



NSDL Payments Bank



ANNUAL REPORT 2021-22




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MD's Message

FY 2021-22



Dear Members,

We are delighted and honoured to present our annual report 2021-22. This report will offer a qualitative and quantitative view into the operations and our strategic approach toward making the nation's vision - Financial Inclusion - a reality.

Let me start by saying NSDL Payments Bank, a wholly digital and paperless bank, has come a long way since October 29, 2018. Driven by passion, the Bank has worked hard to exceed the expectations of its customers, partners, and stakeholders.

FY 2021-22 Run-Through

The first quarter of FY 2021-22 coincided with the second wave of COVID-19 in India, which was more severe than the first wave. But amid chaos, there is opportunity. As a Payments Bank, we passionately believe that the government's Digital India Initiative can be truly achieved when Financial Inclusion is accompanied by Digital Inclusion. Following this train of thought, we worked towards bringing banking services to every doorstep through our inclusive banking initiatives and with its easy-to-use technology, we have ensured that our end-users can bank through their mobile phones, anytime anywhere. This helped us push the Bank's net worth from ₹117 crores to ₹125 crores, reflecting its operational resilience.

Through our mobile app – NSDL Jiffy – we try to provide superior service, innovative connectivity, and intuitive technology to inspire and enable all our customer segments to Bank seamlessly. The app allows a fully digital savings account opening process with features like virtual debit cards and payments through NEFT, IMPS, UPI and QR Codes. The customers can also avail themselves of our Recharge and Bill Payments services, making it a one-stop-shop for our users. To improve their experience, we have introduced features like a customer redressal mechanism and FAQs.

With the easy-to-use features, we received good user reviews on social media, and our ratings have gone up to 4.3 on the google play store. We also saw a tremendous increase in referrals, resulting in our customer base soaring to 3.5 lakhs as of March 31, 2022.

Third-party mutual fund investments and simple insurance products are offered to our customers. We have even partnered with well-known stock broking companies to put forward Linked Trading Accounts to the capital market brokers, helping our customers do real-time, one-click transfers from their Bank to their trading account.

We at NSDL Payments Bank, keeping the government's vision of bringing Modern India and Rural Bharat under the



digital banking umbrella, have successfully made in-roads into the underbanked and unbanked areas. As per the Bank's model of B2B partnership, we have tied up with multiple BCs (Business Correspondents) and have successfully created a nationwide merchant ecosystem of mom-and-pop shops to allow basic banking transactions through Micro ATMs, AePS and DMT. Seva Kendras (Customer Service Points) have been opened for redressal purposes, helping our customers Bank better. We now have 20+ lakhs touchpoints through this channel.

As you go through the report, you will see how our inclusive banking operations have increased many folds with business worth ₹1,615 crores in the first quarter, it went up to ₹11,634 crores in the fourth quarter, in which AePS services alone rose from ₹310 crores in the first quarter to ₹8,979 crores in the final quarter.

We have designed a broad Business Banking Product Suite for our SMEs and MSMEs, including Current Accounts, Prepaid cards, and the latest addition - DBT (Direct Benefit Transfer). In the last financial year, our Prepaid Cards alone showed a throughput of approx. ₹7,800 crores. We also offer Payment Gateway and Point of Sale (PoS) solutions for our offline merchants, showing our resolve towards a strong cashless world.

There are a few more accomplishments that we wish to highlight. During this period, we had our first RBI inspection and were able to conduct the same to the regulator's satisfaction. We closed the financial year 2021-22 in green, by registering an operational profit and recently, we also shifted to a bigger and better office space.

Our positive performance has resulted from unwavering teamwork, so to retain and attract key talents, the Bank has framed an ESOP policy. Steps are also being taken to ensure employee wellness. During the COVID-19 lockdown, PPE kits and ambulance service in emergencies were provided. Vaccination camps were organized for employees and their family members. Today, all our employees are fully vaccinated. We have even partnered with portals to provide our staff with ready access to nationwide doctors for medical consultations.

Future Outlook

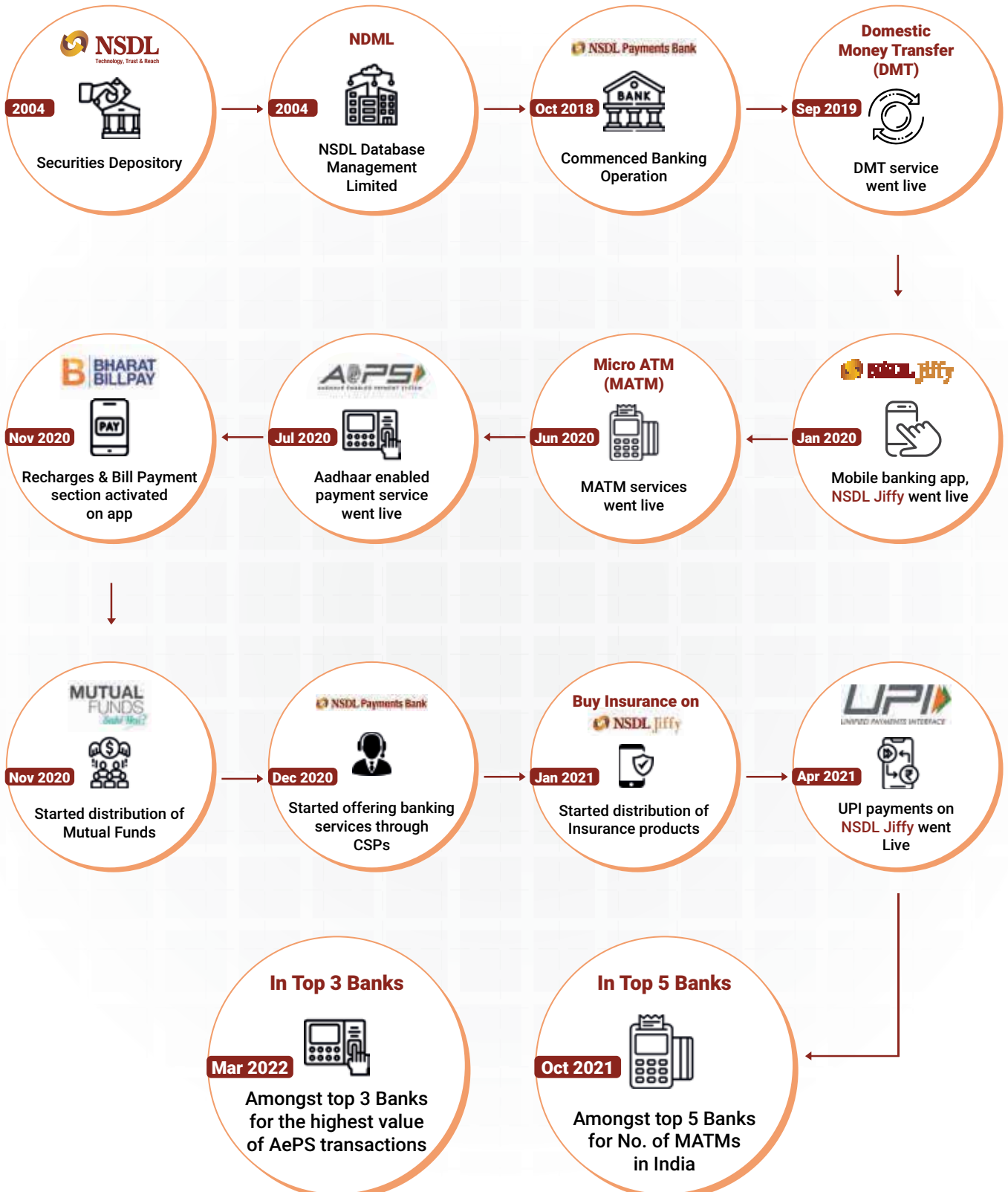
2022-23 should be an exciting year, full of opportunities, growth, and learning. This year too, our focus will be on building an institution with the highest standards of governance, robust risk processes and which is financially vital and technologically powered to deliver the best value to its customers and all stakeholders. We plan to bring regular interventions to stay relevant to the various customer segments we serve. In the process, becoming a systematically important bank in the payments bank space.

Thank You

We want to acknowledge and express gratitude for the trust placed in us by our esteemed customers, shareholders, regulators, and all other stakeholders. We remain grateful for your confidence in us, our Bank's capabilities, and your willingness to evaluate us on the strength of our achievements.

With best wishes,
Abhijit M. Kamalapurkar
MD & CEO

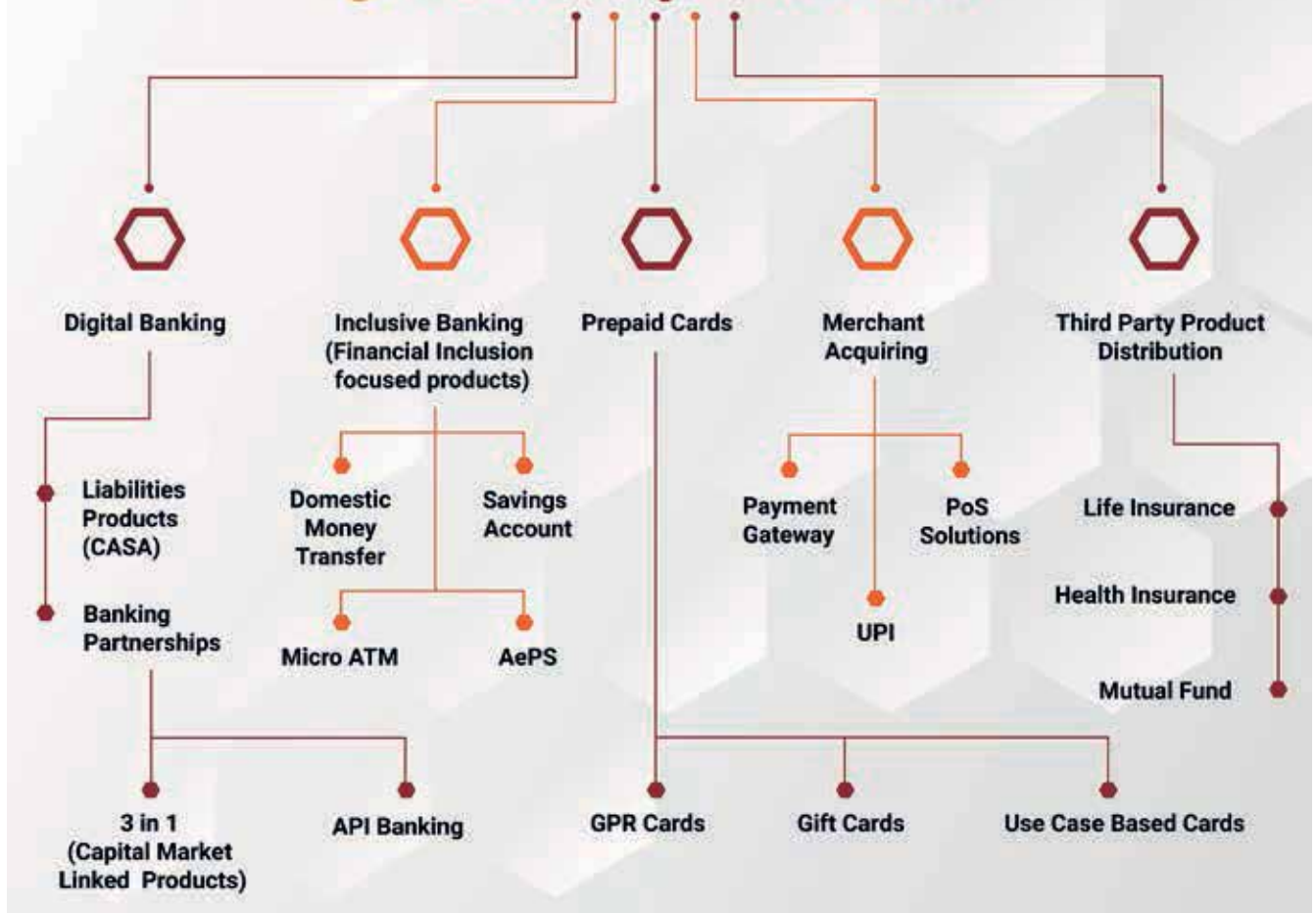
OUR JOURNEY SO FAR



BUSINESS OUTLOOK



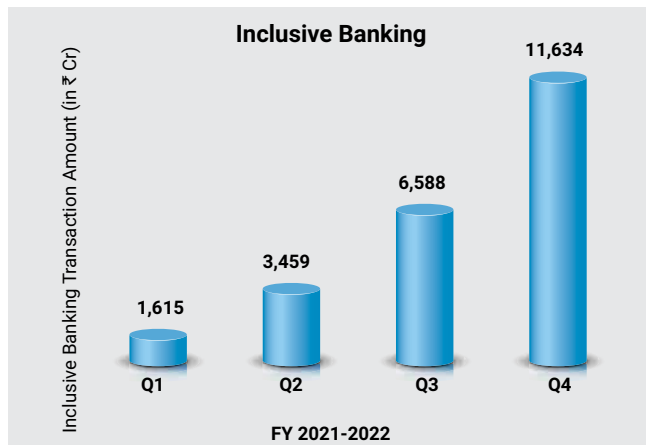
NSDL Payments Bank





Bank's Growth in line with Financial Inclusion

NSDL Payments Bank in 2021-22 asserts a strong foothold Pan-India in Inclusive Banking. Through its inclusive banking solutions, it has adopted scalable and exceptional steps to enable the financial inclusion of the disadvantaged and low-income population in the cities and various unbanked and underbanked areas.



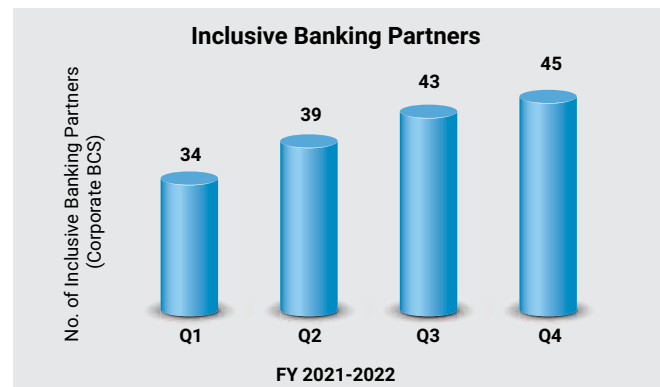
NSDL Payments Bank successfully rode the digital wave brought about by the pandemic with NSDL Jiffy, the bank's flagship app known for its superior service, innovative connectivity, and intuitive technology and its customer-friendly features like Zero Balance Accounts, Digital Debit Cards, Fund Transfers - IMPS, NEFT and UPI, Online Bill Payments and Recharges, Mutual Funds, and Insurance. This has led to a continuous upward surge in the Android and iOS userbase. NSDL Payments Bank, keeping the government's vision of "Financial Inclusion" in mind, has introduced features that can be availed by all. Other than an ensemble of online savings accounts that cater to the customers' diverse needs. The bank has taken up initiatives like DMT (Domestic

Money Transfer), Micro ATM, AePS (Aadhar Enabled Payment System), Savings Account opening for our offline customers with the help of the nationwide network of our Inclusive Banking Partners (Corporate BCs) and Business Correspondents (BCs). They usually run neighbourhood shops like small kiranas, stationary, pharmacies etc.

2021-22 has been a good year for Inclusive Banking. The operations grew many folds, wherein we did a total business worth ₹23,296 crores, our volumes grew from ₹1,615 crores in Q1 to ₹11,634 crores in Q4.

Inclusive Banking Partners

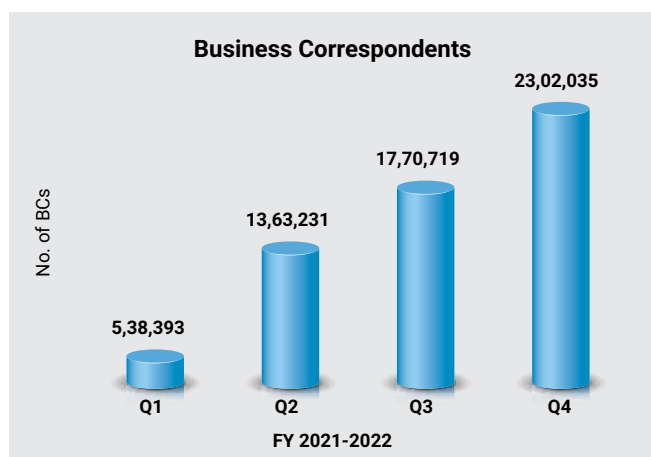
For the promising inclusive banking performance, the credit goes to its extensive banking partner network. With their help, the bank has been able to expand its outreach and offer its banking services at a low cost. As evident in the graph below, our partner network has been consistently growing. In the FY 2021-22, the bank tied up with 11 more partners and is working towards taking that number higher.



With its help our BC network in terms of number Of BCs (agents) grew by more than 300%.

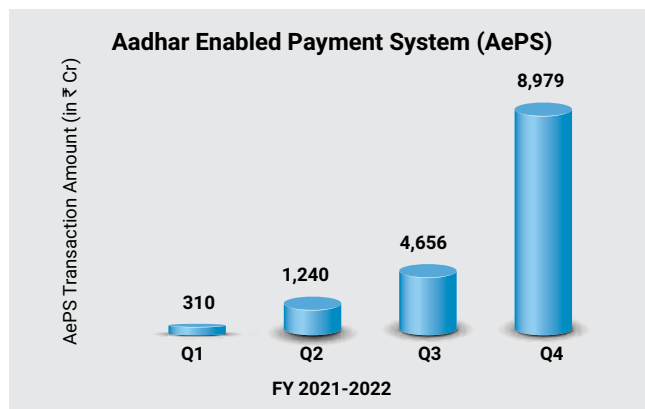
Customer Service Points

The Bank has set up various Customer Service Points (CSPs) for extending banking services and remittances facilities across India. NSDL Payments Bank witnessed a 200% increase in the number of Customer Service Points in the last FY, from 197 in the first qtr. to 408 in the last qtr. The bank is working hard toward adding more CSPs in order to push financial inclusion forward.

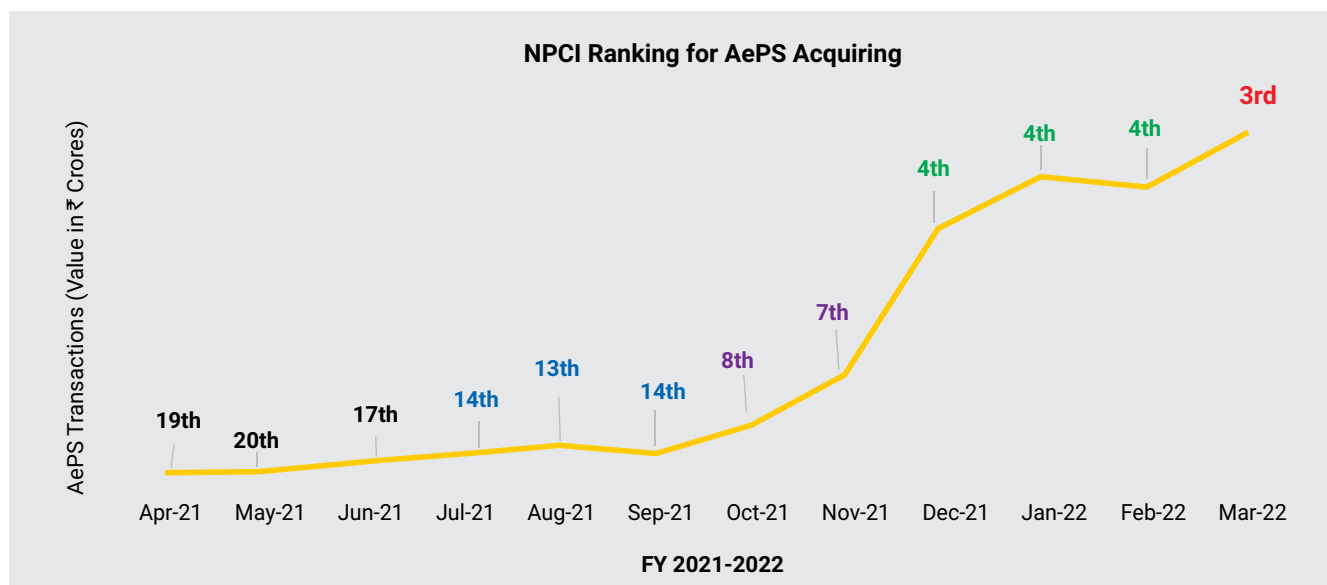


Aadhaar Enabled Payment System (AePS)

Aadhaar enabled Payment System allows offline bank customers basic banking transactions like cash deposit, cash withdrawal, Intrabank or interbank fund transfer and balance enquiry through the bank's Business Correspondents. We started with ₹310 crores in the first quarter to ₹8,979 crores in the fourth quarter taking the total to ₹15,185 crores.



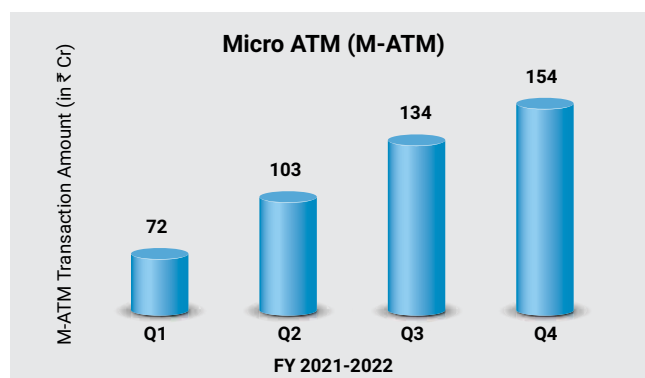
As per NPCI's March 2022 ranking for AePS Acquiring, the Bank ranked 3rd in India as opposed to 19th in April 2021.



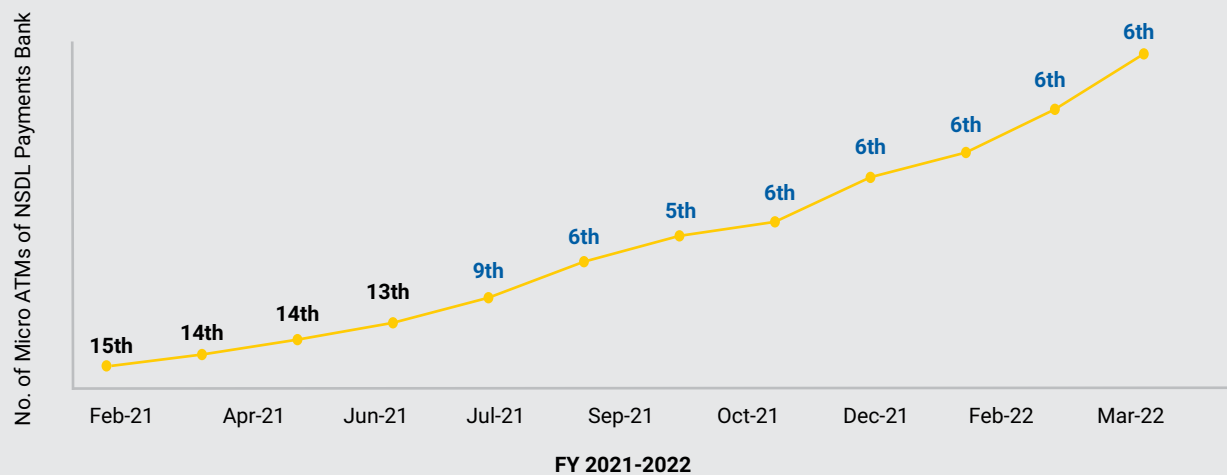
Micro ATM (M-ATM)

Micro ATM services are offered through Business Correspondents (BC) appointed by the Bank who deliver essential banking services like cash withdrawal and balance enquiry. In FY 2021-22, the Bank witnessed a steady growth in the bank's Micro ATM initiative, where volumes increased from ₹72 crores to ₹154 crores in the last quarter taking the total to ₹463 crores.

As per RBI's bank wise ATM/POS/CARD statistics, the Bank ranked 6th in India as opposed to 15th in April 2021 and was in top 5 in the month of October 2021.



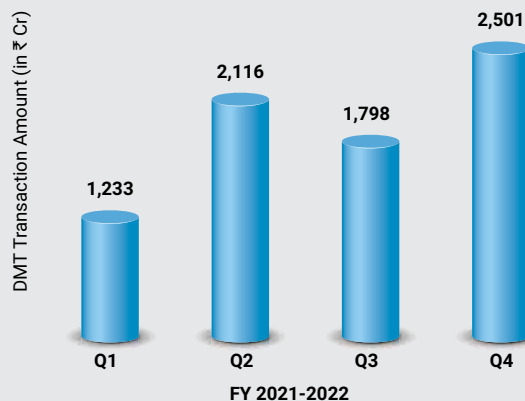
Ranking No. of MATMs of NSDL Payments Bank



Domestic Money Transfer (DMT)

It is a cash-to-account fund transfer where the Bank enables non-account holders to send money to any bank through the Banks' fund transfer services. DMT, too showed consistent growth in 2021-22, from ₹1,233 crores in Q1 to ₹2,501 crores in Q4, summing up to ₹7,648 crores.

Domestic Money Transfer (DMT)



NSDL Payments Bank has a comprehensive Business Banking Product Suite for SMEs and MSMEs. It includes opening Current Accounts through Digital and offline modes, with corporate internet banking facilities (desktop and mobile versions) and Prepaid cards, helping the business customers digitize their daily and ad-hoc payments. Its latest addition, DBT (Direct Benefit Transfer), allows account holders receive subsidies from the government through the Public Financial Management System (PFMS). The bank now boasts 20+ lacs touchpoints through B2B, and many more are on the way.

In the next fiscal year, the bank looks forward to gaining 3 Lakhs CASA accounts through its BC channels and getting more business volume from its existing partners. It is also working toward expanding the network of its banking outlets and enrolling new business partners across the nation to provide a varied range of inclusive banking products offered by the bank. With the initiatives mentioned above, it aspires to reach the top 3 positions in DMT and AePS as well.

NSDL Payments Bank looks forward to a less-cash-dependent economy, where banking is not only affordable to Indians but also easily accessible through its digital platforms.



Digital Banking

During the financial year 2021-22, NSDL Payments Bank made considerable progress towards simplifying & redesigning customer journeys and improving the overall banking experience for them, with its advanced mobile banking app- NSDL Jiffy. Till 31st March 2022, we had digitally opened more than 3.5 Lacs Savings Accounts on our Mobile App out of which 2 Lacs were opened in FY 2021-22.

NSDL Jiffy Mobile App is built with a focus on personalization, intuitiveness, and simplicity to deliver a superior user experience. Here are some of the features that make it best-in-class:

- **Log In** - Seamless and secure.
- **Dashboard**- One dashboard that gives a holistic overview of your banking and investments with us.
- **Transactions**: Fund transfers are quick & simple with multiple options for the mode of transfer. At the same time, it is more secure with the beneficiary validation option, where we ensure the money gets transferred to the right beneficiary.
- **Bill Payments & Recharges**: With a wide range of billers to choose from, users can pay all the monthly bills and do recharges in a jiffy.
- **Payment Assist**: The user can set reminders of any payment or schedule future payments. In the case of Bill Payments, the user can register for autopay as well.



NSDL Jiffy App Growth and Developments

In our continuous effort to achieve excellence in mobile banking and user experience, we released 14 updates to

our app's android version in the said year. By the end of the fiscal year, we had acquired 1.1 million users* on the app, out of which 67% of users were acquired in FY 2021-22.

To achieve this milestone, we leveraged our marketing efforts in Social Media Marketing, Search Engine Marketing, Online Advertising, Referral Campaigns, Campaigns on Recharge & Bill Payments, and various other re-targeting campaigns.

To improve the user experience, we monitored ratings and reviews of our app on different platforms. This effort improved the Google Play store ratings from 3.9 to 4.2 in FY 2021-22. By the end of the FY, our app rating was 16% higher than our peers.

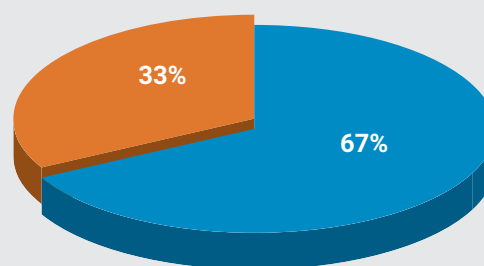
Throughout the year, we constantly engaged with our app users to keep them active on our mobile banking app. We ran referral programs and Cashback on Bill Payment and Recharges. Our Monthly Active User base was increased by 60% in the FY 2021-22.

The bank has seen growth in the Business Banking arena for both Individual and Non-Individual customer bases. Our Current Account offering is tailored to provide customers' businesses with premium banking services and ease of managing money more profitably. By the end of the financial year, we had opened 6000+ accounts, out of which 50% of accounts were acquired in FY 2021-22.

We look into the future of Digital Banking with hope. The bank eagerly anticipates going live with its digital partners and offering use case-based products through their interface.

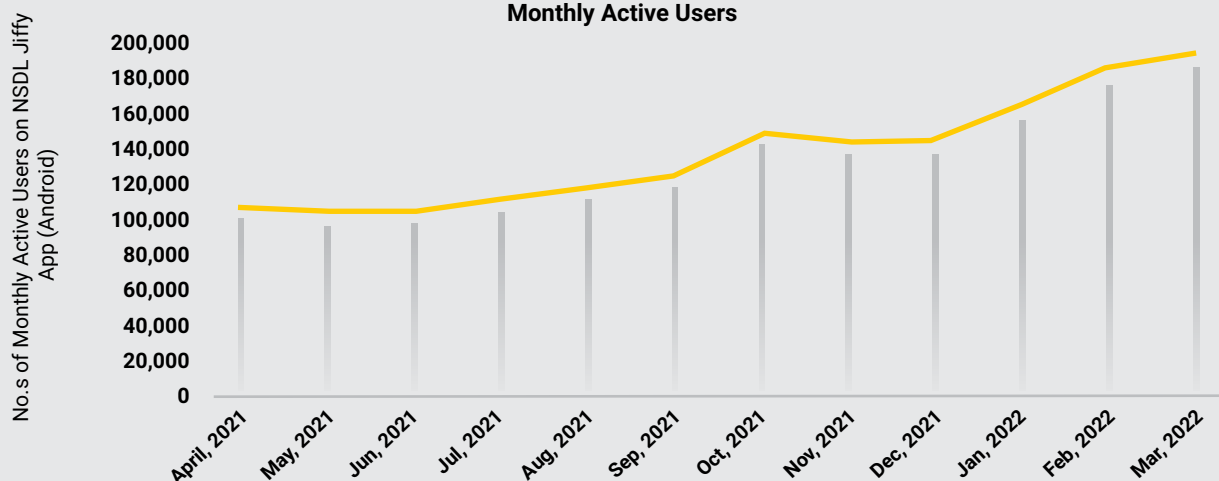
It is also working toward providing a seamless sweep facility to its existing and prospective Current Account customers. To provide a more comprehensive digital banking experience, the bank looks forward to adding significant Billers to the BBPS ecosystem as a BOU. The bank hopes to explore the option of offering credit products like Co-branded Credit Cards and Small Ticket Loans through banking partnerships. Taking a step further toward the nation's goal of digital financial inclusion, the NSDL Payments Bank is also pushing towards introducing a Savings Account for Minors on NSDL Jiffy.

User Acquisition



67% of the total users
(as on 31st March 2022)
were acquired in FY 2021-22

Monthly Active Users





Banking Partnerships

Keeping in line with the bank's aim of digital financial inclusion of both banked and underbanked sections, we aimed to offer our banking products not only through traditional channels but also by expanding our services to other organizations that can extend them to end-users. In this effort, NSDL Payments Bank has initiated multiple business partnerships in the FY 2021-22.

The Bank has started to partner with many capital market brokers to offer integrated 3-in-1 saving accounts that combine the features of Savings, Demat & Trading accounts to the customers of our broking partners. This offering is a unique tech integration, and once the product is live with all its modules, it will enable clients to allocate funds while retaining the money in their saving account till the trade is successfully executed. The product offers a single-click and seamless experience to clients for availing margins without going through the slow & traditional fund transfer journey.

In the last few years, the participation in Indian capital market has soared significantly and the bank is working hard to help its account holders make the best out of it. In the current financial year, the bank hopes to focus on offering savings or current accounts to capital market brokers/NBFC partners' clients for investment purposes. To make the trading

experience secure and profitable for the account holders, the bank is working towards providing account verification services and is enlisting discount brokers for 3-in-1 product integration.

We have also partnered with two Agent Institutes in the BBPS ecosystem to offer Recharge & Bill Payments services to their customers. These partnerships increased the Bank's monthly BBPS transaction volume by more than 5 times in FY 21-22.

UPI became one of the most preferred mode of payments across the country but a certain section of the population, namely feature phone users were out of the UPI ecosystem due to a lack of smartphone or internet connectivity in their phones. RBI initiated steps to enable them to use UPI service through their feature phones. In order to take this initiative forward, NSDL Payments Bank collaborated with NPCI and ToneTag to develop and launch "UPI123," i.e., UPI payments through feature phones. The RBI launched it on 8th March 2022.

In order to simplify the day-to-day banking activities of the end users, NSDL Payments Bank has started collaborating with various Digital Partners to brainstorm, innovate, and offer multiple use case-based products, hoping to bring more and more people into digital banking umbrella.



Prepaid Cards

As payment innovators, the Bank is always on the lookout for improving money movement, and one of the areas that it has been working tirelessly on digitizing B2B payments. It comprises employee expense, partner engagement and payouts. NSDL Payments Bank Prepaid Cards have managed to streamline the B2B Payments and are successfully making the experience more optimized and seamless.

The Bank offers a host of Prepaid Cards like Corporate gifting cards and various reloadable cards like Student Cards, Meal Cards, Payroll Cards and many more. These Visa/ RuPay certified cards come in different formats like Physical and Virtual Wallets. The Bank also provides novel contactless wearable cards where the customers can transact using daily accessories like a Band, Keychain, Mobile Sticker etc. It

now boasts of 40 program managers and various big-name partners and processors.

The Bank can now issue full-KYC Prepaid Payment Instructions (PPI) to beneficiaries of inward remittances under the Money Transfer Services Scheme (MTSS) of RBI.

In the last fiscal year, the Bank's prepaid card section recorded a throughput of approx. ₹7,800 crores and a top line of ₹157 crores. In FY-23, the Bank looks forward to continuing its growth momentum. It is working towards onboarding more partners for the reloadable use case and exploring more options like Transit Card, Multi-Wallet Card, Fuel Card, Fleet Management Cards, Transit Cards and RuPay-On-The-Go by partnering with various processors. It also looks forward to introducing inter-operability on Prepaid Cards, Add-On Cards, Parent-Child Cards etc.



Third-Party Product Distribution

The Bank distributes third-party products, including mutual fund schemes, life insurance, health insurance and other

general insurance policies. The Bank offers comprehensive investment and protection solutions to cater to the diverse needs of each customer segment, adopting tech-enabled



delivery mechanisms across all customer touch points.

Digital initiatives continue to be the Bank's top-most priority, which will help streamline the customer onboarding and servicing processes. Currently, the Bank distributes Mutual Funds schemes of 25 major Asset Management Companies through its digital channels. The Bank tied up with ICICI

Prudential Life Insurance in its life insurance distribution business. In General Insurance, the Bank is focused on

increasing customer penetration by bringing in contextual products powered by HDFC Ergo General Insurance.

We launched Direct-to-Customer (D2C) sales fulfilment process on mobile banking platforms for term and health products, ensuring frictionless journeys.

The Bank continues to focus on reimagining end-to-end journeys and building a digital ecosystem for third-party product distribution.



Merchant Acquiring

The Bank has identified Merchant Acquiring as one of the emerging lines of business. It is centered around providing a digital payment collection mode for Merchants. Here the Bank can have a direct arrangement with merchants or through Payment Facilitators (Aggregators).

Currently, the Bank is focused on taking the Aggregator model forward by enabling merchants to process cards, net banking & UPI transactions. This helps merchants increase their sales by providing the latest options to their customers for online payments. Currently, through the Aggregator model, the Bank has 129 active merchants and is working towards tying up with multiple partners to increase that

number. It has also begun to offer UPI as a payment solution to merchants, which includes QR, VPA push, collect and IVR modes.

NSDL Payments Bank looks ahead to 2023 to reshape the merchant services and transaction processing ecosystems. The Bank is actively working towards tie-ups with new PA/PGs on the aggregator model. It is also focusing on onboarding more merchants via the aggregator model in UPI QR and VPA collect format. Having said that, UPI Static QR will soon go live with the Bank's payment partners. It also looks forward to working with various entities to enable UPI IVR acquiring services for government and merchant payments.

CORPORATE GOVERNANCE

The timely and accurate disclosure of information regarding the financial situation, performance, board constitution, ownership of the Bank etc is an important part of Corporate Governance.

The Corporate Governance Policy at the Bank provides the framework under which the Board of Directors operate. It includes Bank's corporate structure, culture, policies and the manner in which it deals with various stakeholders. The Bank's Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investors/regulators confidence. The Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Government and others who deal with the Bank.

The Bank defines the internal control system as a set of mechanisms to ensure control of its development, profitability, risks, and business operations. These mechanisms seek to ensure that:

- Risks of any kind are identified, assessed, and managed.
- Operations and behaviours are in accordance with the decisions made by the management bodies and comply with the laws, regulations, values, and internal rules of the NSDL Payments Bank.
- Operations are carried out to ensure effective and efficient use of resources. Lastly, this system provides managers with access to the information and tools required for properly analysing and managing these risks. It also ensures the accuracy and relevance of the NSDL Payments Bank's financial statements as well as the information disclosed to financial markets.

The Bank has implemented a risk management and control system that revolves around transparent governance supported by a dedicated team of professionals.

Risk management:

The Bank with a view to mitigate business risks:

- Implements and monitors the risk management system.
- Monitors the Bank's overall risk profile and identifies and assesses emerging risks.
- Reports on risk exposure and advises the Board of Directors on risk management matters
- Defines and monitors the Bank's risk appetite.
- Updates the mapping of risks to which NSDL Payments Bank is exposed.

Internal Audit

The Internal Audit function is an independent function with sufficient authority, stature, independence, and resources within the bank, thereby enabling internal auditors to carry out their assignments with objectivity and provide independent assurance. The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board.

In line with the RBI's guidelines on Risk-Based Internal Audit (RBIA), the Bank has adopted a robust internal audit policy. The Risk-Based Internal Audit has been designed after factoring in regulatory guidelines and as per the Risk assessment framework adopted by the Bank.

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an ongoing basis. This is provided to primarily ensure that the business and support functions comply with both internal and regulatory guidelines. Further to augment the internal audit function, the concurrent audit has been integrated into the internal audit process to make the function more robust. Internal Audit and Concurrent audit observation along with management response are placed before the Audit Committee for review.

Keeping pace with digitalization in the Bank, the bank's Internal Audit function also performs Information systems and Security audits leveraging on external resources with the required skills and efficiency. The overall responsibility and accountability remain with the Internal Audit function including the audit planning process and follow-up of compliances. The IS Audit findings along with the management response are placed before the Audit Committee for review.

Human Resource Management

We are a Digital Bank comprising a small team of 100+ employees. Our Bank encourages a culture of diversity, equity, and inclusion- promoting gender balance and respecting the contribution of all employees across gender, age, race, and sexual orientation.

NSDL Payments Bank believes in and acknowledges the critical role of its employees in achieving its present and future organizational goals. It has put in place a comprehensive policy that provides the road map for



acquiring appropriate & need-based human resources, and its development through training, job enrichment, reward and recognition for better performance, career progression, and welfare.

Curated learning is provided to our workforce to enhance skills and fill in knowledge gaps to achieve measurable dive-in outcomes. In FY 2021-22 training programs were held in thrust areas e.g., IDRBT, Cyber security - ISMS, and LMS certification. For soft skills, a Tabletop exercise was conducted.

The Learning and Development strategy has been customized for enriching employees through virtual training programs, enabling them to avail themselves of these services from anywhere.

Keeping physical and mental health awareness to the forefront, all health, safety, and environment guidelines were followed during the lockdown and even post lockdown. Vaccination camps were organised. The bank also tied up with a platform that eased the process of accessing online medical attention for our staff and their family.

BOARD OF DIRECTORS



MS. PADMAJA CHUNDURU
Non-Executive Director



**MR. ABHIJIT MADHUKAR
KAMALAPURKAR**
(Managing Director & CEO)



MR. L. RAVI SANKAR
Independent Director



DR. SANTANU PAUL
Independent Director



MR. N.S. VENKATESH
Independent Director



**DR. (MRS.) BALA
KRISHNAMOORTHY**
Independent Director



MR. PATRIC BARLA
Independent Director

OUR TEAM



**MR. ABHIJIT MADHUKAR
KAMALAPURKAR**
(Managing Director & CEO)



MR. ASHUTOSH SINGH
President & Chief Business Officer



**MS. DIKSHA GIRISH
KHUSHALANI**
Head - Prepaid Cards



MR. HEMANT MODAK
Head - Inclusive Banking



MR. SHAILESH SHETTY
Head - Investment & Insurance



MR. ABHINAV CHATURVEDI
Head - Digital Banking



MR. ASHUTOSH SHIRBHATE
Chief Technology Officer



MR. JIGAR SHAH
Chief Financial Officer



MR. RANJAN SINGH
Chief Compliance Officer



MR. ANIS PATHAN
Chief Risk Officer



**MR. BALAN SANTOSH
PARTHASARTHY**
Company Secretary & Legal Head



MS. AVANI GAJRAJ JAIN
Internal Auditor

BOARD OF DIRECTORS

Ms. Padmaja Chunduru*

MD & CEO, NSDL (Non-Executive Director)

Mr. N.S. Venkatesh#

(Independent Director)

Mr. Abhijit Madhukar Kamalapurkar

(Managing Director & CEO)

Mr. Patric Barla+

(Independent Director)

Mr. L. Ravi Sankar

(Independent Director)

Dr. (Mrs.) Bala Krishnamoorthy§

(Independent Director)

Dr. Santanu Paul

(Independent Director)

* (Ms. Padmaja Chunduru has been appointed as a Non-Executive Director effective from September 25, 2021)

+ (Mr. Patric Barla has been appointed as an Independent Director effective from August 7, 2021)

(Mr. N S Venkatesh has been re-appointed as an Independent Director effective from November 12, 2021)

§ (Dr.Mrs Bala Krishnamoorthy has been re-appointed as an Independent Director effective from November 12, 2021)

COMMITTEES

Audit Committee

Mr. L. Ravi Sankar (Chairman)
 Mr. N.S. Venkatesh
 Mr. Patric Barla

IT Strategy Committee

Dr. Santanu Paul (Chairman)
 Mr. L. Ravi Sankar
 Mr. N.S. Venkatesh
 Ms. Padmaja Chunduru
 Mr. Abhijeet Kamalapurkar

SECRETARIAL AUDITOR

MMJB & Associates LLP

Company Secretaries Ecstasy,
 803/804, 8th Floor, City of Joy,
 J.S.D Road, Mulund (West),
 Mumbai - 400080

Nomination and Remuneration Committee

Dr. Santanu Paul (Chairman)
 Mr. L. Ravi Sankar
 Ms. Padmaja Chunduru

COMPANY SECRETARY

Mr. Balan Santosh Parthasarathy

Internal Auditor

Ms. Avani Gajraj Jain

Risk Management Committee

Mr. N S Venkatesh (Chairman)
 Dr. Santanu Paul
 Mr. L Ravi Sankar
 Mr. Patric Barla
 Mr. Abhijeet Kamalapurkar

AUDITORS

Statutory Auditors

V. SANKAR AIYAR & CO.
 (CHARTERED ACCOUNTANTS)
 Flat No.202 & 301, Satyam Cinema
 Complex
 Ranjit Nagar Community Centre,
 New Delhi- 110008
 Tel. (011) 25702691, 25704639.
 e-mail: newdelhi@vsa.co.in

REGISTRAR &

SHARE TRANSFER AGENT

NSDL Database Management Limited
 Trade World, 'A' Wing, 4th Floor,
 Kamala Mills Compound,
 Senapati Bapat Marg,
 Lower Parel (West),
 Mumbai – 400 013

Customer Service Committee

Ms. Padmaja Chunduru (Chairman)
 Mr. N S Venkatesh
 Dr. Bala Krishnamoorthy
 Mr. Patric Barla
 Mr. Abhijeet Kamalapurkar

CORPORATE OFFICE

401, 4th Floor, Tower 3,
 One International Center,
 Senapati Bapat Marg,
 Prabhadevi, Mumbai - 400 013

BANKERS

HDFC Bank
 IDBI Bank
 Bank of America
 Bank of India
 Yes Bank
 Kotak Mahindra Bank

REGISTERED OFFICE

Trade World, 'A' Wing, 4th Floor,
 Kamala Mills Compound,
 Senapati Bapat Marg,
 Lower Parel (West),
 Mumbai – 400 013



NOTICE OF SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of NSDL Payments Bank Limited will be held on Wednesday, September 21, 2022 at 10.30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The venue shall be deemed to be Registered Office of the Company i.e. Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013

ORDINARY BUSINESS:

1. **To receive consider and adopt the audited financial statements for the year ended March 31, 2022 together with the reports of the Board of Directors and auditors thereon.**
2. **To consider and approve the appointment of director in place of Ms. Padmaja Chunduru who retires by rotation and being eligible, offers herself for re-appointment and in this connection to consider and if thought fit, to pass the resolution as an Ordinary resolution**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Padmaja Chunduru (DIN: 08058663), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Bank."

3. **To approve the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as Independent Director of the Bank**

"RESOLVED THAT Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641), who was pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Bank appointed as an Additional Independent Director of the Bank with effect from August 25, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Bank for a period of 3 years with effect from August 25, 2022.

RESOLVED FURTHER THAT Mr. Mallikarjuna Rao (DIN: 07667641) as per the provisions of section 197 (5)

of the Companies Act, 2013 shall receive remuneration by way of fee for attending the meetings of the Board or Committee thereof and for any other purpose as may be decided by the Board, provided the amount of such fees shall not exceed the amount as may be prescribed under relevant rules of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

4. **To approve the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as the part-time Non Executive Chairman of the Bank**

"RESOLVED THAT pursuant to the provisions of the 10B (1A)(i) of the Banking Regulation Act, 1949, (including any modification(s) or re-enactment(s) thereof), and subject to grant of approval by Reserve Bank of India (RBI), the approval of the members of the Bank be and is hereby accorded for the appointment of Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as the Part Time Non-Executive Chairman of the Bank for such period as he holds the position as an Independent Director or for a period of 3 years whichever is earlier subject to approval of RBI.

RESOLVED FURTHER THAT Mr. CH S.S. Mallikarjuna Rao (DIN: 07667641) as per the provisions of section 197 (5) of the Companies Act, 2013 shall receive remuneration by way of fee for attending the meetings of the Board or Committee thereof and for any other purpose as may be decided by the Board, provided the amount of such fees shall not exceed the amount as may be prescribed under relevant rules of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Bank be and are hereby severally authorised to take such steps and do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

Registered Office:
Trade World, 'A' Wing, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (West)
Mumbai- 400 013

**By Order of the Board of Directors
For NSDL Payments Bank Limited**

Sd/-
Balan Santosh Parthasarathy
Company Secretary
Membership No. ACS49602
Date: July 27, 2022
Place: Mumbai



NOTES:

1. In view of the ongoing COVID-19 pandemic the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, August 28, 2020, June 23, 2021 and December 8, 2021 (collectively referred to as "MCA Circulars") permitting convening the Annual General Meeting ("EGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In accordance with the MCA circulars and provisions of the Companies Act, 2013 ("the Act"), the EGM of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013, which shall be deemed venue of the AGM.
3. Members are requested (Institutional/Corporate Shareholders) to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at balanp@nsdlbank.co.in

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

4. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
5. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to balanp@nsdlbank.co.in
6. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.nsdlbank.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

7. Members will be able to attend the 6th AGM through VC/OAVM Facility. For this purpose, please use the Microsoft Teams Link shared in the email to join the said meeting.
8. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
9. Members who need assistance with the use of technology for joining the AGM through VC/OAVM can contact the Company Secretary at the below mentioned details:

Mr. Balan Santosh Parthasarathy
 Company Secretary
 Mobile no - +91 9870031277
 Email id: balanp@nsdlbank.co.in
10. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

12. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/ send their queries in advance mentioning their name, email id, mobile number at balanp@nsdlbank.co.in Questions/queries received by the Company till 5.00 p.m. on September 18, 2022 shall only be considered and responded during the AGM.
13. Members who would like to express their views or ask questions during the EGM may raise their hands as per the functionality available on the Microsoft Teams application, however the Company reserves the right to restrict the number of questions and number speakers, as appropriate for smooth conduct of the EGM.

GENERAL INFORMATION:

14. The voting rights shall be as per the number of equity shares held by the Member(s) as on AGM date, being the cut-off date.
15. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon request.
16. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Bank pursuant to the Section 10 (A) (2) of the Banking regulation Act, 1949 is required to appoint not less than 51% of the total number of members of the Board of Directors as persons not having any substantial interest in any entity.

The Board of Directors on August 23, 2022, upon recommendation of the NRC, appointed Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) as an Additional Director (Independent Category) of the Bank with effect from August 25, 2022. In terms of the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) will hold office up to the date of this Annual General Meeting and is eligible

to be appointed a Director of the Company. The Bank has, in terms of Section 160 of the Act, received, in writing, a notice proposing the candidature of Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) for the office of Director.

Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) is a B.Sc., LLB and Certified Associate of the Indian Institute of Bankers (CAIIB). He began his career as probationary officer in Bank of Maharashtra in 1985 and was the MD & CEO of Allahabad Bank and Punjab National Bank.

During his tenure at Punjab National Bank (PNB) he successfully completed the amalgamation of Oriental Bank of Commerce and United Bank of India into PNB. Post amalgamation PNB emerged as the second largest Public Sector Bank with more than 10,000 branches and more than one lakh workforce.

He further has had extensive experience in Credit, Information Technology, Recovery, Treasury, Risk Management, Digital Banking, Retail Banking, Marketing and Publicity. Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) has further held the position as the Deputy Chairman at the Indian Banks Association (IBA) and was a member of the Insolvency Law Committee (ILC) as well, being a Standing Committee constituted under the aegis of the Ministry of Corporate Affairs.

The Board of the Bank has further approved the appointment of Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641) as the part-time non executive Chairman of the Bank.

Except Mr. CH S.S. Maliikarjuna Rao (DIN: 07667641), being an appointee, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution set out at Item No. 3 and Item No.4. The Members are requested to consider and approve the same.

Other Disclosure relating to Directors seeking appointment/re-appointments pursuant to Clause 1.2.5 of Secretarial Standards-2 on General Meetings

Name of Director	Ms. Padmaja Chunduru (DIN: 08058663)	Mr. Mallikarjuna Rao (DIN: 07667641)
Category	Non -Executive Director	Independent Director
Date of Birth	02-08-1961	22-01-1962
Qualifications	M.Com, CAIIB	B.Sc., LLB, CAIIB
Experience	Ms. Padmaja Chunduru is currently the MD & CEO of NSDL and has been responsible for setting and achieving the overall strategic agenda of Indian Bank, focused on delivering growth and enhancing value. During her tenure, she executed the merger of two equal sized banks -Allahabad Bank with Indian Bank - with critical differences in organizational culture, operations, and IT stack. This included managing organizational and cultural change, driving operational efficiencies, as well as managing the Board and key stakeholders.	He further has had extensive experience in Credit, Information Technology, Recovery, Treasury, Risk Management, Digital Banking, Retail Banking, Marketing and Publicity. Mr. Mallikarjuna Rao (DIN: 07667641) has further held the position as the Deputy Chairman at the Indian Banks Association (IBA) and was a member of the Insolvency Law Committee (ILC) as well, being a Standing Committee constituted under the aegis of the Ministry of Corporate Affairs. During his tenure at Punjab National Bank (PNB) he successfully completed the amalgamation of Oriental Bank of Commerce and United Bank of India into PNB. Post amalgamation PNB emerged as the second largest Public Sector Bank with more than 10,000 branches and more than one lakh workforce.
Terms & Conditions appointment or reappointment	Appointment is as per Banking Regulation Act 1949; Companies Act, 2013 and guidelines as may be specified by RBI.	Appointment is as per Banking Regulation Act 1949; Companies Act, 2013 and guidelines as may be specified by RBI.
Remuneration Details	NIL	Sitting Fees
Date of first appointment on the Board	September 25, 2021	August 25, 2022
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Number of Board meetings attended during the year 2021-22	2	NIL
List of other Directorship held	National Securities Depository Limited NSDL Database Management Limited	NIL
Chairman/Member of the Committees of Board of other Companies	Member Committee (NSDL) Corporate Social Responsibility Committee (NSDL) Stakeholder Relationship Committee (NSDL) IPO Committee (NSDL) Nomination and Remuneration Committee (NDML) Audit Committee (NDML) Corporate Social Responsibility Committee (NDML)	NIL



Name of Director	Ms. Padmaja Chunduru (DIN: 08058663)	Mr. Mallikarjuna Rao (DIN: 07667641)
Chairman/Member of the Committees of Board of the Company	Customer Service Committee IT Strategy Committee Nomination and Remuneration Committee	NIL

DIRECTOR'S REPORT

FOR THE YEAR ENDED MARCH 31, 2022

To the Members,

Your Directors have the pleasure of presenting the 6th Annual Report along with the Audited Financial Statements of your Bank for the year ended March 31, 2022.

FINANCIAL POSITION

The financial results of the Bank are as under:

(Amt In '000')

Particulars	2021-2022	2020-21	2019-20	2018-19
Total income	29,99,561	623,045	63,678	59,148
Total expenses	30,74,531	747,860	202,374	1,24,439
Profit / (Loss) for the year	(74,970)	(124,815)	(138,696)	(65,291)
Loss brought forward	(3,66,556)	(241,741)	(103,045)	(37,754)
Total Loss After Tax	(4,41,525)	(366,556)	(241,741)	(103,045)
Basic & diluted EPS	(0.42)	(0.77)	(1.02)	(0.60)

The comparative financial information of the Bank for the year ended March 31, 2022 has been included as per the Banking Regulation Act, 1949.

Total income of the Bank increased to ₹ 299.96 crore during the year from ₹ 62.30 crore in the previous year, while the loss for the year reduced to ₹ 7.50 crores from ₹ 12.48 crores.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Bank.

Your Bank has not undergone any changes in the nature of the business during the financial year.

Dividend

Your Directors do not propose any dividend for the financial year 2021-22.

Transfer to General Reserves

Due to absence of profits, no amount has been proposed to transfer to general reserves.

Share Capital

As on March 31, 2022, the paid-up share capital stood at ₹ 180 crores comprising of 18,00,00,000 equity shares of ₹ 10 each. During the year under review, the Bank had not made any offer by way of rights issue. None of the Directors of the Bank hold shares in the Bank.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Bank did not have any subsidiary, associate and joint venture company.

STATUTORY AUDITORS

M/s. V Sankar Aiyar and Co, Chartered Accountants, (ICAI Firm Registration No. 109208W) had been appointed as the auditors of the Bank for a period of three years subject to approval by RBI at annual intervals and retire at the 8th Annual General Meeting of the Bank.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank has appointed MMJB & Associates LLP to undertake the Secretarial Audit. The Secretarial Audit Report in Form MR-3 is annexed herewith as "Annexure". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instance of frauds committed in the Bank by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

INTERNAL CONTROLS AND AUDIT

Your Bank has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive policies and standard operating procedures have been/are in process of being put in place in various departments of your Bank. There is an internal auditor appointed for conducting internal and operations audit of the Bank. The report of the Internal Auditor along with management response is before the Audit Committee for review. In order to provide further comfort, the Bank has also appointed a third party auditor to provide independent assurance on policy and processes of the Bank in an advisory capacity. As part of regulatory requirements, your Bank has also undergone IT Audit conducted by CISA certified auditor. Your Bank has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2022.

RISK MANAGEMENT AND INSURANCE

Taking into account various risks involved, an Executive Risk Management Committee has been constituted by



the Bank for the identification, assessment, evaluation, monitoring, mitigation and management of risks. The Committee functions as the apex management body to approve policies, evaluate/monitor risks and take decisions on mitigation of critical risks and compliance issues.

The Risk Management Policy and Framework approved by the Board of the Directors of the Bank drives the enterprise-wide function of Risk Management, wherein all material risks faced by the Bank are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

DEPOSITS

Being a banking company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with sections 73 & 74 of the Companies Act, 2013 are not applicable to your bank.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

No material related party transactions were entered during the Financial Year under review, by your Company and hence the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC -2, is not applicable to your Company.

POSITIVE WORK ENVIRONMENT

Your company has formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment free work place and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment.

No complaints were received during the FY 2021-22.

Board Of Directors

A. CHANGES IN BOARD DURING THE YEAR

The selection and appointment of Directors of the Bank is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI. As on March 31, 2022, the Bank has Seven (7) Directors.

During the year under review, Mr. Patric Barla was appointed as an Independent Director on August 7,

2021 and Ms. Padmaja Chunduru as the Non-Executive Director of the Bank on September 25, 2021.

B. Board Procedures and Meetings

A minimum of four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice in advance to all the Directors to address the specific needs of the Bank. The dates of the Board meetings are decided with the mutual consent of all the Directors. The Board meetings are usually held at the registered office of the Bank. However in case of special and urgent business, the Board also approves by Circular Resolution, important items of business which are permitted by Companies Act.

During the year under review, four Board meetings were held on May 18, 2021; August 7, 2021; November 3, 2021 and February 4, 2022. Details of attendance of each director at the Board Meetings held during the financial year 2021-22 are as follows:

Name of the Member	Designation	May 18, 2021	August 7, 2021	November 3, 2021	February 4, 2022
Mr. G.V Nageswara Rao*	Chairman	P	P	-	-
Mr. L Ravi Sankar	Member	P	P	P	P
Dr. Santanu Paul	Member	P	P	P	P
Mr. N.S.Venkatesh	Member	P	P	P	P
Dr. (Mrs) Bala Krishnamoorthy	Member	P	P	P	P
Ms. Padmaja Chunduru+	Member	-	-	P	P
Mr. Patric Barla#	Member	-	-	P	P
Mr. Abhijit M Kamalapurkar	Member	P	P	P	P

* Resigned from the position as Chairman and Director of the Bank on August 31, 2021.

+ Appointed by the Board as non-executive Director on September 25, 2021.

Appointed by the Board at its Meeting held on August 7, 2021

C. DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have given declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013. In the opinion of the Board, these Independent Directors fulfil the conditions specified in the Companies Act, 2013 and rules made there under for appointment as Independent Directors and confirm that they are independent of the management.

D. POLICY ON DIRECTORS', KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES APPOINTMENT AND REMUNERATION

The Policy on appointment and remuneration of Directors, Key Managerial personnel and other employees including

criteria for determining qualifications, positive attributes, independence and other matters provided under Section 178(3) of the Companies Act, 2013, has been adopted by the Board pursuant to the recommendation of the Nomination and Remuneration Committee.

E. PERFORMANCE EVALUATION OF THE BOARD AND DIRECTORS:

Bank has introduced a evaluation criteria for evaluation of the Board's own performance and the Directors individually and same has been implemented as a prudent governance practice. During the year under review, the annual performance evaluation of the Board's own performance, the Directors individually was carried out by the Bank.

BOARD COMMITTEES

I. Audit Committee

The Board has constituted the Audit Committee in accordance with provisions of Section 177 of the Companies Act, 2013. The Committee has three members with Mr. L. Ravi Sankar as its Chairman. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Bank and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and review the quarterly and annual financial accounts of the Bank. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the Bank.

During the FY 2020-21 the Committee met six times on May 17, 2021; August 6, 2021; November 2, 2021; January 28, 2022; February 3, 2022 and February 15, 2022 respectively. The details of composition and attendance of members of the Audit Committee are given hereunder:-

Name of the Director	Designation	May 17, 2021	August 6, 2021	November 2, 2021	January 28, 2022	February 3, 2022	February 15, 2022
Mr. L. Ravi Sankar	Chairman	P	P	P	P	P	P
Mr. G.V. Nageswara Rao	Member	P	P	-	-	-	-
Ms. Padmaja Chunduru	Member	-	-	P	-	-	-
Mr. N.S. Venkatesh	Member	P	P	P	P	P	P
Mr. Patric Barla	Member	-	-	P	P	P	P

II. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee in accordance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The Committee has three members with Dr. Santanu Paul as its Chairman. The Nomination and Remuneration Committee discharges such functions as defined in the Companies Act, 2013. The Committee met Four times during the year on May 17, 2021; August 7, 2021, November 2, 2021 and February 3, 2022. Details of compositions and attendance of each member at the Committee Meetings held during the year are as follows:

Name of the Director	Designation	May 17, 2021	August 7, 2021	November 2, 2021	February 3, 2022
Dr. Santanu Paul	Chairman	P	P	P	P
Mr. L. Ravi Sankar	Member	P	P	P	P
Mr. G. V. Nageswara Rao	Member	P	P	-	-
Ms. Padmaja Chunduru	Member	-	-	P	P

In addition to the Committees covered specifically in detail above as per the Companies Act, 2013, the Bank also has following Committees, namely:

- i) Strategic Advisory Committee
- ii) Board-level Committees
 - Risk Management Committee
 - Customer Service Committee
 - IT Strategy Committee
- iii) Executive-level Committees
 - Executive Risk Management Committee
 - Assets-Liability Management Committee
 - Information & Cyber Security Committee
 - Standing Committee on Customer Service
 - Investment Committee
 - Audit Committee of Executives

DETAILS OF KEY MANAGERIAL PERSONNEL (KMPs)

In terms of Section 203 of the Companies Act, 2013, the details of the KMPs are as under:

Name	Designation
Mr. Abhijit M Kamalapurkar	Managing Director & CEO
Mr. Abhishek Bagchi	Chief Financial Officer
Mr. Balan Santosh Parthasarathy	Company Secretary

* Mr. Abhijit Kamalapurkar took charge as MD & CEO of the Bank on March 9, 2021.



CORPORATE SOCIAL RESPONSIBILITY

Your Bank currently does not fall within the purview of Corporate Social Responsibility (CSR) in accordance with the provision of Section 135 of the Companies Act, 2013.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Bank has a Whistleblower Policy for informing any event fearlessly which goes against the Bank's values and ethical standards to a designated authority in the Bank. This Policy is intended to help Directors and employees of the Bank report major concerns over any wrongdoing within the Bank. The Bank has appointed the Vigilance Officer for the purpose of reporting, enforcing and monitoring the Whistleblower Policy and procedures.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, no significant and material order was passed by the Regulators or Courts or Tribunals impacting the going concern status and Bank's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to the material departures, if any;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss of the Bank for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing & detecting fraud and other irregularities;
- that internal financial controls to be followed by the Bank are laid down and that such internal financial controls are adequate and were operating effectively.

- that they have prepared the annual accounts on a going concern basis; and
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

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

- Conservation of Energy, Technology absorption -
The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company also maintains the air conditioning temperatures to conserve energy. The Company continuously strives to optimize its energy usage and efficiency. The nature of business is purely service oriented and does not require substantial energy consumption.
- Foreign Exchange earnings/outgo during the period under review
Earnings – NIL
Outgo – NIL

EXTRACT OF ANNUAL RETURN

Annual Return i.e. Form MGT-7 can be accessed on the Company's website at the web-link https://nsdlbank.com/regulatory_disclosure.php

PARTICULARS OF EMPLOYEES

During the year under review, no employee has received remuneration either from the Bank, and/or its holding company in excess of the limits prescribed under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

APPRECIATION

Your Directors would like to place on record their sincere appreciation of the support provided by Reserve Bank of India, Ministry of Corporate Affairs, its bankers and shareholders.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th July 2022

Sd/-
Abhijit M Kamalapurkar
MD & CEO
DIN: 08849177

Sd/-
Padmaja Chunduru
Director
DIN: 08058663

FORM NO. MR.3

SECRETARIAL AUDIT REPORT SUBJECT TO REQUIREMENT OF E-FORM MGT-14

for the Financial Year Ended March 31, 2022

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

To,
The Members,
NSDL Payments Bank Limited
Trade World, 'A' Wing, 4th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400013.

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the “Audit Period”) complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Bank during the Audit Period**)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); -
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Bank during the Audit Period)**
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Bank during the Audit Period)**
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Bank during the Audit Period)**
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Bank during the Audit Period)**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Bank during the Audit Period)**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Bank during the Audit Period)**;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Bank during the Audit Period)** and

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder **(Not Applicable to the Bank during the Audit Period)**.

We further report that, having regard to the compliance system prevailing in the Bank and on test-check basis, the Bank has complied with the following applicable sector specific laws and circulars issued thereunder:

- Banking Regulation Act, 1949 to the extent applicable to the Payment Bank
- Reserve Bank of India Act, 1934 read with applicable circulars/ notifications/guidelines, etc. issued by RBI from time to time;
- The IRDA (Registration of Corporate Agents) Regulations, 2015.

During the Audit Period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Director, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent



at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For MMJB & Associates LLP
Company Secretaries

Sd/-
Saurabh Agarwal
Designated Partner
FCS: F9290
CP 20907
PR: 904/2020
UDIN: F009290D000332272

Place: Mumbai
Date: 17th May, 2022

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

'Annexure A'

To,
The Members,
NSDL Payments Bank Limited
Trade World, 'A' Wing, 4th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400013

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

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

For MMJB & Associates LLP
Company Secretaries

Sd/-
Saurabh Agarwal
Designated Partner
FCS: F9290
CP: 20907
PR: 904/2020
UDIN: F009290D000332272

Place: Mumbai
Date: 17th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of NSDL Payments Bank Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of NSDL Payments Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March, 2022 and the statement of Profit and Loss Account and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, 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:

- in the case of Balance Sheet, of the state of affairs of the Bank as at March 31, 2022;
- in case of the Profit and Loss Account, of the loss of the Bank for the year ended on that date;
- in the case of Cash Flow Statement, of the cash flows of the Bank 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.



Auditor's Responsibility for the Audit of Financial Statements

Our objective is 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 skepticism 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 company 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 Profit and Loss Account and Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by Section 30(3) of the Banking Regulation Act, 1949, 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 purposes of our audit and have found them to be satisfactory;
 - (b) The transaction of the Bank, which have come to our notice have been within the powers of the Bank; and
 - (c) Since the bank is having only one branch, the question on reporting the number of branches audited by us and the manner of audit thereon does not arise.
3. As required by Section 143 (3) of the Act, we report that:
 - (d) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (e) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- (f) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.
- (g) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank;
- (h) There are no material observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the Bank;
- (i) On the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (j) 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".

- (k) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, being a banking company, Section 197 of the Act related to managerial remuneration is not applicable.

- (l) 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, we report as under:
 - i) The Bank does not have any pending litigations which would impact its financial position.
 - ii) The Bank has made adequate provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts-Refer note
 - iii) The bank is currently not liable to transfer any amount to the Investor Education and Protection Fund.

For V. Sankar Aiyar & Co.

Chartered Accountants
ICAI Firm Regn. No. 109208W

Sd/-

Karthik Srinivasan

Partner

Membership No. 514998
UDIN: 22514998AJNESQ7048

Place: New Delhi
Date: 17th May, 2022



Annexure A to the Independent Auditors' Report

[referred to in paragraph 9(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of **NSDL Payments Bank Limited ('the Bank')** as at March 31, 2022 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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. A 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 authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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, the Bank has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal

control 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 ICAI.

Place: New Delhi
Date: 17th May, 2022

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Sd/-
Karthik Srinivasan
Partner
Membership No. 514998
UDIN: 22514998AJNESQ7048



BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Lakh)

	Schedule No.	As at March 31, 2022	As at March 31, 2021
CAPITAL & LIABILITIES			
Capital	1	18,000.00	18,000.00
Reserves and Surplus	2	(4,415.25)	(3,665.56)
Deposits	3	1,301.49	652.95
Borrowings	4	-	-
Other Liabilities and Provisions	5	10,125.07	9,564.38
TOTAL		25,011.31	24,551.77
ASSETS			
Cash and Balances with Reserve Bank of India	6	10,122.82	6,126.29
Balances with banks and money at call and short notice	7	4,844.43	10,966.05
Investments	8	7,377.79	3,139.06
Advances	9	-	-
Fixed Assets	10	1,154.27	2,755.71
Other Assets	11	1,512.00	1,564.66
TOTAL		25,011.31	24,551.77
Contingent Liabilities	12	35.00	45.00
Bills for Collection			
Significant Accounting Policies	18		
Notes To Accounts	19		

The Schedules referred to above form an integral part of the Balance Sheet

The Balance Sheet has been prepared in conformity with Form "A" of the Third schedule to the Banking Regulation Act, 1949

As per our report of even date
For **V.Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of
NSDL Payments Bank Limited
CIN: U65900MH2016PLC284869

Sd/-
Karthik Srinivasan
Partner
Membership No. 514998
Place : Delhi

Sd/-
L Ravi Sankar
Director
DIN: 00185931

Sd/-
Padmaja Chunduru
Director
DIN: 08058663

Sd/-
N S Venkatesh
Director
DIN: 01893686

Place : Mumbai
Date : 17th May, 2022

Sd/-
Abhijit M Kamalapurkar
MD & CEO
DIN: 08849177

Sd/-
Abhishek Bagchi
Chief Financial Officer
M.No. 061680

Sd/-
Balan Santosh Parthasarathy
Company Secretary
M.No. A49602

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	Schedule No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I INCOME			
Interest Earned	13	714.65	552.80
Other Income	14	29,280.96	5,677.65
TOTAL		29,995.61	6,230.45
II EXPENDITURE			
Interest Expended	15	28.76	13.38
Operating Expenses	16	29,247.97	7,458.88
Provisions and Contingencies	17	1,468.57	6.34
TOTAL		30,745.30	7,478.60
III PROFIT/LOSS			
Net Profit /(Loss) for the year		(749.69)	(1,248.15)
Profit brought forward		(3,665.56)	(2,417.41)
TOTAL		(4,415.25)	(3,665.56)
IV APPROPRIATIONS			
Transfer to Statutory Reserve		-	-
Transfer to Investment Reserve		-	-
Balance carried over to Balance Sheet		(4,415.25)	(3,665.56)
TOTAL		(4,415.25)	(3,665.56)
EPS Basic (₹)	19 (2.7)	(0.42)	(0.77)
EPS Diluted (₹)		(0.42)	(0.77)
Face Value of shares (₹)		10/-	10/-
Significant Accounting Policies	18		
Notes To Accounts	19		

The Schedules referred to above form an integral part of the Profit and Loss Account
As per our report of even date

As per our report of even date
For **V.Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of
NSDL Payments Bank Limited
CIN: U65900MH2016PLC284869

Sd/-
Karthik Srinivasan
Partner
Membership No. 514998
Place : Delhi

Sd/-
L Ravi Sankar
Director
DIN: 00185931

Sd/-
Padmaja Chunduru
Director
DIN: 08058663

Sd/-
N S Venkatesh
Director
DIN: 01893686

Place : Mumbai
Date : 17th May, 2022

Sd/-
Abhijit M Kamalapurkar
MD & CEO
DIN: 08849177

Sd/-
Abhishek Bagchi
Chief Financial Officer
M.No. 061680

Sd/-
Balan Santosh Parthasarathy
Company Secretary
M.No. A49602



CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Sr.	Particulars	As at March 31, 2022	As at March 31, 2021
I	Cash Flow from Operating Activities		
	Net Profit for the Year (before taxes)	(749.69)	(1,248.15)
	Adjustments for:	-	-
	Add : Non-Cash Expenditure	-	-
	- Write off of Employee cost upto March 2021 (net of depreciation reversal benefit)	1,456.70	-
	- Intangible Assets under development written off	4.83	-
	- Provision for bad and doubtful debts	7.04	6.34
	- Depreciation	389.36	538.31
	Cash Flow before Changes in Working Capital	1,108.24	(703.50)
	Adjustments for working capital changes		
	Deposits	648.54	635.07
	Other Liabilities	560.69	9,132.07
	Other Assets	114.31	(922.60)
	Direct Taxes paid	(73.52)	(12.79)
	(Increase)/Decrease in AFS Investments	(4,238.73)	(1,509.13)
	Cash generated from Operating Activities	(1,880.47)	6,619.12
II	Cash Flow from Investing Activities		
	Addition to Other Fixed Assets	(35.62)	(486.08)
	Sale/Deletions in Fixed Assets	-	19.20
	(Addition)/Deletion to Capital Work in Progress	(209.00)	(179.70)
	Cash generated from Investing Activities	(244.62)	(646.58)
III	Cash Flow from Financing Activities		
	Proceeds of share issue	-	3,000.00
	Cash generated from financing Activities	-	3,000.00
IV	Increase/Decrease during the Year	(2,125.09)	8,972.54
V	Opening Cash and Cash Equivalents	17,067.34	8,094.80
VI	Closing Cash and Cash Equivalents	14,942.25	17,067.34
	Notes to the Cash Flow Statement:		
	Cash and cash equivalents includes the following:		
(i)	Cash and Balances with Reserve Bank of India (Refer Schedule 6)	10,122.82	6,126.29
(ii)	Balances with Banks in Current Accounts (Refer Schedule 7)	4,844.43	10,966.05
(iii)	Less: Lien Fixed Deposit	25.00	25.00
	Cash and cash equivalents at the end of the year	14,942.25	17,067.34

As per our report of even date

As per our report of even date
For **V.Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of
NSDL Payments Bank Limited
CIN: U65900MH2016PLC284869

Sd/-
Karthik Srinivasan
Partner
Membership No. 514998
Place : Delhi

Sd/-
L Ravi Sankar
Director
DIN: 00185931

Sd/-
Padmaja Chunduru
Director
DIN: 08058663

Sd/-
N S Venkatesh
Director
DIN: 01893686

Place : Mumbai
Date : 17th May, 2022

Sd/-
Abhijit M Kamalapurkar
MD & CEO
DIN: 08849177

Sd/-
Abhishek Bagchi
Chief Financial Officer
M.No. 061680

Sd/-
Balan Santosh Parthasarathy
Company Secretary
M.No. A49602

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1 - CAPITAL

(₹ in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised Capital		
20,00,00,000 Ordinary Shares of ₹ 10/- each	20,000.00	20,000.00
Issued, Subscribed & Paid-up		
18,00,00,000 (PY 18,00,00,000) Ordinary Shares of ₹ 10/- each	18,000.00	18,000.00
TOTAL	18,000.00	18,000.00

2 - RESERVES & SURPLUS

(₹ in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Statutory Reserve		
(i) Opening Balance	-	-
(ii) Addition during the year	-	-
(iii) Deduction during the year	-	-
Total	-	-
2. Investment Reserve		
(i) Opening Balance	-	-
(ii) Addition during the year	-	-
(iii) Deduction during the year	-	-
Total	-	-
3. Balance in Profit & Loss Account		
(i) Opening Balance	(3,665.56)	(2,417.41)
(ii) Addition during the year	(749.69)	(1,248.15)
(iii) Deduction during the year	-	-
Total	(4,415.25)	(3,665.56)
TOTAL	(4,415.25)	(3,665.56)

3 - DEPOSITS

(₹ in Lakh)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
A. 1. Demand Deposits		
i) From Banks (note-1)	29.91	21.10
ii) From Others	118.61	14.03
Total	148.52	35.13
2. Savings Bank Deposits	1,152.97	617.82



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
3. Term Deposits		
i) From Banks	-	-
ii) From Others	-	-
Total	-	-
TOTAL	1,301.49	652.95
B. i. Deposits of Branches in India	1,301.49	652.95
ii. Deposits of Branches outside India	-	-
TOTAL	1,301.49	652.95

Note-1: Represents balance maintained in other bank to enable sweep out facility above regulatory threshold limit

4 - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	-	-
(iv) Subordinated debt	-	-
Total	-	-
2. Borrowings outside India	-	-
TOTAL	-	-

5 - OTHER LIABILITIES AND PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Bills Payable	-	-
2. Inter Office Adjustments (Net)	-	-
3. Interest Accrued	-	-
4. Others (Including Provisions)	10,125.07	9,564.38
TOTAL	10,125.07	9,564.38

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Cash in hand	-	-
2. Balances with Reserve Bank of India		
(i) In Current Account	10,122.82	6,126.29
(ii) In Other Accounts	-	-
TOTAL	10,122.82	6,126.29

7 - BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. In India		
(i) Balances with Banks	-	-
a) In Current Accounts	459.43	477.05
b) In other Deposit Accounts	4,385.00	10,489.00
(ii) Money at Call and Short Notice		
a) With Banks	-	-
b) With Other Institutions	-	-
Total	4,844.43	10,966.05
2. Outside India		
(i) In Current Accounts	-	-
(ii) In Other Deposits Accounts	-	-
(iii) Money at Call and Short Notice	-	-
Total	-	-
TOTAL	4,844.43	10,966.05

8 - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Investments in India (Gross)	7,377.79	3,139.06
Less – Provision for depreciation	-	-
Total	7,377.79	3,139.06
Investments in India in -		
(i) Government Securities	7,377.79	2,478.73
(ii) Other Approved Securities	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(iii) Shares	-	-
(iv) Debentures & Bonds	-	-
(v) Subsidiaries and / or Joint Venture	-	-
(vi) Others	-	660.33
Total	7,377.79	3,139.06
2. Investments Outside India	-	-
Total	-	-
TOTAL	7,377.79	3,139.06

9 - ADVANCES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A.		
(i) Bills Purchased and Discounted	-	-
(ii) Cash Credits, Overdrafts and Loans Repayable on Demand	-	-
(iii) Term Loans	-	-
Total	-	-
B.		
(i) Secured by Tangible Assets	-	-
(ii) Covered by Bank/Government Guarantees	-	-
(iii) Unsecured	-	-
Total	-	-
C.1 Advances in India		
(i) Priority Sector	-	-
(ii) Public Sector	-	-
(iii) Banks	-	-
(iv) Others	-	-
Total	-	-
C.2 Advances Outside India		
Total	-	-
TOTAL	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

10 - FIXED ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Premises		
(i) At cost at 31st March of the preceding year	-	-
(ii) Additions during the year	-	-
(iii) Deductions during the year	-	-
(iv) Accumulated Depreciation to date	-	-
Total	-	-
2. Other Fixed Assets		
(i) At cost at 31st March of the preceding year	3,058.34	2,591.46
(ii) Additions during the year	297.03	486.08
(iii) Deductions during the year	1,236.96	19.20
(iv) Accumulated Depreciation to date	1,235.26	1,306.08
Total	883.15	1,752.26
3. Capital Work in Progress	271.12	1,003.45
TOTAL (1+2+3)	1,154.27	2,755.71

11 - OTHER ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Inter-Office Adjustment (Net)	-	-
2. Interest Accrued	105.27	195.66
3. Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	93.94	20.42
4. Stationery and Stamps	-	-
5. Deferred Tax Assets (Net)	-	-
6. Others	1,312.79	1,348.58
TOTAL	1,512.00	1,564.66

12 - CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Claims against the bank not acknowledged as debts	-	-
2. Liability on Account of Outstanding Forward Exchange contracts	-	-
3. Liability on Account of Outstanding Derivative Contracts	-	-
4. Guarantees given on behalf of constituents		
(i) In India	-	-
(ii) Outside India	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
6. Acceptances, Endorsements and other Obligations	-	-
7. Other items for which the bank is contingently liable		
(i) Income tax & other matters (under appeal)	-	-
(ii) Others		
(a) Capital Commitment	10.00	20.00
(b) Bank Guarantee issued by other Bank on our behalf	25.00	25.00
TOTAL	35.00	45.00

13 - INTEREST EARNED

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Interest / Discount on Advances / bills	-	-
2. Income on Investments	197.22	40.07
3. Interest on balance with RBI and Other Inter bank funds	511.25	512.00
4. Others	6.18	0.73
TOTAL	714.65	552.80

14 - OTHER INCOME

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Commission, Exchange and Brokerage	29,264.07	5,648.18
2. Profit on sale of Investments (Net)	14.05	18.34
3. Profit / (Loss) on sale of land, building and other assets (Net)	-	-
4. Profit on exchange transactions (Net)	(1.85)	(1.98)
5. Miscellaneous Income	4.69	13.11
TOTAL	29,280.96	5,677.65

15 - INTEREST EXPENDED

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Interest on Deposits	23.30	11.95
2. Interest on Reserve Bank of India / Inter-Bank Borrowings	-	-
3. Others	5.46	1.43
TOTAL	28.76	13.38

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

16 - OPERATING EXPENSES

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Payments to and provisions for employees	1,992.67	1,107.22
2. Rent, taxes and lighting	142.12	132.78
3. Printing and stationery	0.78	0.57
4. Advertisement and publicity	75.33	12.31
5. Depreciation on banks property	389.36	538.31
6. Director's fees Allowances and expenses	60.42	45.78
7. Auditors' fees and expenses (Including branch auditor's fees and expenses)	29.71	28.03
8. Law Charges	-	-
9. Postage, Telegrams, Telephones, etc.	5.66	3.84
10. Repairs and maintenance	429.48	367.63
11. Insurance	31.81	22.11
12. Other Expenditure	26,090.63	5,200.30
TOTAL	29,247.97	7,458.88

17 – Provisions and Contingencies

(₹ in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Provision for bad and doubtful debts	7.04	6.34
2. Write off of Employee cost upto March 2021 (net of depreciation reversal benefit)	1,456.70	-
3. Intangible Assets under development written off	4.83	-
TOTAL	1,468.57	6.34



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

17. Significant Accounting Policies

1. Background

NSDL Payments Bank Limited ('the Bank') was incorporated on 17th August 2016 under the Companies Act, 2013. The Bank is primarily engaged in the business of

- Accepting demand deposits in the form of savings bank deposits,
- To provide payment/ remittance/recharge services through its mobile application,
- Issue of debit cards for point of sale/Ecommerce and ATM transactions,
- Accepting demand deposits in the form of current account deposits,
- Offering domestic money transfer, Aadhar enabled payment services, Micro ATM transactions through Business Correspondents
- Issuing co-branded prepaid cards to customers through agreements with programme managers
- Offering mutual fund investment services through mobile app,
- Offering Bank verification services for corporate brokers,
- Offering insurance investment services through mobile app,

The RBI has granted license to carry on payments bank business in India, under Section 22(1) of Banking Regulation Act, 1949 subject to terms and conditions mentioned vide their letter dated 30th March, 2017. Thus, the Bank commenced banking business on 29th October, 2018.

2. Basis of preparation

2.1 The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except otherwise stated in accordance with the generally accepted accounting principles in India to comply with the statutory requirements prescribed under the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable

and practices generally prevalent in the banking industry in India.

The financial statements are presented in Indian Rupees ("Rupees" or "Rs" and all amounts are rounded off to the nearest lakhs except as stated otherwise). The Notes to Accounts under Schedule 19 are rounded off to the nearest crores.

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, revenues and expenses during the reporting period and disclosure of contingent liabilities at the date of the financial statements. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

2.3 Going Concern

The Bank is operationally and financially fully supported by the holding company. In view of the Holding company's commitment to the business, the financial statements have been prepared on a going concern basis.

3. Investments

Classification:

In accordance with the RBI guidelines on investments classification and valuation, investments are classified at the time of purchase as:

- Held For Trading (HFT)
- Available For Sale (AFS)
- Held To Maturity (HTM)

However, for disclosure in the Balance Sheet, investments in India are classified under six categories-

- Government Securities,
- Other approved securities,
- Shares,
- Debentures and Bonds,
- Investment in Subsidiaries/Joint Ventures,
- Others(MF units, CD/CP, etc.).

**Basis of Classification:**

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days, are reclassified as AFS securities.

All other investments are classified as AFS securities.

Acquisition cost:

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account. Broken period interest on debt instruments and government securities are considered as a revenue item under Profit and Loss account as per RBI guidelines. Cost of Investments is based on first in first out method.

Valuation:

Investments are marked to market on a periodical basis as per relevant RBI guidelines. The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, and price list of RBI or prices declared by Financial Benchmark India Private Limited (FBIL) as at the year end.

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. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored, except to the extent of depreciation previously provided.

Treasury Bills, being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Realised gains/losses on investments under the AFS and HFT category are recognised in the Profit and Loss Account.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions of securities.

Disposal of Investments

Profit/Loss on sale of investments under the aforesaid three categories are taken to Profit/Loss

account. The profit from sale of investments under HTM category if any, net of taxes and transfers to Statutory Reserve is subsequently appropriated to "Capital Reserve".

4. Revenue recognition

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.

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. Interest income is recognised in accordance with AS-9, Revenue Recognition on time proportion basis.

Other Revenues

Service revenue is recognised on completion of provision of services. Revenue is recognised on transfer of all significant risks and rewards, reasonable right of recovery is established and when no significant uncertainty exists regarding realisation of consideration. The Bank recognises non-refundable (i.e. without clawback) affiliation income/one time integration income upfront on accrual basis, on business tie ups with partners, in the event of signing of the business agreement or on acceptance of the commercial terms.

Minimum balance charges recovery on deposit accounts are recognised on realisation basis. All other fees/commission is accounted for as and when they become due.

Provision for doubtful debts

The Bank provides for the amounts where the management is of the view that the amounts are not recoverable.

5. Property, Plant and Equipment (Tangible and Intangible), Depreciation/Amortisation

Property, Plant and Equipment (Fixed assets) are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

Capital work-in-progress includes cost of assets under development that are not ready for their intended use and reflects advances paid to acquire those assets, vendor payments made towards the development of the asset directly attributable towards development of intangible assets.

Intangible assets with finite useful lives are carried at cost and are amortised on a straight-line basis over their estimated useful life and charged to Profit and Loss Account.

Fixed Asset having value of ₹ 5,000/- & less has been fully depreciated in the year of purchase.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition.

The Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets for which a technical evaluation has been done by the Management this year. The assets residual value and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively.

Asset category	Estimated Useful Life
Application software	5 years
Office Equipment	5 years
Computers and data processing units - Servers and networks - End user devices, such as, desktops, laptops, etc.	6 years 3 years
Electrical Installations and Equipment	10 years
Furniture and Fittings	10 years
Leasehold Improvements	5 years

6. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment 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.

7. Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic operations are translated at closing exchange rates notified by FEDAI relevant to the balance sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account.

8. 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, by way of Privilege Leave and Sick Leave.

Defined Benefit Plans:

Gratuity:

Under the Defined Benefit plan, the Bank provides retirement obligation in the form of Gratuity. In terms of 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. Gratuity liability is defined benefit obligation and is provided on the basis of actuarial valuation based on projected unit credit method made at the end of each financial year. The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by identified insurer for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although insurer administers the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank.

For defined benefit plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or 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. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised as a part of salary cost.

Compensated Absences:

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.

Compensated absences by way of Privilege Leave and Sick Leave are provided for based on estimates of encashment/availment of leave. The Bank provides for the compensated absences based on actuarial valuation as per projected unit credit method conducted by an independent actuary. Actuarial gains/losses are considered as a part of salary cost and included in capital work in progress.

Defined Contribution Plan:

The Bank's contributions to defined contribution plans are recognised as a part of salary cost as they fall due. The Bank has no further obligations under these plans beyond its periodic contributions. The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

9. Leases

Finance Lease:

Lease contracts where substantially all the risks and rewards incidental ownership has been transferred to the Bank are classified as Finance Lease.

Finance Lease is capitalized at the inception of the lease at fair value of the leased property or present value of minimum lease payments, whichever is lower and corresponding rental obligation with finance costs are included in other Financial Liability. Lease payments are apportioned between finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance costs in the statement of Profit and Loss account. A leased asset is depreciated over lower of the useful life of the asset or period of lease term.

Operating Lease:

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.

10. Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions

of Income tax Act, 1961. 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

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. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future 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.

11. Earnings Per Share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings Per Share. Basic earnings per share is computed by dividing the net profit/ (loss) after tax by the weighted average number of equity shares outstanding for 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 using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

12. Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS-29 relating to Provisions,

Contingent Liabilities and Contingent Assets; a provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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.

No provision is recognised and a disclosure of contingent liability is made when there is:

- A possible obligation arising from a past event, the existence of which will be confirmed by occurrence of one or more uncertain future events not within the control of the Bank; or
- A present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent assets are not recognised in the financial statements.

13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

14. Cash flow Statements

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

19. NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Statutory disclosures as per RBI

1.1 Capital Adequacy

Capital Adequacy Ratio as per RBI guidelines on Basel I Capital Regulations is detailed below.

Particulars	As at March 31, 2022	As at March 31, 2021
i) Common Equity Tier-1 capital ratio (%)	501.58%	229.67%
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	501.58%	229.67%
iv) Tier 2 capital (%)	-	-
v) Total capital (Tier 1 + Tier 2)	501.58%	229.67%
vi) Total Risk Weighted Assets (RWAs) (Rs in crores)	25.01	55.38
vii) CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid Up share capital and reserves as percentage of RWAs (%)	501.58%	229.67%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	501.58%	229.67%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	-	-
x) Capital to Risk Weighted Assets Ratio (CRAR) (%)	501.58%	229.67%
xi) Leverage Ratio (%)	58.59%	67.60%
xii) Percentage of the shareholding of a) Government of India b) State Government	-	-
xiii) Amount of paid-up equity capital raised during the year (cr)	-	30
xiv) Amount of non-equity Tier 1 capital raised during the year, of which: a. Non-Cumulative Preference Shares (NCPS) b. Debt Instruments (PDI)	-	-
xv) Amount of Tier 2 capital raised during the year, of which: a. Debt capital instruments: b. Preference Shares (PCPS) / Redeemable Non-Cumulative Shares (PCPS) / Perpetual Debt Instrument / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1.2 Investments

a. Composition of Investment Portfolio
As at March 31, 2022:

(₹ in crores)

	Investments in India						Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Available for Sale										
Gross	73.78	-	-	-	-	-	73.78	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	73.78	-	-	-	-	-	73.78	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	73.78	-	-	-	-	-	73.78	-	-	-
Less : Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	73.78	-	-	-	-	-	73.78	-	-	-

As at March 31, 2021:

(₹ in crores)

	Investments in India						Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Available for Sale										
Gross	24.79	-	-	-	-	6.60	31.39	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	24.79	-	-	-	-	6.60	31.39	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	24.79	-	-	-	-	6.60	31.39	-	-	-
Less : Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less : Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	24.79	-	-	-	-	6.60	31.39	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

b. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Movement of provisions held towards depreciation on investment		
a) Opening balance	-	-
b) Add : Provisions made during the year	-	-
c) Less : Writeoff / writeback 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	-	-

1.3 Repo/Reverse Repo Transactions (in Face Value terms)

(₹ in crores)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average outstanding during the year *	Outstanding as on March 31, 2022
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	3.15	50.00	7.42	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

* Daily Average outstanding during the year is calculated basis number of days the transaction was done during the year.

1.4 Non SLR Investment Portfolio

i. Issuer composition of Non SLR investments as at March 31, 2022

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	-	-	-	-	-
(ii)	FIs	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Companies	-	-	-	-	-
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Total (i to vi)	-	-	-	-	-
(viii)	Less: Provision held towards depreciation	-	-	-	-	-
Total (viii – viii)		-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

ii. Issuer composition of Non SLR investments as at March 31, 2021

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	-	-	-	-	-
(ii)	FIs	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Companies	-	-	-	-	-
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	6.60	-	-	-	-
(vii)	Total (i to vi)	6.60	-	-	-	-
(viii)	Less: Provision held towards depreciation	-	-	-	-	-
Total (viii – viii)		6.60	-	-	-	-

1.5 Non-Performing Non-SLR investments

The Bank does not have any non-performing investments during the year 2021-22 ("Nil" during the year 2020-21).

1.6 Sale and Transfers to/ from HTM Category

The Bank did not sell or transfer any investments to / from HTM category during the year 2021-22 ("Nil" during the year 2020-21).

1.7 Derivatives

The bank has not entered into any derivative transactions (Forward Rate Agreement/ Interest Rate Swap/ Exchange Traded Interest Rate Derivatives) during the year 2021-22. ('Nil' during the year 2020-21) Therefore, qualitative and quantitative disclosures under RBI guidelines with respect to derivative transactions are not required.

1.8 Asset Quality

As per the RBI guidelines issued by RBI for licensing of Payments Bank; the payments bank are not allowed to give any advance or lend to any person including their directors. Therefore, the disclosure required for asset quality (movement in NPA's, disclosure on accounts subjected to restructuring, provisioning of standard assets etc.) are not applicable to payments bank.

1.9 Business Ratios

No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i.	Interest income as a percentage to working funds ¹	2.91%	3.37%
ii.	Non-interest Income as percentage to working funds ¹	119.03%	34.65%
iii.	Cost of Deposits	2.25%	3.38%
iv.	Net Interest Margin ^{2*}	4.80%	5.59%
v.	Operating profit as a percentage to working funds ³	2.92%	(7.62%)
vi.	Return on assets ³	(3.05%)	(7.62%)
vii.	Business (Deposit) 5 per employee ⁴ (₹ in crores)	0.12	0.07
viii.	Profit per employee ⁴ (₹ in crores)	(0.07)	(0.15)

¹Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X for Commercial Banks and Form IX for UCBs, during the 12 months of the financial year.

²Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense. Average earning assets to be reckoned as fortnightly average of interest earning assets reported in Form A

³Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

⁴For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1.10 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on March 31, 2022:

(₹ in crores)

Maturity Bucket	Deposits	Advances	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	0.74	-	-	-	-	-
2 to 7 days	0.44	-	-	-	-	-
8 to 14 days	0.44	-	-	-	-	-
15 to 30 days	-	-	-	-	-	-
Days 31 to 2 months	-	-	16.93	-	-	-
Over 2 months to 3 months	-	-	14.89	-	-	-
Over 3 months to 6 months	-	-	14.79	-	-	-
Over 6 months to 1 year	-	-	27.17	-	-	-
Over 1 year to 3 years	11.38	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	13.01	-	73.78	-	-	-

Maturity pattern of certain items of assets and liabilities as on March 31, 2021:

(₹ in crores)

Maturity Bucket	Deposits	Advances	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	0.42	-	6.60	-	-	-
2 to 7 days	0.21	-	-	-	-	-
8 to 14 days	0.21	-	4.99	-	-	-
15 to 30 days	-	-	1.50	-	-	-
Days 31 to 2 months	-	-	2.99	-	-	-
Over 2 months to 3 months	-	-	2.98	-	-	-
Over 3 months to 6 months	-	-	12.33	-	-	-
Over 6 months to 1 year	-	-	-	-	-	-
Over 1 year to 3 years	5.68	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	6.52	-	31.39	-	-	-

1.11 Exposures

i) Sensitive Sectors

The Bank has not entered into any transactions related to capital market and real estate sector during the year 2021-22 and 2020-21.

ii) As per the RBI guidelines issued by RBI for licensing of Payments Bank; the payments bank are not allowed to give any advance or lend to any person including their directors. Therefore, the disclosure required in respect to

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

exposure to real estate sector, capital market, category wise country risk, single and group borrower limits and unsecured advances are not applicable to payments bank.

1.12 Disclosure of penalties imposed by RBI

No Penalty has been imposed by RBI during the year 2021-22 ("Nil" during FY 2020-21)

2. Disclosure Requirements as per Accounting Standards

2.1 Accounting Standard 15 - Employee Benefits

Leave Encashment

The actuarially determined liability for Compensated Absences (Privilege Leave) of the employees of the Bank is given below: (₹ in crores)

No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Provision as at date (Unfunded)	2.02	1.39

Provident Fund

The Company's contribution to the Employee Provident Fund amounted to ₹ 0.60 crores for the year 2021-22 (₹ 0.44 crores for the year 2020-2021)

Gratuity

The following tables give the disclosure regarding the Gratuity Scheme in accordance with the Accounting Standard 15 (Revised):

Balance Sheet

Change in Defined Benefit Obligation during the year

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation at the beginning of the period	0.21	0.11
Service cost	0.12	0.05
Interest cost	0.01	0.01
Actuarial losses/(gains)	0.04	0.04
Benefit payments	-	-
Defined Benefit obligation at the end of the period	0.38	0.21

Amount recognised in Balance Sheet:

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of defined benefit obligation at the end of the period	0.38	0.21
Fair value of plan assets at the end of the period	(0.31)	(0.22)
Funded status ((surplus)/ deficit)	0.07	(0.01)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(0.07)	0.01

Change in the fair value of Plan Assets during the year

(₹ in crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	0.22	0.20
Expected Return on Plan Assets	0.01	0.01
Contributions by the Bank	0.10	-
Actuarial Gain/ (Loss) recognised during the year	(0.02)	0.01
Benefit paid	-	-
Fair value of plan assets at the end of the year	0.31	0.22

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FOR THE YEAR ENDED 31ST MARCH, 2022

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i	Current service cost	0.12	0.05
ii	Net Interest Cost	(0.01)	(0.01)
iii	Net Actuarial Losses/(Gains) recognised in the year	0.05	0.04
	Total included in "Employee Benefit Expense" [Schedule 16(I)]	0.16	0.08

Experience adjustment is as follows:

(₹ in crores)

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Gratuity		
1	Actuarial (Gains)/Losses on Obligations – Due to Experience	0.04	(0.01)
2	Actuarial (Gains)/Losses on Plan Assets – Due to Experience	0.02	0.01

The principal actuarial assumptions used as at the Balance Sheet date are as follows:

No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Salary escalations	8.00%	8.00%
2	Discount rate	6.09%	5.58%
3	Attrition rate	20%	20%
4	Mortality rate	Indian assured Lives Mortality (2012-14)	Indian assured Lives Mortality (2006-08)

The above assumptions are considered for determining actuarial liability under Gratuity and Leave Encashment. Liability towards Leave Encashment and Gratuity are non-funded.

2.2 Accounting Standard 17 – Segment Reporting

- The Bank has classified its business into the following segments, namely:
 - Treasury – primarily comprising investments in Treasury Bills, Mutual Funds, Deposit with Banks.
 - Other Banking Operations - comprising business activities like accepting deposits, offering domestic money transfer and other services.

As at March 31, 2022

(₹ in crores)

Business segments	Treasury	Other Banking Operation	Total
Revenue	7.29	292.67	299.96
Unallocated Revenue	-	-	-
Expenses	0.01	307.24	307.25
Unallocated Expenses	-	-	0.21
Operating Profit/(Loss)	-	-	(7.50)
Income Tax	-	-	-
Extraordinary Profit/(Loss)	-	-	-
Net Profit/(Loss)	-	-	(7.50)
Other Information			
Segment Assets	224.56	20.16	244.72
Unallocated Assets	-	-	5.39
Total Assets	-	-	250.11
Segment Liabilities	-	110.82	110.82
Unallocated Liabilities	-	-	3.45
Total Liabilities	-	-	114.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

As at March 31, 2021

(₹ in crores)

Business segments	Treasury	Other Banking Operation	Total
Revenue	5.71	56.59	62.30
Unallocated Revenue	-	-	-
Expenses	0.08	74.69	74.77
Unallocated Expenses	-	-	0.01
Operating Profit/(Loss)	-	-	(12.48)
Income Tax	-	-	-
Extraordinary Profit/(Loss)	-	-	-
Net Profit/(Loss)	-	-	(12.48)
Other Information			
Segment Assets	204.33	40.98	245.31
Unallocated Assets	-	-	0.20
Total Assets	-	-	245.51
Segment Liabilities	0.01	102.17	102.18
Unallocated Liabilities	-	-	0.01
Total Liabilities	-	-	102.19

Unallocated segments, income, expense, assets and liabilities includes items which are not allocable to other segments. In allocation of some items of expenses/income and asset/liabilities, certain estimates and assumptions have been made by the management, which has been relied upon by the auditors.

2.3 Accounting Standard 18 – Related Party Disclosures

Related party disclosure as required in accordance with AS 18 – “Related Party Disclosures” and RBI guidelines, is provided below.

The related parties of the Bank are broadly classified as:

Relationship	Name of the related Party
Promoters	National Securities Depository Limited
Fellow Subsidiary	NSDL Database Management Limited
Key Management Personnel (KMP)	Mr. Abhijit Kamalapurkar (MD & CEO)
	Mr. Abhishek S. Bagchi (CFO)
	Mr. Balan Parthasarthy (CS)

In line with the Reserve Bank of India Circular No. DBR.BC.No.23//21.04.2018/2015-16 dated 1 July 2015; the Bank has not disclosed details pertaining to related parties where under a category there is only one entity. Similarly, there has been only one entity under Promoters and Fellow subsidiary category at any given point of time, therefore, those details are not disclosed. Related parties are identified by the Management and relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

As at March 31, 2022

(₹ in crores)

Items / Related Party	Parent (as per ownership or control)	Key Management Personnel	Relatives of Key Management Personnel	Fellow Subsidiary	Total
Borrowings	-	-	-	-	-
Deposit	-	-	-	-	-
Placement of deposits	-	-	-	-	-
Investments	-	-	-	-	-
Non funded commitments	-	-	-	-	-
Leasing / HP arrangements Availed/ provided	-	-	-	-	-
Sale/Purchase of fixed assets	-	-	-	-	-
Interest paid	-	-	-	-	-
Interest Received	-	-	-	-	-
Rendering of services	-	-	-	-	-
Remuneration*	-	1.41	-	-	1.41
Management Services	-	-	-	-	-

As at March 31, 2021

(₹ in crores)

Items / Related Party	Parent (as per ownership or control)	Key Management Personnel	Relatives of Key Management Personnel	Fellow Subsidiary	Total
Borrowings	-	-	-	-	-
Deposit	-	-	-	-	-
Placement of deposits	-	-	-	-	-
Investments	-	-	-	-	-
Non funded commitments	-	-	-	-	-
Leasing / HP arrangements Availed/ provided	-	-	-	-	-
Sale/Purchase of fixed assets	-	-	-	-	-
Interest paid	-	-	-	-	-
Interest Received	-	-	-	-	-
Rendering of services	-	-	-	-	-
Remuneration*	-	1.72	-	-	1.72
Management Services	-	-	-	-	-

* Liability for Gratuity & Compensated Absences are provided on an actuarial basis and calculated for the Bank as a whole and not individual employees, the said liabilities for the KMPs are not known hence not disclosed in above table.

2.4 Accounting Standard 19 - Lease Disclosures

The total amount paid by the Bank under operating lease for FY 2021-22 is ₹ 1.18 crores. (₹ 1.22 crores during FY 2020-21). The Bank has not entered into any non-cancellable operating lease and financial lease arrangement in the current year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
1. The total of future minimum lease payments under noncancellable operating leases for each of the following periods:		
a) Not later than one year	0.22	0.99
b) Later than one year but not later than five years	-	1.91
c) Later than five years	-	-
2. Total Expected future lease payment	0.22	2.89
3. Lease payment recognized in the statement of Profit and Loss for the period	1.18	1.22

2.5 Accounting Standard 10 and 26 – Fixed Assets and Other application software's Other Fixed Assets (including furniture & fixtures)

The movement in fixed assets capitalised as hardware and other application software is given below:

(₹ in crores)

Hardware - PPE	For the period ended March 31, 2022	For the period ended March 31, 2021
WDV at the beginning of the year	1.37	1.52
Additions during the year	0.36	0.54
Deductions during the year	-	0.19
Depreciation during the year	0.58	0.50
WDV at the close of the year	1.15	1.37

(₹ in crores)

Software – Intangible	For the period ended March 31, 2022	For the period ended March 31, 2021
WDV at the beginning of the year	16.15	16.72
Additions during the year	2.61	4.32
Deductions/Write off during the year	7.77	-
Depreciation during the year	3.31	4.89
WDV at the close of the year	7.68	16.15

2.6 Accounting Standard 22: Accounting for taxes

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

Particulars	For the period ended March 31, 2022**	For the period ended March 31, 2021**
Deferred tax asset on account of depreciation	0.07	0.13
Deferred tax asset on account of other items	0.22	0.17
Deferred tax liability on account of depreciation	-	-
Deferred tax liability on account of other items	-	-

** recognised to the extent of reversal of Deferred Tax Liability

Deferred Tax (Net)-Considering the current working results of the bank, deferred tax assets have not been recognized during the year. Currently, Bank is not recognising the Deferred tax assets on accumulated losses of Rs 44.15 crores including Rs. 14.56 crores of employee cost written off this year, (capitalised earlier), on which the Bank is in process of taking professional tax advice. The Bank is confident of having probable future taxable profits to allow it to recognize the deferred tax assets in future.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

2.7 Accounting Standard 20 – Earnings Per Share ('EPS')

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Net profit/(loss) after tax (₹ in crores)	(7.50)	(12.48)
Basic weighted average no. of shares	18,00,00,000	16,13,15,068
Diluted weighted average no. of shares	18,00,00,000	16,13,15,068
Basic EPS (₹)	(0.42)	(0.77)
Diluted EPS (₹)	(0.42)	(0.77)
Nominal value of shares (₹)	10/-	10/-

2.8 Accounting Standard 28 – 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 use is higher than the carrying value.

3 Additional Disclosures as per RBI

3.1 Provisions and contingencies

Break up provisions and contingencies

(₹ in crores)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Write off Intangible Assets – Employee Cost*	14.57	-
Intangible Assets under development written off	0.05	-
Provision for Doubtful Debts	0.07	0.06
Total	14.69	0.06

*Includes employee cost written off for period prior to F.Y. 2021 – 2022 which was earlier capitalised under intangible assets / capital work in progress in terms of compliance submitted to Reserve Bank of India vide its annual inspection report dated 30th December 2021.

3.2 Draw down from reserves

The Bank has not drawn any amount from reserves during FY 2021-22 ("Nil" during the year 2020-21).

3.3. Summary information on complaints received by bank from customers and from the OBOs

Sr.No.	Particulars	Previous year	Current year
	Complaints received by the bank from its customers		
1.	Number of complaints pending at the beginning of the year	-	3
2.	Number of complaints received during the year	114	680
3.	Number of complaints disposed during the year	111	675
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of year	3	8
	Maintainable complaints received by Bank from OBOs		
5.	Number of maintainable complaints received by the bank from OBOs	104	81*
5.1	Of 5, number of complaints resolved in favour of the bank by Bos	100	81
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Bos	2	-
5.3	Of 5, number of complaints resolved after passing of Awards by BO against the bank	2	-
6.	Number of Awards unimplemented within the stipulated time (Other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the scheme.

*There are 52 unique account numbers for which the Bank has received complaints from OBOs.

The count of complaints received in FY22 are in line with scaled up CASA business and resultant increased transaction volume, as compared to FY21, being first year of full-fledged operations.



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

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Account opening/difficulty in operation of accounts	0	312	512%^A	4	0
Others	0	228	744%^A	1	0
Internet/Mobile/Electronic Banking	1	74	222%^A	1	0
ATM/Debit Cards	2	55	358%^A	2	0
Levy of charges without prior notice/excessive charges/foreclosure charges	0	11	1000%^A	0	0

^AThe number of accounts opened through the NSDL Jiffy App scaled up from Jan 2020, in the earlier years as it was in CUG mode hence the complaints show a % wise rise.

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2020-21					
Account opening/difficulty in operation of accounts	0	51	Not Applicable	0	0
Others	0	27		0	0
Internet/Mobile/Electronic Banking	0	23		1	0
ATM/Debit Cards	0	12		2	0
Levy of charges without prior notice/excessive charges/foreclosure charges	0	1		0	0

3.4 Concentration of deposits

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Total deposits* of twenty largest depositors (Rs. in crores)	0.68	0.39
Percentage of deposits of twenty largest depositors to total deposits of the Bank	5.20%	6.04%

*Includes balance maintained in other bank to enable sweep out facility above regulatory threshold limit.

3.5 Off Balance sheet SPVs sponsored (which are required to be considered as per accounting norms)

There is no off-balance sheet SPVs sponsored during the year 2021-22 ("Nil" during the year 2020-21).

3.6 Provision for Long Term Contracts

The Bank has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. As at March 31, 2022, the Bank has reviewed and recorded adequate provision as required under applicable RBI laws/ accounting standards for material foreseeable losses on such long-term contracts, where applicable, in the books of account and disclosed the same under the relevant notes in the financial statements.

3.7 Details of provisioning related to fraud accounts

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
No. of frauds reported	27*	50*
Amount involved in such frauds (net of recovery) (₹ in crores)	0.02	-
Quantum of provision made (₹ in crores)	-	-
Quantum of unamortized provision debited from 'other Reserves' at the end of the Year (₹ in crores)	-	-

*Bank is reporting regulatory returns relevant to Payments Banks as per directions of Department of Banking. Bank has implemented enhanced account security measures since Q4FY 20-21, resulting in reduction of fraud cases. e.g. SIM binding, Auto read of OTP, monthly debit limits etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

3.8 Remuneration of Directors (Non-executive)

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Board Meeting	0.18	0.15
Audit Committee	0.10	0.04
Nomination & remuneration Committee	0.05	0.05
Risk Management Committee	0.07	0.05
Customer Service Committee	0.06	0.04
IT Strategy Committee	0.07	0.07
Independent Director Committee	0.03	0.02
Total	0.56	0.42

3.9 Marketing and distribution

The Bank has earned ₹ 0.26 crores from marketing and distribution of third party Mutual Fund products during FY : 2021-22 (₹ 0.01 crore during FY 2020-21).

3.10 Bancassurance Business

The Bank has earned ₹ 0.01 crores from bancassurance business during FY 2021-22 (₹ 0.01 crores during FY 2020-21).

3.11 Unamortised Pension and Gratuity Liabilities

The Bank does not have any unamortised Pension /Gratuity Liabilities as at March 31, 2022 ('Nil' as at March 31, 2021).

3.12 Disclosures on Remuneration

(i) Qualitative Disclosure

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

The Nomination & Remuneration committee comprises of minimum 3 non-executive directors out of which at least one half consist of Independent Directors of the Bank. Key mandate of the Nomination & Remuneration committee is to identify persons who are qualified to become directors and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Managing Director and Chief Executive Officer is considered as Material Risk taker of the Bank.

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

The current remuneration design offered is a competitive and market aligned remuneration package. The remuneration is designed to attract the required and quality talent. The remuneration is in line with the market practises.

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:

The incentive structures focus on ensuring sound and effective risk management by aligning with the Banks business strategy, values, key priorities and long-term goals. The bank is in process to develop a clear and predetermined role based KPIs which are set in accordance with the Banks overall strategy. This will further strengthen the future risk accounted from remuneration process.

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

The performance measurement is based on the KRA mapped. The KRA to each role acts as a parameter based on which the employees are evaluated.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

- 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:**

The same is governed by the guidelines as per the remuneration and compensation policy approved by the NRC

- 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 bank has Variable remuneration payout in cash which is determined by the end of the performance period.

The qualitative disclosure is made by the management and relied upon by the auditors

(ii) **Quantitative Disclosure:**

- a. **Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members:**

Number of meetings- 4 (4 during FY 2020-21)

Remuneration paid to the members during the year 2021-22 - ₹ 0.05 crores (₹ 0.02 crores during FY 2020-21)

- b. **Number of employees having received a variable remuneration award during the financial year:**

One (1) MRT and Two (2) KMPs (Two (2) KMPs during FY 2020-21)

- c. **Number and total amount of sign-on /joining bonus awards made during the financial year: No - Two (2) Total Amount - ₹ 10,00,000 (Nil during the year 2020-21)**

- d. **Details of severance pay, in addition to accrued benefits, if any:** Nil (Nil during the year 2020-21)

- e. **Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms:** Nil (Nil during the year 2020-21)

- f. **Total amount of deferred remuneration paid out in the financial year:** Nil (Nil during the year 2020-21)

- g. **Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred:**

**Fixed Pay: Basic Salary ₹ 0.28 crores (PY ₹ 0.31 crores), Other Allowances* ₹ 0.59 crore (PY ₹ 0.73 crore)

*HRA, Conveyance, Medical Allowances, leave encashment, etc.

Deferred Variable Pay: Nil (PY Nil)

Non-Deferred Variable Pay: ₹ Nil (PY ₹ 0.17 crore)

Variable Pay details pertains to payment made to MD & CEO as full and final settlement. Variable pay for the FY 2021-22 are yet to be reviewed and approved by the committee

**Details pertaining to Material Risk Takers of the Bank as identified by the Bank

- h. **Total amount of outstanding deferred remuneration and retained remuneration exposed to explicit and/ or implicit adjustments:** Nil (Nil during the year 2020-21)

- i. **Total amount of reductions during the financial year due to ex- post explicit adjustments:** Nil (Nil during the year 2020-21)

- j. **Total amount of reductions during the financial year due to ex- post implicit adjustments:** Nil (Nil during the year 2020-21)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

k. Number of MRTs identified: The MD & CEO is only MRT identified at the Bank

- a. Number of cases where malus has been executed: NIL (1 during the year 2020-21)
- b. Number of cases where clawback had been executed: NIL (NIL during the year 2020-21)
- c. Number of cases where both malus and clawback had been exercised: NIL (NIL during the year 2020-21)

(iii) General Quantitative Disclosure

The mean pay for the bank as a whole ₹ 0.15* crores (excluding sub-staff) (₹ 0.14 crores during the year 2020-21) and the deviation of the pay of each of its WTDs from the mean pay: ₹ 0.71* crores (₹ 1.09 crores during FY 2020-21)

*Mean pay and deviation is calculated on average annual basis.

3.13 Credit Default Swaps

The Bank has not issued any Credit Default Swaps (CDS) during the year 2021-22 ("Nil" during the year 2020-21).

3.14 Intra-group Exposure

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of intra group exposures	-	-
Total amount of top 20 intra group exposures	-	-
Percentage of intra group exposures to total exposure of the bank on borrowers / customers	-	-
Details of breach of limits on intra group exposures and regulatory action thereon, if any.	-	-

3.15 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance of amounts transferred to DEAF	-	-
Add : Amounts transferred to DEAF during the year	-	-
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	-	-

3.16 Liquidity Coverage Ratio (LCR)

Disclosure pertaining to Liquidity Coverage Ratio (LCR) is not applicable to the payments bank.

3.17 Implementation of IFRS converged Indian Accounting Standards (IND AS)

Presently, the Bank is preparing its Annual Financial statements, in terms of the provisions of section 29 of the Banking Regulation Act, 1949, in the Forms set out in the Third Schedule of the Banking Regulation Act, 1949 vide Master Direction No.DOR.ACC.REC.No.46/21.04.018/2021-22, dated 15th November 2021. Simultaneously, the Bank also prepares Financial Statements compliant with IndAS standards/principles by converting the BR Act financials considering the IndAS adjustments relating to MTM of investments, OCI impact of Ind AS 19, Financial lease liability as per IndAS 116 etc. for the special purpose of consolidation at group reporting level. The same is subjected to audit by the statutory auditors.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

3.18 Payment of DICGC Insurance Premium

(₹ in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Payment of DICGC Insurance Premium	0.02	0.01
ii) Arrears in payment of DICGC premium	-	-

3.19 Micro, Small and Medium Enterprises Development Act, 2006

The dues to the micro and small enterprises as required under 'The Micro, Small and Medium Enterprises Development Act 2006' is disclosed as below.

(₹ in crores)

SrNo	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.24
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.02	0.01
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
7	Further interest remaining due and payable for earlier years	-	-

Interest on delay payment of MSME vendors is not paid as the Bank has obtained the interest waiver certificate.

The determination has been made to the extent such parties were identified by the management based on the information available and are relied upon by the auditors.

3.20 As per Operating guidelines for Payments Bank issued by RBI dated 6th October, 2016, a Payments Bank cannot lend to any person except own employees. Accordingly, all disclosures in Notes to Accounts pertaining to advances including notes relating to Moratorium, Relief under RBI Package, Restructuring hasnot been made.

3.21 The Bank has availed a Bank Guarantee for an amount of ₹ 0.25 crore (Prev. period ₹ 0.25 crore) in favour of UIDAI against a lien on Fixed Deposit.

3.22 Category wise Breakup of Other Expenses (Schedule-16)

(₹ in crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Membership Fees	0.29	1.24
Professional Fees	0.82	1.26
Office Maintenance	0.17	0.08
Travelling and Conveyance	0.04	0.08
Others	257.13	47.67
IT and Call Centre expenses	2.25	1.50
Security Charges	0.20	0.18
Registration Charges	0.01	0.01
Total	260.91	52.02

3.23 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, the Bank is not required to spend towards CSR in the current year

3.24 Previous Year comparative figures

Previous period figures have been regrouped / reclassified where necessary to make them comparable to the current year classifications.

As per our report of even date
 For **V.Sankar Aiyar & Co.**
 Chartered Accountants
 ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors of
NSDL Payments Bank Limited
 CIN: U65900MH2016PLC284869

Sd/-
Karthik Srinivasan
 Partner
 Membership No. 514998
 Place : Delhi

Sd/-
L Ravi Sankar
 Director
 DIN: 00185931

Sd/-
Padmaja Chunduru
 Director
 DIN: 08058663

Sd/-
N S Venkatesh
 Director
 DIN: 01893686

Place : Mumbai
 Date : 17th May, 2022

Sd/-
Abhijit M Kamalapurkar
 MD & CEO
 DIN: 08849177

Sd/-
Abhishek Bagchi
 Chief Financial Officer
 M.No. 061680

Sd/-
Balan Santosh Parthasarathy
 Company Secretary
 M.No. A49602



National Securities Depository Limited

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CIN: U74120MH2012PLC230380

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