is Rs. 7.20 Crores (Previous Year: Rs. 4.88 Crores).

During the FY 2022-23, ESOP scheme and plan 2017 was revised. As per revised scheme exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employee will be able to exercise the option at a price of 50% of Fair Market Value (determined at the time of first external liquidity event, which can be either via a direct primary investment in the Bank by a non Bharti Group entity or by sale of shares in the secondary market by the shareholders to a non Bharti Group entity or IPO ("Liquidity Event") or Face value per equity share of Rs 10; whichever is higher (As per the old scheme, exercise period was 3 years from vesting date or 1 year from IPO listing [whichever is later] and exercise price was 50% of Fair Market Value ("FMV") determined at the end of previous financial year or INR 10 whichever is higher).



The movement in the number of stock options is as follows:

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of Options	Weighted average exercise price(Rs.)	Number of Options	Weighted average exercise price(Rs.)
i) Outstanding at the beginning of the year	35,168,340	10	25,381,431	10
ii) Add: Granted during the year	11,668,742	10	12,577,559	10
iii) Less: Expired during the year*	-	10	-	10
iv) Less: Forfeited during the year*	2,954,625	10	2,790,650	10
v) Less: Exercised during the year	-	10	-	10
vi) Outstanding at the end of the year [i+ii-iii-iv-v]	43,882,457	10	35,168,340	10
vii) Unvested at year end	24,766,397	10	22,794,805	10

The Weighted average remaining contractual life of options is 4 year to 5.5 years, (PY: 4.9 year to 5.7 years).

* Expired represents the option expiry from vested options and forfeited represents the unvested option.

Fair Value methodology

The fair value of options has been estimated using The Black Scholes Model. The shares of the Bank are not listed on any stock exchange. Accordingly, the Bank has considered the volatility of the Bank's stock price as an average of the historical volatility of the similar listed enterprises for the purpose of calculating the fair value. The key assumptions used to estimate the fair value of the options granted are given below.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Risk-free interest rate	7.3%	7.1%
Expected Life	4 to 5.5 years	4.9 to 5.7 years
Expected volatility	48.8%	34.3%
Dividend yield	NA	NA

17) Accounting Standard AS-17 – Segment Reporting

- i) The Business Segments, which is the Primary Segment include:
 - Treasury Operations
 - Retail Banking Operations
- ii) The Geographical segments are recognized as the Secondary Segment. As the Bank is not carrying on any foreign operations, the only reportable geographical segment is of Domestic operations.
 - **Treasury Operations:** Treasury operations consist of dealing in securities and Money Market Operations.
 - **Retail banking business operations:** Includes all other Banking operations not covered under Treasury. Other banking business is the residual category.

For presentation of results of treasury operations as part of the segment disclosure, the Bank has considered interest costs attributable to the treasury operation which has been derived based on yield of T-bills securities considering the maturity profile of assets / liabilities of the treasury operation.



Airtel Payments Bank Limited**Notes to Financial Statements****Business Segment***(Rupees in Crores)*

March 31, 2024			
Particulars	Treasury	Retail Banking Operations	Total
Revenue	164.28	1,825.10	1,989.38*
Result (i)	4.72	32.69	37.41
Unallocated Income(ii)			0.65
Result Including unallocated income(iii)=(i)+(ii)			38.06
Less :Un-allocable expenditure(iv)			(3.55)
Operating Profit(v)=(iii)-(iv)			34.51
Income Taxes			-
Extraordinary Profit/ (Loss)			-
Net Profit			34.51
Other Information:			
Segment Assets	2,992.22	1,705.38	4,697.60
Unallocated Assets			-
Total Assets			4,697.60
Segment Liabilities	0.00	4,175.22	4,175.22
Unallocated Liabilities			18.60
Capital & Reserve & Surplus			503.78
Total Liabilities			4,697.60

*Includes inter-segment revenue amounting to Rs. 154.23 Crores

(Rupees in Crores)

March 31, 2023			
Particulars	Treasury	Retail Banking Operations	Total
Revenue	95.72	1,282.02	1,377.74*
Result(i)	5.03	19.74	24.77
Unallocated Income(ii)			0.42
Result including Unallocated Income(iii)=(i)+(ii)			25.19
Less : Un-allocable Expenditure(iv)			(3.55)
Operating Profit(v)=(iii)-(iv)			21.64
Income Taxes			-
Extraordinary Profit/ (Loss)			-
Net Profit			21.64
Other Information:			
Segment Assets	2,196.32	830.13	3,026.45
Unallocated Assets			-
Total Assets			3,026.45
Segment Liabilities	85.00	2,535.21	2,620.21
Unallocated Liabilities			11.40
Capital & Reserve & Surplus			394.84
Total Liabilities			3,026.45

*Includes inter-segment revenue amounting to Rs. 87.07 Crores



18) Accounting Standard AS-20 - Earnings per Share (EPS):
(Rupees in crores, except number of shares and per share data and as stated otherwise)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a)	Profit/(Loss) attributable to equity shareholders (i)	34.51	21.64
b)	Weighted average number of equity shares outstanding during the year (ii)	2,388,157,117	2,370,081,051
c)	Weighted average number of equity shares outstanding during the year (including dilutive potential equity shares) (iii)	2,407,273,180	2,382,454,586
d)	Earnings /(Loss) per share (Basic) Rs. (i) / (ii)	0.14	0.09
e)	Earnings /(Loss) per share (Dilutive) Rs. (i) / (iii)	0.14	0.09
f)	Total number of equity share outstanding at end of year	2,465,007,036	2,465,007,036
g)	Nominal value of share (Rs.)	10	10

19) Leases

The total amount paid by the Bank under cancellable operating lease for the financial year is Rs. 12.23 Cr (Previous year: Rs. 10.85 Cr). The Bank has not entered into any non-cancellable operating lease and financial lease arrangement in the current year and in the previous year.

20) Impairment of Assets

An asset is treated as impaired when its carrying amount exceeds its recoverable amount. The impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the impaired assets exceeds their recoverable value.

The management has reviewed the carrying value of the assets, as per Accounting Standard 28 – "Impairment of Assets", and assessed that no impairment is required as the value in sale is higher than the carrying value.

21) Dues to Micro and Small Enterprises

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Bank, is given below.

(Rupees in crores)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	4.32	10.54
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.36	11.40
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006.	-	-



Airtel Payments Bank Limited

Notes to Financial Statements

22) Related Party disclosure

List of Related Parties

Bharti Airtel Limited
 Bharti Enterprises Limited (Formerly known as
 Bharti Ventures Limited)
 Bharti Telemedia Limited
 Bharti Hexacom Limited
 Nxtra Data Limited
 Bharti Airtel Services Limited
 Xtelify Limited (Formerly known as Airtel Digital
 Limited)
 Hike Private Limited
 Rostrum Reality Private Limited*
 Centum Learning Limited*/*
 Bharti Axa Life Insurance Company Limited*
 MasterCard Asia Pacific Pte Limited**
 Anubrata Biswas

Relationship

Holding Company
 Entity having Significant Influence
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Fellow Subsidiary
 Group Companies
 Group Companies
 Group Companies
 Group Companies
 Entity having common director
 Key Management Personnel (KMP)

Relative of KMPs:

Jhelum Biswas, Anup Biswas, Indrani Bose, Ishi Biswas

* Group companies though not 'Related Parties' as per the definition under AS-18 – Related Party Disclosure, have been included (if there are transactions with such group companies in current year or previous year) by way of a voluntary disclosure, following the best corporate governance practice.

Centum Learning Limited ceased to exist as related party with effect from October 17, 2022

** MasterCard Asia Pacific Pte Limited ceased to exist as related party with effect from March 12, 2024

The details of the amounts due to or due from the related parties as on 31.03.2024 and 31.03.2023 along with transactions entered during year are as follows:

(Rupees in Crores)

Items / Related Party	Holding Company	Fellow Subsidiary	Group Companies	Entity having Significant Influence	Entity having common director	Key Management Personnel (KMP)	Total
Payable	61.00 (32.50)	18.23 (17.11)	0.17 (0.20)	- -	- -	1.10 (0.93)	80.50 (50.74)
Receivable	7.54 (9.06)	2.14 (5.61)	0.04 (1.04)	- -	- (1.69)	- -	9.72 (17.40)
Receiving Services of	31.66 (21.27)	55.39 (58.90)	0.45 -	- -	1.90 (0.39)	3.39 (3.15)	92.79 (83.71)
Rendering Services of	441.28 (392.53)	48.12 (52.91)	- (0.19)	- -	0.39 -	- -	489.79 (445.63)
Reimbursement paid for cost incurred	26.20 (25.42)	0.35 (0.24)	- -	- -	- -	- -	26.55 (25.66)
Reimbursement received for cost incurred	23.51 (34.53)	11.27 (18.40)	- -	- -	- -	- -	34.78 (52.93)
Subscription to equity shares	- -	- -	- -	74.43 (25.92)	- -	- -	74.43 (25.92)



Airtel Payments Bank Limited**Notes to Financial Statements**

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31.03.2024 and 31.03.2023 are given below:

(Rupees in Crores)

Items / Related Party	Holding Company	Fellow Subsidiary	Group Companies	Entity having Significant Influence	Entity having common director	Key Management Personnel (KMP)	Total
Payable	61.00 (39.96)	47.50 (38.95)	0.22 (0.19)	-	-	1.10 (0.93)	109.82 (80.03)
Receivable	13.68 (11.46)	2.42 (9.53)	0.06 (1.02)	-	(4.09)	-	16.16 (26.10)

*As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Bank as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence not included in the above table. Number of Employee Stock Options (ESOP) granted during the year are 0.23 Crore (PY 0.18) are not considered above.

Includes purchase of IT Equipment/Software

Includes withholding taxes and rebates as per arrangement.

1. Figures of previous year are given in brackets

2. Maximum balance outstanding during the year is based on comparison of the total outstanding balances at each month-end.

23) Break up of Other Expenditure, Commission, Exchange and Brokerages, Other liabilities and Other assets

A. Operating expenses – Other Expenditure (exceeding 1% of total income)

(Rupees in crores)

Particulars	March 31,2024	March 31,2023
Commission and Incentive	743.66	556.18
NPCI Switching & Interchange Expense	154.64	92.13
Sales Support	81.35	70.17
Information Technology	66.92	65.08
Bank Charges	36.98	32.62
Call Center and Customer Communication Expenses	55.91	37.50
GST	28.37	16.08

B. Commission, Exchange and Brokerages (exceeding 1% of total income)

(Rupees in crores)

Particulars	March 31,2024	March 31,2023
Revenue from Collection Services	638.77	541.32
Revenue from Remittance & Transfer Services	573.54	434.91
Fees & Charges Collected	394.37	177.00
Revenue from Government Authority	37.52	25.89
Revenue from Insurance Commission & Referral Fees	22.73	14.28



C. Other Liabilities and Provisions - Others (exceeding 1% of total assets)
(Rupees in crores)

Particulars	March 31,2024	March 31,2023
Earnest Money Deposit	348.22	288.76
Semi-Closed Prepaid Payment Instruments	169.73	185.86
Provision for Expense	127.94	112.22
Outward Remittance-Pending Settlement	132.99	66.03
Merchant Settlements	385.46	61.72
Trade Creditors	207.33	60.53
Provision for Employee Benefits	57.36	43.64

D. Other Asset - Others (exceeding 1% of total assets)
(Rupees in crores)

Particulars	March 31,2024	March 31,2023
Trade Receivable	90.77	86.84
Inward Remittance-Pending Settlement	192.80	86.80

24) As per the operating guidelines for Payments Bank issued by Reserve Bank of India (RBI) vide its circular no. RBI/2016-17/80/DBR.NBD.No.25/16.13.218/2016-17 dated 6th October, 2016, Payments Bank cannot lend to any person except their own employees. Accordingly, all the disclosures pertaining to advances and securitisation have not been made. Further during the financial year ended 31st March 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable.

- the Bank has not granted any advance/loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend/invest/provide guarantee or security or the like to any other person on behalf of the Bank.
- the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

25) Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software w.e.f April 01, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accounts of India ("ICAI") issued an "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Bank has identified relevant applications / accounting software's that record financial transactions, along with the ERP system to which the aforementioned provision and guidance apply. The Bank has adequate general information technology controls (GITCs) over its applications / accounting software's and alternate sources including manual controls for financial reporting. The Bank has implemented the audit trail facility on these applications / accounting software's to comply with the requirements of the above rule. Audit trail in primary accounting software of the Bank did not operate throughout the year as the functionality of enabling audit trail commenced/implemented on 14th March 2024.

26) Comparative figures: Figures of the previous year have been re-grouped and reinstated to conform to the current year presentation.

