

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Airtel Payments Bank Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Airtel Payments Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules thereunder, of the state of affairs of the Bank as at March 31, 2026, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

The Bank's Management & Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Mistry Bhavan, 3rd Floor, Dinshaw Vachha Road, Churchgate, Mumbai 400 020. Tel: +91 22 6623 0600

501-502, Narain Chambers, M.G. Road, Vile Parle (E), Mumbai 400 057. Tel: +91 22 6250 7600

Website: www.cnkindia.com

MUMBAI | CHENNAI | VADODARA | AHMEDABAD | GIFT CITY | BENGALURU | DELHI | PUNE | KOLKATA | DUBAI | ABU DHABI

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Board of Directors for the Financial Statements

The Bank's Management & Board of Directors are 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 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by RBI from time to time (the "RBI Guidelines").

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

In preparing the financial statements, Bank's Management & Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and board of directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Bank 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 Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules thereunder.



2. As required by sub-section (3) of section 30 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 purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - (c) According to the information and explanation given to us, the key operations of the Bank are automated with key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. Accordingly, separate accounting returns are not required to be obtained from the branches;
 - (d) The profit and loss account shows a true balance of profit for the year then ended.
3. Further, as required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account, the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the guidelines prescribed by RBI;
 - (e) On the basis of written representations received from the directors as on March 31, 2026, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;
 - (g) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:



In our opinion and to the best of our information and according to the explanations given to us, the Bank a banking company, as defined under Banking Regulation Act, 1949, Accordingly Section 197 of the Act related to managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949, and;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - as per details furnished in Schedule 12 to the financial statements;
 - ii. The Bank did not have any long-term contract including derivatives contracts for which they were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 25 (a) of Schedule 18 of the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) Further, the Management has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 25 (b) of Schedule 18 of the notes to the financial statements, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - (c) Based on such audit procedures performed, that were considered reasonable and appropriate by us in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the management representations made under subclause (a) and (b) above contain any material misstatement.



- v. The Bank has neither declared nor paid any dividend during the year;
- vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Further, the Bank has complied with the statutory requirements of preservation of the audit trail for transactions recorded in the software from the date of enabling the audit trail feature.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Hiren Shah

Partner

Membership No: 100052



UDIN: 26100052TPSHQJ6905

Place: Gurugram

Date: May 01, 2026

Annexure A to the Independent Auditor's Report of even date on the financial statements of Airtel Payments Bank Limited for the year ended March 31, 2026

[Referred to in paragraph 3(f) under 'Report on Other Legal Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the Internal Financial Controls with reference to financial statements of Airtel Payments Bank Limited ('the Bank') as at March 31, 2026, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management and Board of Director's Responsibility for Internal Financial Controls

The Bank's Management and Board of Directors are 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 ("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.

Auditor's 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 and the Standards on Auditing ("Standards"), prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether 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 with reference to the 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 over financial reporting, 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 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. The Bank's internal financial control with reference to financial statements includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 maintained, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No: 100052

UDIN: 26100052TPSHQJ6905

Place: Gurugram

Date: May 01, 2026



AIRTEL PAYMENTS BANK LIMITED
BALANCE SHEET AS ON 31 MARCH 2026

(Rupees in thousands)

Particulars	Schedule	As on March 31, 2026	As on March 31, 2025
CAPITAL & LIABILITIES			
Capital	1	24,650,070	24,650,070
Employee Stock Options Outstanding	18 (Note 15)	410,908	288,114
Reserves & Surplus	2	(17,113,961)	(18,203,311)
Deposits	3	43,442,091	34,180,649
Borrowings	4	2,668,479	1,298,479
Other Liabilities and Provisions	5	32,194,975	32,896,827
Total		86,252,562	75,110,828
ASSETS			
Cash & Balances with Reserve Bank of India	6	14,438,495	20,727,092
Balances with Banks and Money at Call & Short Notice	7	12,797,754	7,543,111
Investments	8	39,255,025	32,939,938
Advances	9	-	-
Fixed Assets	10	7,872,016	7,391,250
Other Assets	11	11,889,272	6,509,437
Total		86,252,562	75,110,828
Contingent Liabilities	12	1,804,726	1,680,580
Bills for Collection		-	-
Significant Accounting Policies and Notes to financials	17 & 18		

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

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

As per our report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No – 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

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

Harjeet Singh Kohli

Director

DIN:07575784

Arpita Pal Agrawal

Director

DIN:08588528

Anubrata Biswas

Managing Director & CEO

DIN:08140188

Date: May 01, 2026

Place: Gurugram

A Ganesh

Executive Director-
Business Operations

DIN: 10729466

Anuj Bansal

Chief Financial Officer

Suman Singh

Company Secretary



AIRTEL PAYMENTS BANK LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2026

		(Rupees in thousands)		
Particulars	Schedule	For the year ended March 31, 2026	For the year ended March 31, 2025	
I INCOME				
Interest Earned	13	3,182,558	2,527,089	
Other Income	14	28,884,743	24,559,241	
Total		32,067,301	27,086,330	
II EXPENDITURE				
Interest Expended	15	767,565	618,361	
Operating Expenses	16	33,157,366	26,042,251	
Provisions and Contingencies	18 (Note 12d)	(2,951,390)	(200,292)	
Total		30,973,541	26,460,320	
III PROFIT/(Loss)				
Net Profit for the year		1,093,760	626,010	
Loss Brought Forward		(19,162,962)	(19,632,362)	
Total		(18,069,202)	(19,006,352)	
IV APPROPRIATIONS				
Transfer to:				
a) Statutory Reserves		273,440	156,502	
b) Investment Fluctuation Reserve		9,591	108	
c) Proposed Dividend		-	-	
d) Tax on Dividend		-	-	
Balance Carried over to Balance Sheet		(18,352,233)	(19,162,962)	
Total		(18,069,202)	(19,006,352)	
V Earnings Per Share (Face value of Rs 10/-)				
Basic 'In Rs' [Refer Schedule 18 - Note 17]		0.44	0.26	
Diluted 'In Rs' [Refer Schedule 18 - Note 17]		0.43	0.25	
Significant Accounting Policies and Notes to financials	17 & 18			

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

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

As per our report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No - 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

Harjeet Singh Kohli

Director

DIN:07575784

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

Arpita Pal Agrawal

Director

DIN:08588528

Anubrata Biswas

Managing Director & CEO

DIN:08140188

Date: May 01, 2026

Place: Gurugram

A Ganesh

Executive Director- Business Operations

DIN: 10729466

Anuj Bansal

Chief Financial Officer

Suman Singh

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

(Rupees in thousands)

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
A. Cash flow from operating activities:		
Net Profit for the year	1,093,760	626,010
Adjustments for:		
Depreciation and Amortization Expense	3,397,415	2,560,396
Amortization of Premium on Held to Maturity (HTM) investments	(2,200)	(2,200)
Employees Stock Option Expenses	122,794	102,113
Deferred tax asset	(3,202,924)	(232,976)
Interest on Borrowings	126,417	40,175
Other Provisions & Write off	208,437	4,025
Loss/ (Profit) on Sale of Fixed Assets (net)	(6,272)	1,683
Operating cash flow/(used) before changes in assets and liabilities	1,737,427	3,099,225
Adjustments for changes in assets and liabilities:		
Increase/ (Decrease) in Deposits	9,261,442	7,875,289
Increase/ (Decrease) in Other Liabilities	(932,827)	18,577,002
(Increase)/ Decrease in Investments (other than HTM securities)	(6,318,181)	(6,694,884)
(Increase)/ Decrease in Other Assets	(2,178,284)	(2,327,366)
Cash generated/(used) from operations	1,569,577	20,529,269
Taxes (Paid) / Refund (including tax deducted at source)	(49,963)	42,057
Net cash flow from/(used) in Operating Activities (A)	1,519,614	20,571,326
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	(3,835,724)	(4,999,468)
Proceeds from Sale of Fixed Assets	35,272	-
Net cash flow from/ (used) in Investing Activities (B)	(3,800,452)	(4,999,468)
C. Cash flow from financing activities:		
Proceeds from Equity Shares	-	777,733
Net Proceeds/ (Repayment) from Borrowings	1,370,000	1,298,479
Interest on Borrowings	(123,116)	(32,552)
Net cash flow from/ (used) financing activities (C)	1,246,884	2,043,659
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	(1,033,954)	17,615,515
Add: Balance as at the beginning of the year	28,270,203	10,654,688
Cash and cash equivalents at the end of the year	27,236,249	28,270,203
Notes to the Cash flow statement		
Cash and cash equivalents includes the following:		
(i) Cash & Balances with Reserve Bank of India (Refer schedule 6)	14,438,495	20,727,092
(ii) Balances with Banks and Money at Call & Short Notice (Refer schedule 7)	12,797,754	7,543,111
Cash and cash equivalents at the end of the year	27,236,249	28,270,203

Cash flow statement has been prepared under the Indirect Method and figures have been regrouped wherever considered necessary.

Figures in brackets indicate cash outflow.

As per our report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No – 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

Harjeet Singh Kohli

Director

DIN:07575784

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

Arpita Pal Agrawal

Director

DIN:08588528

Anubrata Biswas

Managing Director & CEO

DIN:08140188

Date: May 01, 2026

Place: Gurugram

A Ganesh

Executive Director-
Business Operations

DIN: 10729466

Anuj Bansal

Chief Financial Officer

Suman Singh

Company Secretary



SCHEDULE 1: CAPITAL

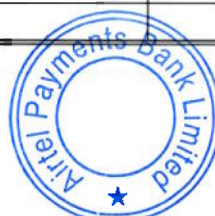
(Rupees in thousands)

Particulars	March 31, 2026	March 31, 2025
Authorized Capital		
3,250,000,000 Equity shares of Rs. 10 each (March 31, 2025 - 3,250,000,000 Equity shares of Rs. 10 each)	32,500,000	32,500,000
1,400,000,000 Preference shares of Rs. 10 each (March 31, 2025 - 1,400,000,000 Preference Shares of Rs 10 each)	14,000,000	14,000,000
Total	46,500,000	46,500,000
Issued, Subscribed and Paid-Up Capital		
2,465,007,036 Equity shares of Rs. 10 each (March 31, 2025 - 2,465,007,036 Equity shares of Rs. 10 each)	24,650,070	24,650,070
Total	24,650,070	24,650,070

SCHEDULE 2: RESERVES & SURPLUS

(Rupees in thousands)

Particulars	March 31, 2026	March 31, 2025
I. Statutory Reserves		
Opening Balance	319,420	162,918
Additions during the year	273,440	156,502
Deductions during the year	-	-
Total	592,860	319,420
II. Capital Reserves		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Total	-	-
III. Share Premium		
Opening Balance	625,582	366,338
Additions during the year	-	259,244
Deductions during the year	-	-
Total	625,582	625,582
IV. Investment Fluctuation Reserve		
Opening Balance	108	-
Additions during the year	9,591	108
Deductions during the year	-	-
Total	9,699	108
V. General Reserves		
Opening Balance	13,657	9,316
Additions during the year	-	4,341
Deductions during the year	-	-
Total	13,657	13,657
VI. Available for Sale (AFS) Reserve		
Opening Balance	884	-
Additions during the year	(4,410)	884
Deductions during the year	-	-
Total	(3,526)	884



Particulars	March 31, 2026	March 31, 2025
VII. Revenue & Other Reserve		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Total	-	-
VIII. Balance in Profit and Loss Account	(18,352,233)	(19,162,962)
Total (I to VIII)	(17,113,961)	(18,203,311)

SCHEDULE 3: DEPOSITS

(Rupees in thousands)

Particulars	March 31, 2026	March 31, 2025
A I. Demand Deposits		
i) From Banks	-	-
ii) From Others	774,448	106,859
Total	774,448	106,859
II. Saving Banks Deposits	42,667,643	34,073,790
III. Term Deposits		
i) From Bank	-	-
ii) From Others	-	-
Total	-	-
Total (I to III)	43,442,091	34,180,649
B Deposits of Branches		
i) In India	43,442,091	34,180,649
ii) Outside India	-	-
Total	43,442,091	34,180,649

SCHEDULE 4: BORROWINGS

(Rupees in thousands)

Particulars	March 31, 2026	March 31, 2025
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	2,668,479	1,298,479
iii) Other Institutions and Agencies	-	-
Total (i to iii)	2,668,479	1,298,479
II. Borrowings Outside India	-	-
Total (I to II)	2,668,479	1,298,479
Secured Borrowings (Included in I and II above)	-	-

SCHEDULE 5: OTHER LIABILITIES AND PROVISIONS

(Rupees in thousands)

Particulars	March 31, 2026	March 31, 2025
I. Bills Payable	-	-
II. Inter Office Adjustments (net)	-	-
III. Interest Accrued	3,300	8,825
IV. Others (Including provisions) (Refer Schedule 18 - Note 24C)	32,191,675	32,888,002
Total (I to IV)	32,194,975	32,896,827



SCHEDULE 6: CASH & BALANCES WITH RESERVE BANK OF INDIA*(Rupees in thousands)*

	Particulars	March 31, 2026	March 31, 2025
I.	Cash in Hand	-	-
II.	Balance with Reserve Bank of India:		
	a) In Current Account	2,638,495	2,087,092
	b) In Other Accounts	11,800,000	18,640,000
	Total (I to II)	14,438,495	20,727,092

SCHEDULE 7: BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE*(Rupees in thousands)*

	Particulars	March 31, 2026	March 31, 2025
I.	IN INDIA		
	i) Balances with Banks		
	a) In Current Accounts	755,682	1,233,560
	b) In other Deposit Accounts*	12,042,072	6,309,551
	ii) Money at Call & Short Notice		
	a) With Banks	-	-
	b) With Other Institutions	-	-
	Total (i to ii)	12,797,754	7,543,111
II	OUTSIDE INDIA		
	i) In Current Accounts	-	-
	ii) In Other Deposit Accounts	-	-
	iii) Money at Call & Short Notice	-	-
	Total (i to iii)	-	-
	Total (I & II)	12,797,754	7,543,111

* Includes deposits pledged with other banks of Rs. 289,810 thousand (March 31, 2025: Rs. 274,646 thousand) for bank guarantee

SCHEDULE 8: INVESTMENTS*(Rupees in thousands)*

	Particulars	March 31, 2026	March 31, 2025
A.	I. Investment in India in		
	i) Government Securities*	39,255,025	32,939,938
	ii) Other Approved Securities	-	-
	iii) Shares	-	-
	iv) Debentures & Bonds	-	-
	v) Subsidiaries and/ or Joint Ventures	-	-
	vi) Others	-	-
	Total Investment in India (i to vi)	39,255,025	32,939,938
	II. Investments Outside India		
	i) Government securities (Including local authorities)	-	-
	ii) Subsidiaries and/or joint ventures abroad	-	-
	iii) Other investments	-	-
	Total Investment Outside India (i to iii)	-	-
	Total (I & II)	39,255,025	32,939,938

* Includes securities held as collateral of Rs. 97,151 thousand (March 31, 2025: Rs. 95,888 thousand) towards margin requirements of CCIL.



SCHEDULE 9: ADVANCES

(Rupees in thousands)

	Particulars	March 31, 2026	March 31, 2025
A)	i) Bills Purchased and Discounted	-	-
	ii) Cash Credits, Overdrafts & Loans repayable on demand	-	-
	iii) Term Loans	-	-
	Total (i to iii)	-	-
B)	i) Secured by Tangible Assets	-	-
	ii) Covered by Banks/ Government Guarantees	-	-
	iii) Unsecured	-	-
	Total (i to iii)	-	-
C)	I. Advances in India		
	i) Priority Sector	-	-
	ii) Public Sector	-	-
	iii) Banks	-	-
	iv) Others	-	-
	Total (i to iv)	-	-
	II. Advances Outside India		
	i) Dues from Banks	-	-
	ii) Dues from others	-	-
	a) Bills purchased and discounted	-	-
	b) Syndicated loans	-	-
	c) Others	-	-
	Total (i to ii)	-	-
	Grand Total (A, B & C)	-	-

SCHEDULE 10: FIXED ASSETS

(Rupees in thousands)

	Particulars	March 31, 2026	March 31, 2025
I.	Premises		
	At cost on 31st March of the preceding year	-	-
	Additions during the year	-	-
	Deductions during the year	-	-
	Less: Depreciation to date	-	-
	Net Block	-	-
II.	Other Fixed Assets#^ (Including Furniture's & Fixtures) [Refer Schedule 18 - Note 13]		
	At cost as on 31st March of the preceding year	12,152,943	8,948,450
	Additions during the year	3,913,740	3,700,272
	Deductions during the year	(131,121)	(495,778)
	Depreciation to date*	(8,063,546)	(4,761,694)
	Net Block	7,872,016	7,391,250
	Total (I & II)	7,872,016	7,391,250

*Includes depreciation charge for the current financial year amounting to Rs. 3,397,415 thousand (March 31, 2025: Rs. 2,560,396 thousand)

#Includes capital work in progress amounting to Rs. 175,584 thousand (March 31, 2025: Rs. 71,188 thousand) and intangible under development amounting to Rs. 1,051,015 thousand (March 31, 2025: Rs. 877,362 thousand)

^ During the year, the Bank revised the useful life of servers from 5 years to 6 years with effect from 1 December 2025, applied prospectively as a change in accounting estimate. This resulted in a reduction in depreciation expense of Rs. 2.70 crore for the year.



SCHEDULE 11: OTHER ASSETS

(Rupees in thousands)

	Particulars	March 31, 2026	March 31, 2025
I	Inter-office adjustment (net)	-	-
II	Interest Accrued	727,453	512,941
III	Tax paid in advance/ Tax deducted at source (Net)	96,098	51,199
IV	Stationery and Stamps	-	-
V	Non- banking assets acquired in satisfaction of claims	-	-
VI	Deferred Tax Assets (Net)	3,437,116	232,976
VII	Others (Refer Schedule 18 - Note 24D)	7,628,605	5,712,321
	Total (I to VII)	11,889,272	6,509,437

SCHEDULE 12: CONTINGENT LIABILITIES

(Rupees in thousands)

	Particulars	March 31, 2026	March 31, 2025
I	Claims against the banks not acknowledged as debts#	2,330	41,549
II	Liabilities for partly paid investments	-	-
III	Liability on account of outstanding forward exchange contracts	-	-
IV	Guarantees given on behalf of constituents	-	-
	a) In India	-	-
	b) Outside India	-	-
V	Acceptances, endorsements and other obligations	-	-
VI	Other items for which the bank is contingently liable*	1,802,396	1,639,031
	Total (I to VI)	1,804,726	1,680,580

* Includes			
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (capital commitment)	1,701,645	1,582,201	
(b) Outstanding balance of amount transferred to DEA fund	100,751	56,830	

Represents contested claims by customers, vendors and demand from tax authorities

SCHEDULE 13: INTEREST EARNED

(Rupees in thousands)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Interest/ Discount on Advances/ Bills	-	-
II.	Income on Investments	2,089,642	1,907,754
III.	Interest on balances with RBI and other inter-Bank funds	1,091,446	609,187
IV.	Others	1,470	10,148
	Total (I to IV)	3,182,558	2,527,089



SCHEDULE 14: OTHER INCOME*(Rupees in thousands)*

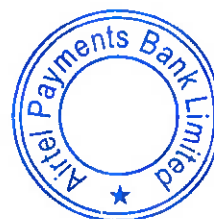
	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Commission, Exchange and Brokerages (Refer Schedule 18 - Note 24B)	28,861,171	24,561,666
II.	Profit on Sale of Investments	9,591	606
	Less: Loss on sale of investments	(564)	(498)
III.	Profit on revaluation of Investments	-	-
	Less: Loss on revaluation of investments	-	-
IV.	Profit on Sale of Fixed Assets	6,390	-
	Less: Loss on Sale of Fixed Assets	(118)	(1,683)
V.	Profit on Exchange Transactions	9,266	1,327
	Less: Loss on exchange transactions	(993)	(2,177)
VI.	Income earned from Subsidiaries/ Joint Ventures	-	-
VII.	Miscellaneous Income	-	-
	Total (I to VII)	28,884,743	24,559,241

SCHEDULE 15: INTEREST EXPENDED*(Rupees in thousands)*

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Interest on Deposits	641,148	577,254
II.	Interest on Reserve Bank of India and inter-Bank Borrowings	126,417	40,174
III.	Others	-	933
	Total (I to III)	767,565	618,361

SCHEDULE 16: OPERATING EXPENSES*(Rupees in thousands)*

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Payment to and Provision for employees	3,158,905	2,384,188
II.	Rent, Taxes and Lighting	81,623	83,115
III.	Printing and Stationery	6,164	7,727
IV.	Advertisement and Publicity	1,729,250	733,785
V.	Depreciation/Amortization on Bank's Property	3,397,415	2,560,396
VI.	Directors' fees, allowances and expenses	15,500	14,400
VII.	Auditors' fee and expenses (including Branch Auditors)	6,751	6,385
VIII.	Law Charges	-	-
IX.	Postage, Telegram, Telephones etc.	12,212	31,952
X.	Repairs and Maintenance	3,594	7,703
XI.	Insurance	356,781	240,030
XII.	Other Expenditure (Refer Schedule 18 - Note 24A)	24,389,171	19,972,570
	Total (I to XII)	33,157,366	26,042,251



Schedule 17: Significant Accounting Policies Appended to and Forming Part of the Financial Statements

1. Background

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

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

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

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

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

2. Basis of preparation

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time, the Accounting Standards specified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and other relevant provisions of the Companies Act, 2013, in so far as they apply to Bank's and practices generally prevailing within the banking industry in India. The financial statements have been prepared under the historical cost convention and on an accrual basis except unless otherwise stated by RBI guidelines. The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year.

Use of estimates

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

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



3. Summary of significant accounting policies

3.1 Investments

Initial Recognition:

All investments are recognized at fair value on initial recognition, primarily the acquisition cost. Where facts and circumstances suggest that the fair value is materially different from the acquisition cost, the difference between the fair value and the acquisition cost is recognized in accordance with RBI guidelines.

Classification: All investments are classified into 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and 'Fair value through Profit and Loss account (FVTPL)' including 'Held for Trading (HFT)' which is a separate investment sub-category within FVTPL on the date of purchase as per the extant RBI guidelines on classification, valuation and operation of investment portfolio by Banks. Under each classification, the investments are further categorized as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures, and (e) others. Further, all the investments including debt investments in subsidiaries, joint ventures and associates are classified in a separate category.

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

Classification & Subsequent Measurement:

HTM:

Investments are classified as HTM if:

- 1) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- 2) The contractual terms of security give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI criterion) on specified dates.

HTM securities are carried at cost. Any premium or discount over the face value of fixed rate and floating rate/staggered securities acquired is amortized over the remaining period to maturity on a constant yield basis and straight-line basis respectively.

AFS:

Investments are classified as AFS if:

- 1) Security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
- 2) The contractual terms of the security meet the 'SPPI criterion'.

Further, certain equity investments are also designated as AFS investments, where on initial recognition, the Bank has made an irrevocable election to classify such equity investments as AFS investments.

Investments classified as AFS are fair valued periodically as per RBI guidelines. Any premium or discount over/below the face value of fixed rate and floating rate/staggered securities acquired is amortized over the remaining period to maturity on a constant yield basis and straight-line basis respectively. The unrealized gain or loss across all performing AFS investments (adjusted for effect of taxes, if any) is recognized in "AFS reserves".

FVTPL:

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL.

There is a separate sub-category called 'Held for trading (HFT)' within FVTPL. The HFT investments primarily include listed equity investments (except for equity investments designated as AFS investments) and debt securities acquired with an intent to sale.

Investments classified as FVTPL are fair valued periodically as per RBI guidelines. Any premium or discount over the face value of fixed rate and floating rate/staggered securities acquired which pass the SPPI criterion is



amortized over the remaining period to maturity on a constant yield basis and straight-line basis respectively. The unrealized gain or loss across all performing FVTPL investments is aggregated across all categories and net appreciation/depreciation is recognized in profit and loss account.

Acquisition Cost: Costs, including brokerage and commission pertaining to trading book investments paid at the time of acquisition and broken period interest (the amount of interest from the previous interest payment date till the date of purchase of instruments) on debt instruments, are charged to the profit and loss account.

Disposal of investments:

a. Investments classified as FVTPL or AFS- Profit or loss on sale or redemption (except AFS equity investments) is recognized in the Profit and Loss Account. The realized gain or loss on AFS equity investments is recognized in AFS Reserve.

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

c. Traded investments are valued based on the trades / quotes on the recognized stock exchanges, price list of RBI or prices declared by Financial Benchmarks India Pvt Ltd. ('FBIL'), periodically.

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

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

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

e. Non-performing investments are identified and valued based on the RBI guidelines. The depreciation / provision on such non-performing investment are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Statement of Profit and Loss until received.

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

3.2 Fixed assets and depreciation / amortization

i) Tangible assets and depreciation

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

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



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

Estimated useful lives of the assets are as follows:

Sr. No	Class of Asset	Useful Life (in years)
1	Computers	2-3
2	Servers	6
3	Office Equipment	
3(a)	Mobile phones	2
3(b)	Other Office Equipment	5
3(c)	Devices (Micro ATM, Sound box, Passbook printer etc)	2
4	Furniture & Fixtures	5
5	Leasehold improvements	Period of lease

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

ii) Intangible assets and amortization

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

Sr. No	Class of Asset	Useful Life (in years)
1	In-house developed Software / platform	3
2	Purchase Software/ License*	Over the period of Software/ License, generally not exceeding five years
3	Other intangible assets#	Over the period of contract / agreement

*Software/ License is capitalized at the amounts paid to acquire the respective software/ license for use and is amortized over the period of software/ license, generally not exceeding five years. Wherever life is not specified/ ascertainable then the same is based on management's evaluation and estimate but generally not exceeding five years.

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

#Bank has entered into certain long-term contracts for NCMC metro related projects under these contracts the bank is obligated to make payments towards certain fees over the period of contracts. The bank will be earning revenue from metro authorities on customer travel and from customers on issuance of NCMC cards. Entire amount payable over the contract term is initially recognized as capital work in progress. On commencement of

the operations the amount is considered “other intangible assets”. Bank has assessed the estimated pattern of economic benefits expected from these assets. Accordingly, amortization on these assets is being calculated using a revenue-based approach over the period of the contract, which reflects the consumption of economic benefits. The Bank will reassess future projections at the end of each financial year to ensure ongoing alignment.

3.3 Impairment of assets

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

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

3.4 Cash and cash equivalents

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

3.5 Revenue recognition and receivables

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

i) Interest

Income on account of interest and other activities are recognized on an accrual basis. Interest income on discounted instruments is recognized over the tenure of the instruments so as to provide a constant periodic rate of return.

ii) Dividend

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

iii) Commission exchange and brokerage and other revenue

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

- A. Revenue from collection services is recognised on completion of provision of services.
- B. Revenue from remittances and transfers services is recognised as and when the transaction is completed.
- C. Revenue from insurance commission and referral fee is recognised on completion of provision of services.
- D. Transactions fees and all other fees are accounted for as and when it is due.
- E. Incentives from government authorities or government projects and other fees and transactions are recognized on an accrual basis, i.e., as and when they become due. However, incentives and subsidies received from government authorities relating to the acquisition of assets are deferred and recognized as income over the useful life of the underlying asset.



3.6 Foreign currency translation

Initial Recognition

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

Conversion

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

Exchange Differences

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

3.7 Employee benefits

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

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

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

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

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

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

Employee Stock Option Scheme (ESOS)

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



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

3.8 Leases

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

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

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

3.9 Taxes

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

Current Income tax

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

Deferred tax

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

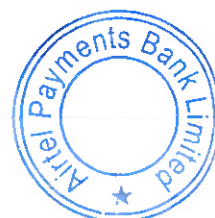
At each balance sheet date, unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realized.

3.10 Segmental reporting

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

3.11 Earnings / (loss) per share

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



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

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

3.12 Provisions and contingencies

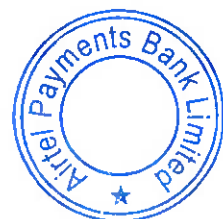
Provisions are recognized when the Bank has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted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

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

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

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

Provision for bad and doubtful debts: Provision is created for trade receivables outstanding for more than 180 days from the date of invoice (net of payable/ deposits).



Schedule -18: Notes Forming Part of Financial Statements for the year ended March 31, 2026

1) Regulatory Capital

a) Composition of Regulatory Capital

The Bank computes capital adequacy ratio (CRAR) as per as per the standardized approach for Credit Risk as per Reserve Bank of India (Payments Banks– Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28. 2025 DOR.CAP.REC.130/21-01-002/2025-26. Market Risk and Operational Risk capital charges are currently applicable for Payments bank. Capital Adequacy Ratio of the Bank at March 31, 2026, is 20.52% (March 31, 2025, is 37.95%) against the regulatory requirement of 15.00% prescribed by RBI.

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

(Rupees in Crores)

Sr. No.	Particulars	As on March 31,2026	As on March 31,2025
i)	Common Equity Tier 1 capital (CET 1)	408.93	621.37
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	408.93	621.37
iv)	Tier 2 capital	0.97	0.01
v)	Total capital (Tier 1+Tier 2)	409.90	621.38
vi)	Total Risk Weighted Assets (RWAs)	1,997.70	1,637.25
vii)	Common Equity Tier-1 Capital Ratio (%)	20.47%	37.95%
viii)	Tier 1 Capital Ratio (%)	20.47%	37.95%
ix)	Tier 2 Capital Ratio (%)	0.05%	0.00%
x)	Total Capital Ratio (CRAR) (%)	20.52%	37.95%
xi)	Leverage Ratio	4.83%	8.12%
xii)	Amount of paid-up equity capital raised during the year*	-	77.77
Xiii)	Amount of non-equity Tier 1 capital raised during the year	-	-
xiv)	Amount of Tier -2 Capital raised during the year	-	-

* Including share premium of Rs. Nil (Previous Year- Rs. 25.92 crore)

b) **Drawdown from reserves** The Bank has not undertaken any drawdown from reserves during the year.



2) Asset Liability Management: The following table sets forth the maturity pattern of assets and liabilities of the Bank.

(Rupees in Crores)

As on March 31, 2026						
Maturity Pattern	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	435.21	-	-	-	-	-
2-7 days	-	-	-	-	-	-
8-14 Days	-	-	-	-	-	-
15-30 Days	-	-	-	-	-	-
31 days - 2 months	-	-	25.08	-	-	-
2 months - 3 months	-	-	-	-	-	-
Over 3 months to 6 months	-	-	868.02	-	-	-
Over 6 months to 1 year	-	-	2,993.58	-	-	-
Over 1 year to 3 years	3,909.00	-	4.99	266.85	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	33.83	-	-	-
Total	4,344.21	-	3,925.50	266.85	-	-

(Rupees in Crores)

As on March 31, 2025						
Maturity Pattern	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	342.23	-	-	-	-	-
2-7 days	-	-	374.86	-	-	-
8-14 Days	-	-	159.71	-	0.47	0.45
15-30 Days	-	-	94.70	-	-	-
31 days - 2 months	-	-	343.42	-	-	-
2 months - 3 months	-	-	74.38	-	-	-
Over 3 months to 6 months	-	-	874.06	-	-	-
Over 6 months to 1 year	-	-	1,334.27	-	-	-
Over 1 year to 3 years	3,075.83	-	4.98	129.85	-	-
Over 3 years to 5 years	-	-	-	-	-	-
Over 5 years	-	-	33.61	-	-	-
Total	3,418.06	-	3,293.99	129.85	0.47	0.45

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



3) Investments

a) Composition of Investment Portfolio

(Rupees in Crores)

Particulars	March 31,2026						
	HTM		AFS*	FVTPL		Subsidiaries, Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India	-	-	-	-	-	-	-
(i) Government securities	38.81	39.07	3,886.69	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(vi)Others	-	-	-	-	-	-	-
Total Investments	38.81	39.07	3,886.69	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-
Net Investments	38.81	39.07	3,886.69	-	-	-	-
II. Investments outside India	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(i) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-
Less: Provisions for impairment/ NPI	-	-	-	-	-	-	-
Net Investments	-	-	-	-	-	-	-
Total Investments (I+II)	38.81	39.07	3,886.69	-	-	-	-

*Includes MTM loss routed through AFS Reserve of Rs. 0.44 Crores

(Rupees in Crores)

Particulars	March 31,2025						
	HTM		AFS*	FVTPL		Subsidiaries, Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India	-	-	-	-	-	-	-
(i) Government securities	38.59	39.67	3,255.40	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(vi)Others	-	-	-	-	-	-	-
Total Investments	38.59	39.67	3,255.40	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-
Net Investments	38.59	39.67	3,255.40	-	-	-	-



II. Investments outside India							
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-
Less: Provisions for impairment/ NPI	-	-	-	-	-	-	-
Net Investments	-	-	-	-	-	-	-
Total Investments (I+II)	38.59	39.67	3,255.40	-	-	-	-

*Includes MTM gain routed through AFS Reserve of Rs. 0.09 Crores

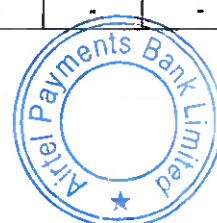
b) Fair Value Hierarchy of investment portfolio

(Rupees in Crores)

Particulars	March 31, 2026							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India	-	-	-	-	-	-	-	-
(i) Government securities	-	3,886.69	-	3,886.69	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-
Total Investments	-	3,886.69	-	3,886.69	-	-	-	-
II. Investments outside India	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-
(i) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-	-
Total investments (I+II)	-	3,886.69	-	3,886.69	-	-	-	-

(Rupees in Crores)

Particulars	March 31, 2025							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India	-	-	-	-	-	-	-	-
(i) Government securities	-	3,255.40	-	3,255.40	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-
Total Investments	-	3,255.40	-	3,255.40	-	-	-	-
II. Investments outside India	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-
(i) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-	-
Total investments (I+II)	-	3,255.40	-	3,255.40	-	-	-	-



c) Net gains/ (losses) on Level 3 financial instruments recognized in AFS-Reserve and Profit and Loss Account

(Rupees in Crores)

Particulars	March 31, 2026	March 31, 2025
Recognized in AFS-Reserve	-	-
Recognized in Profit and Loss Account	-	-

d) Details of sales made out of HTM:- During the current year and previous year, the Bank has not sold any securities from Held to Maturity category.

(Rupees in Crores)

	Particulars	March 31, 2026	March 31, 2025
A	Opening carrying value of securities in HTM	38.59	37.94
B	Carrying value of all HTM securities sold during the year	-	-
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	-	-
D	Carrying value of securities sold (D=B-C)	-	-
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	-	-
F	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	-	-

e) Reclassification between categories of investments

During the current and previous year, the Bank has not reclassified any securities from one category to another category.

f) Movement of Provision for Depreciation, AFS Reserve and Investment Fluctuation Reserve

(Rupees in Crores)

Particulars	March 31, 2026	March 31, 2025
Movement of provision held towards depreciation on investments		
a) Opening balance	-	-
b) Add: Provision made during the year	-	-
c) Less: Write off/write back of excess provisions during the year	-	-
d) Closing balance	-	-
Movement of Investment Fluctuation Reserve (refer note below)		
a) Opening balance	0.01	-
b) Add: Amount transferred during the year	0.96	0.01
c) Less: Drawdown	-	-
d) Closing balance	0.97	0.01
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / FVTPL	0.02%	0.00%

Note:- Reserve Bank of India vide Reserve Bank of India (Payments Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025 dated November 28, 2025 advised banks to create an Investment Fluctuation Reserve (IFR) not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations until the amount of IFR is at least 2 percent of the HFT / FVTPL and AFS portfolio, on a continuing basis.

During the year ended March 31, 2026, the Bank transferred an amount of Rs. 0.96 Crore to IFR. (Previous year Rs. 0.01 crore)



g) Non-SLR Investment Portfolio

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

ii) Issuer composition of Non SLR investments: - The Bank does not have any Non-SLR investments as on March 31, 2026 & March 31, 2025.

h) Repo Transactions: -

(Rupees in Crores)

March 31,2026								
Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repo								
a) Government Securities	-	-	-	-	-	-	-	-
b) Corporate Debt Securities	-	-	-	-	-	-	-	-
c) Any other Securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
a) Government Securities ³	16.00	16.00	2,654.00	2,654.00	601.41	601.41	1,180.00	1,180.00
b) Corporate Debt Securities	-	-	-	-	-	-	-	-
c) Any other Securities	-	-	-	-	-	-	-	-

(Rupees in Crores)

March 31,2025								
Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repo								
a) Government Securities	26.42	25.30	76.55	72.82	36.93	35.44	-	-
b) Corporate Debt Securities	-	-	-	-	-	-	-	-
c) Any other Securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
a) Government Securities ³	3.00	3.00	1,864.00	1,864.00	335.19	335.19	1,864.00	1,864.00
b) Corporate Debt Securities	-	-	-	-	-	-	-	-
c) Any other Securities	-	-	-	-	-	-	-	-

Note: 1. FV: Face Value

2. MV: Market Value

3. Including Balance maintained with Reserve Bank of India for Standing Deposit Facility



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

(Rupees in Crores)

March 31, 2026					
Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2026
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

(Rupees in Crores)

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

4) Fraud Accounts

a) Claims where there was liability against bank

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

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	No. of frauds reported	2,829	1,150
B	Amount involved in such frauds	4.03	2.20
C	Amount of provision made for such frauds	1.53	1.05
D	Amount of unamortized provision debited from 'other Reserves' at the end of the year	-	-

Note: - The difference between the amount involved in the frauds and the provision created reflects recoveries made.



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

(Rupees in Crores, except no of frauds reported)

Sr. No.	Particulars	For the year ended March 31,2026*	For the year ended March 31,2025*
A	No. of frauds reported	-	26,136
B	Amount involved in such frauds	-	14.43

* As per the clarification received from RBI dated September 06, 2024, CPFIR frauds not committed on the Bank are excluded from FMR reporting. Accordingly, such system-related frauds have not been included in the above table post September 06, 2024.

5) Exposure

- a) **Exposure to Capital Market** -The Bank does not have any exposure to capital market as at March 31, 2026, and as at March 31, 2025. Accordingly, the disclosure requirements with respect to exposure to capital market are not applicable.

- b) **Risk Category wise country exposure- NA**

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

7) Derivatives

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

8) Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Rupees in Crores)

Particulars	March 31,2026	March 31,2025
Opening Balance of amounts transferred to DEA Fund	5.68	2.53
Add: Amount transferred to DEA Fund during the year	4.40	3.15
Less: Amount reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund*	10.08	5.68

*As disclosed under 'Schedule 12 – Contingent Liabilities' – Other items for which Bank is contingently liable.



9) Disclosures of Complaints

i. Summary information of customer complaints received by bank from customers and from the office of Ombudsman (OBO)

Sr. No.	Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Complaints received by the Bank from its customers			
1	Number of complaints pending at the beginning of the year	1,370	14
2	Number of complaints received during the year	1,94,338	1,02,658
3	Number of complaints disposed during the year	1,91,950	1,01,302
3.1	Of which, number of complaints rejected by the bank	1,586	332
4	Number of complaints pending at the end of the year	3,758	1,370
Maintainable complaints received by the bank from OBOs			
5	No. of maintainable complaints received by Bank from OBOs*	1,473	1,302
5.1	Of 5, number of complaints resolved in favor of Bank by BOs*	548	369
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issues by BOs*	925	933
5.3	Of 5, number of complaints resolved after passing awards by BOs against the Bank	-	-
6	No. of awards unimplemented within stipulated time (Other than those appealed)	-	-

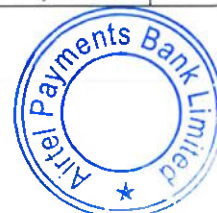
Note- In line with RBI requirements, Complaints reported above do not include cases that were resolved within the next working day.

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

Note: - Pursuant to the communication received from RBI, the Bank has revised its methodology for identification of reportable complaints and has accordingly restated the disclosure for F.Y. 2024-2025.

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

March 31, 2026					
Ground of complaints	No. of complaints Pending at beginning of the year	No. of complaints received during the year	%Increase/Decrease in the No. of complaints received over the previous year	No of complaints Pending at the end of the year	Of 5, No. of complaints pending beyond 30 days
1	2	3	4	5	6
Account opening/difficulty in operation of accounts	344	79,119	115%	983	67
Internet/Mobile/Electronic Banking	283	34,287	63%	1,297	11
ATM/Debit Cards	50	4,175	42%	210	0
Mis selling/Para-banking	18	1,414	(60%)	74	2
Non-observance of Fair Practices Code	3	203	227%	34	0
Others (Refer note 2)	672	75,140	96%	1,160	79



March 31, 2025					
Ground of complaints	No. of complaints Pending at beginning of the year	No. of complaints received during the year	%Increase/Decrease in the No, of complaints received over the previous year (Refer note 1)	No of complaints Pending at the end of the year	Of 5, No. of complaints pending beyond 30 days
1	2	3	4	5	6
Internet/Mobile/Electronic Banking	4	20,986	NA	283	4
ATM/Debit Cards	1	2,937	NA	50	0
Account opening/difficulty in operation of accounts	0	36,800	NA	344	42
Misselling/Para-banking	0	3,526	NA	18	0
Non-observance of Fair Practices Code	0	62	NA	3	0
Others (Refer note 2)	9	38,347	NA	672	183

Note 1:- Details in the Column 4 are reported as “Not available” as complaints for FY 2024-25 are restated pursuant to RBI communication, whereas complaints for FY 2023-24 are not restated therefore are not comparable.

Note 2 :- In others we have included below complaints categories:

- Pension and facilities for senior citizens/differently abled
- Loans and advances
- Staff behavior

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

During the year, the Reserve Bank of India levied a penalty of Rs 0.32 crore on the Bank on account of non-disclosure of certain complaints in the financial statements for FY 24-25. Consequently, the complaint reporting framework was revised and implemented in line with RBI supervisory observations.

11) Disclosure on Remuneration

Qualitative Disclosure

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

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

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

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

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



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

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

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

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

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

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

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

Category I: Chief Executive Officer (CEO) & Material Risk takers (MRT)

Category II: Risk Control and Compliance Staff

Category III: Other categories of Staff –

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

Category I: Chief Executive Officer (CEO) & Material Risk takers (MRT)

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

The compensation will be approved by the Nomination and Remuneration committee. Additionally, compensation of MD & CEO and Executive Director - Business Operations (formerly COO) will further be approved by RBI.

Category II: Risk Control and Compliance Staff

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



Category III: Other categories of Staff

This category includes all other employees, not covered in the first 2 categories.

For adjusting deferred remuneration before & after vesting:

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

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

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

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

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

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

The main forms of such variable remuneration include:

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

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

g. Quantitative Disclosure:

(Rupees in Crores except no. reported)

Sr. No.	Particulars	As on / for the year ended March 31,2026	As on / for the year ended March 31,2025
I	Number of meetings held by the Remuneration Committee during the financial year Remuneration paid to its members. (Sitting Fees)	4 0.10	4 0.08
II	Number of employees having received a variable remuneration award during the financial year. (Refer notes below)	3	2
III	Number and total amount of sign-on/Joining bonus made during the financial year	-	-
IV	Details of severance pay, in addition to accrued benefits, if any.	-	-
V	Total amount of outstanding deferred remuneration, split into cash, type of share-linked instruments and other forms.	4.91	1.93



Sr. No.	Particulars	As on / for the year ended March 31,2026	As on / for the year ended March 31,2025
VI	Total amount of deferred remuneration paid out in the financial year.	1.84	1.20
VII	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred. (Refer notes below)	-	
	Fixed pay including perquisites	6.08	3.91
	Deferred Variable pay	1.54	0.99
	Non-Deferred Variable pay	1.67	0.99
	Share Linked Instruments (ESOP grant)	3.37	2.41
VIII	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	-	-
IX	Total amount of reductions during the financial year due to ex- post explicit adjustments.	-	-
X	Total amount of reductions during the financial year due to ex- post implicit adjustments.	-	-
XI	Number of MRTs identified.	3	2
XII	Number of cases where malus has been exercised.	-	-
XIII	Number of cases where clawback has been exercised	-	-
XIV	Number of cases where both malus and clawback have been exercised	-	-

Notes:

- 1) Approval for Fixed pay of MD & CEO for FY 2025-26 has been received on September 22, 2025 from Reserve Bank of India, approval for variable pay for 2025-26 is awaited.
- 2) Executive Director – Business Operations (formerly COO) has been designated as MRT with effect from 09 May 2025 and has been appointed as Whole Time Director from 31 October 2025. The above disclosures have been prepared taking into account transactions effective from 01 May 2025. Approval for the fixed pay of the Executive Director – Business Operations (formerly COO) for FY 2025–26 was received from the Reserve Bank of India on 08 May 2025. Approval for the variable pay for FY 2025–26 is currently awaited.
- 3) Chief financial officer (CFO) has been identified as Material Risk taker with effect from 01st June 2024.

h. General Quantitative Disclosure

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Ratio/Deviation of pay of WTD from the mean pay	The mean pay for the bank as a whole is 0.20 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 18.15:1.	The mean pay for the bank as a whole is 0.20 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 13.55:1.



12) Other Disclosures

a) Business Ratios

Sr. No.	Particulars	As on / for the year ended March 31,2026	As on / for the year ended March 31,2025
i)	Interest Income as a percentage to Working Funds	4.52%	4.84%
ii)	Non-interest income as a percentage to Working Funds	41.06%	47.08%
iii)	Cost of Deposits	1.71%	2.01%
iv)	Net Interest Margin	4.74%	4.91%
v)	Operating Profit/(Loss) as a percentage to Working Funds	(2.64%)	0.82%
vi)	Return on Assets	1.55%	1.20%
vii)	Business (Deposits plus advances) per employee (Rs. in Crores)	2.24	2.01
viii)	Profit per employee (Rs. in Crores)	0.06	0.04

1. Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X for Payment Banks, during the 12 months of the financial year.

2. Net Interest Margin = Net Interest Income / Average Interest Earning Assets where Net Interest Income= Interest Income – Interest Expense.

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

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

b) Bancassurance business

The bank has earned Rs. 13.05 crores (Previous year Rs 8.77 Crores) during the year on account of fees / brokerage in respect of insurance broking, agency and bank assurance business undertaken.

c) Marketing and distribution

The bank has earned Rs. 16.70 crores (Previous year Rs. 14.84 crores) during the year on account of fees / remuneration received in respect of the referral income of third-party products and pension policies (excluding bank assurance business) undertaken.

d) Provisions & Contingencies

(Rupees in Crores)

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
(i) Provisions for Non-Performing Investment	-	-
(ii) Provision towards Non-Performing Assets	-	-
(iii) Provision made towards Income Tax / Deferred Tax	(320.29)	(23.30)
(iv) Other Provisions and Contingencies (Refer note)	-	-
(a) Provision for depreciation on Investment	-	-
(b) Provisions towards legal and fraud cases	17.97	1.05
(c) Others	7.18	2.22
Total	(295.14)	(20.03)

Note: During the year ended March 31, 2026, the Bank recognized a provision of ₹16.43 crores under Provision for Other Contingencies based on management's estimate (Nil at the beginning of the year).



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

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

The Bank is preparing proforma financial statements in accordance with Ind AS. The figures on actual transition may differ based on regulations, accounting guidance, and business strategy prevailing at the date of adoption. The Bank is confident of implementing Ind AS as and when mandated by the Reserve Bank of India.

f) Payment of DICGC Insurance Premium

The Bank has deposited the DICGC premium, as applicable, to DICGC within the prescribed timelines during current year and previous year.

(Rupees in Crores)			
Sr. No.	Particulars	For the year ended March 31,2026	For the year ended March 31,2025
i)	Payment of DICGC Insurance Premium*	5.09	3.83
ii)	Arrears in payment of DICGC premium	-	-

*Including GST

13) Fixed Assets

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

(Rupees in Crores)

Particulars	As on March 31,2026	As on March 31,2025
At cost as on 31st March of the preceding year	939.47	719.41
Additions / Adjustments during the year	329.45	268.86
Deductions during the year*	(3.40)	(48.80)
Depreciation to date*	(631.44)	(354.47)
Net Block	634.08	585.00

*Includes adjustments on account of assets written off

14) Accounting Standard AS-15 Employees Benefits

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

Defined Contribution Plans

(Rupees in Crores)

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Employer's Contribution to Provident Fund	12.79	11.68
Employer's Contribution to ESI and other Funds	0.08	0.07



Defined Benefit Plans

(Rupees in Crores)

For the year ended March 31, 2026		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Current service cost	11.14	7.51
Past service cost	16.37	-
Interest cost	1.89	1.03
Actuarial loss/(gain)	0.53	6.13
Net gratuity/Leave encashment cost	29.93	14.67

(Rupees in Crores)

For the year ended March 31, 2025		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Current service cost	5.95	4.35
Interest cost	1.44	0.75
Actuarial loss/(gain)	1.32	(0.17)
Net gratuity/Leave encashment cost	8.71	4.93

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

For the year ended March 31, 2026		
Particulars	Gratuity	Leave Encashment
Discount Rate	7.52%	7.52%
Expected Rate of increase in Compensation Levels	7.00%	7.00%
Expected Rate of Return on Plan Assets	NA	NA
Expected Average remaining working lives of employees (years)	24.18	24.18

For the year ended March 31, 2025		
Particulars	Gratuity	Leave Encashment
Discount Rate	7.12%	7.12%
Expected Rate of increase in Compensation Levels	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A	N.A
Expected Average remaining working lives of employees (years)	24.50	24.50



c) Reconciliation of opening and closing balances of benefit obligations

(Rupees in Crores)

For the year ended March 31, 2026		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	26.54	14.43
Current service cost	11.14	7.51
Acquisition/ Transfer In/ Transfer out	0.12	0.09
Interest cost	1.89	1.03
Benefits paid	(3.73)	(1.90)
Past Service cost	16.37	-
Actuarial loss/(gain)	0.53	6.13
Projected benefit obligation at year end	52.86	27.29

(Rupees in Crores)

For the year ended March 31, 2025		
Particulars	Gratuity	Leave Encashment
	Unfunded	Unfunded
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	20.20	10.57
Current service cost	5.95	4.35
Acquisition/ Transfer In/ Transfer out	0.06	0.03
Interest cost	1.44	0.75
Benefits paid	(2.43)	(1.10)
Actuarial loss/(gain)	1.32	(0.17)
Projected benefit obligation at year end	26.54	14.43

d) History of experience adjustment is as follows:
Gratuity

(Rupees in Crores)

Particulars	As on 31.03.2026	As on 31.03.2025	As on 31.03.2024	As on 31.03.2023	As on 31.03.2022
Defined benefit obligation	52.86	26.54	20.20	15.54	13.14
Plan Assets	-	-	-	-	-
Net Assets /(Liability)	(52.86)	(26.54)	(20.20)	(15.54)	(13.14)
Experience Adjustment on plan liabilities- (gain)/ loss	(1.10)	(1.21)	(0.99)	(1.39)	(0.90)



Leave Encashment

(Rupees in Crores)

Particulars	As on 31.03.2026	As on 31.03.2025	As on 31.03.2024	As on 31.03.2023	As on 31.03.2022
Defined benefit obligation	27.30	14.43	10.56	7.95	6.36
Plan Assets	-	-	-	-	-
Net Assets /(Liability)	(27.30)	(14.43)	(10.56)	(7.95)	(6.36)
Experience Adjustment on plan liabilities- (gain)/ loss	(6.69)	(0.15)	0.21	(0.15)	0.10

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

- e) Long term service award provided by the Bank as on March 31, 2026 is Rs. 1.48 Crores (as on March 31, 2025 Rs. 0.83 Crores)
- f) On November 21, 2025, the Government of India notified four labour codes - The Code on Wages 2019, The Industrial Relations Code 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020. The Bank has assessed the estimated incremental impact of these codes at Rs. 35 crores for on-roll employees and contractual staff. Accordingly, the said impact has been accounted for in the Profit and Loss Account for the year ended March 31, 2026. The Bank will continue to monitor developments relating to the implementation of the new labour codes and reassess its liabilities, if required.

15) Employee Stock Option Scheme (ESOS)

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

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

Weighted average fair value per unit is revised from Rs.12.70 to Rs. 22.90 for the options granted during the year. Further there was a special grant which were given in the current year whose vesting percentage was different from normal grants, the option per unit for special grant is Rs. 24.30. Total share based payment expenses during the year is Rs. 12.28 Crores (Previous Year: Rs. 10.21 Crores).

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

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



	For the year ended March 31,2026		For the year ended March 31,2025	
	Number of Options	Weighted average exercise price(Rs.)	Number of Options	Weighted average exercise price(Rs.)
i) Outstanding at the beginning of the year	54,924,856	10	43,882,457	10
ii) Add: Granted during the year	8,482,564	10	12,856,374**	10
iii) Less: Expired during the year*	-	10	-	10
iv) Less: Forfeited during the year*	1,363,225	10	1,813,975	10
v) Less: Exercised during the year	-	10	-	10
vi Outstanding at the end of the year [i+ii-iii-iv-v]	62,044,195	10	54,924,856	10
vii Unvested at year end	25,422,771	10	28,421,628	10

The Weighted average remaining contractual life of options is 3.1 years to 5.6 years, (PY: 5.5 years).

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

** Out of the above, 561,400 options were granted during earlier years.

Fair Value methodology

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

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Risk-free interest rate	6.3%	7.1%
Expected Life	3.1 year to 5.6 year	5.5 years
Expected volatility	37.6% to 40.2%	49.5%
Dividend yield	NA	NA

16) Accounting Standard AS-17 – Segment Reporting

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

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



Business Segment

(Rupees in Crores)

March 31, 2026			
Particulars	Treasury	Retail Banking Operations	Total
Revenue*	319.16	3,170.45	3,489.61
Result (i)	20.96	(229.20)	(208.24)
Unallocated Income(ii)			0.13
Result Including unallocated income(iii)=(i)+(ii)			(208.11)
Less: Un-allocable expenditure(iv)			(2.80)
Operating Profit(v)=(iii)-(iv)			(210.91)
Income Taxes (vi)			(320.29)
Extraordinary Profit/ (Loss) (vii)- (v)-(vi)			
Net Profit			109.38
Other Information:			
Segment Assets	6,721.87	1,903.38	8,625.25
Unallocated Assets			
Total Assets			8,625.25
Segment Liabilities	267.18	7,563.37	7,830.55
Unallocated Liabilities			41.09
Capital & Reserve & Surplus			753.61
Total Liabilities			8,625.25

*Includes inter-segment revenue amounting to Rs. 283.01 Crores

(Rupees in Crores)

March 31, 2025			
Particulars	Treasury	Retail Banking Operations	Total
Revenue*	251.71	2,695.47	2,947.18
Result (i)	6.63	35.49	42.12
Unallocated Income(ii)			1.01
Result Including unallocated income(iii)=(i)+(ii)			43.13
Less: Un-allocable expenditure(iv)			(3.83)
Operating Profit(v)=(iii)-(iv)			39.30
Income Taxes (vi)			(23.30)
Extraordinary Profit/ (Loss) (vii)- (v)-(vi)			-
Net Profit			62.60
Other Information:			
Segment Assets	5,963.60	1,547.48	7,511.08
Unallocated Assets	-	-	-
Total Assets			7,511.08
Segment Liabilities	130.61	6,706.99	6,837.60
Unallocated Liabilities			28.80
Capital & Reserve & Surplus			644.68
Total Liabilities			7,511.08

*Includes inter-segment revenue amounting to Rs. 239.56 Crores



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

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a)	Profit attributable to equity shareholders (i)	109.38	62.60
b)	Weighted average number of Equity shares outstanding during the year (ii)	2,465,007,036	2,432,761,322
c)	Weighted average number of Equity shares outstanding during the year (including dilutive potential equity shares) (iii)	2,527,051,231	2,487,686,178
d)	Earnings per share (Basic) Rs. (i) / (ii)	0.44	0.26
e)	Earnings per share (Dilutive) Rs. (i) / (iii)	0.43	0.25
f)	Total number of Equity share outstanding at end of year	2,465,007,036	2,465,007,036
g)	Nominal value of share (Rs.)	10	10

18) Leases

The total amount paid by the Bank under cancellable operating lease for the financial year is Rs.11.97 Cr (Previous year: Rs. 13.34 Cr). The Bank has not entered into any non-cancellable operating lease or financial lease arrangement in the current year.

Particulars related to non-cancellable lease arrangement*(Rs. in Crores)*

Particulars	As at March 31, 2026	As at March 31, 2025
i) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
a) Not later than one year	3.25	3.15
b) Later than one year but not later than five years	12.30	13.14
c) Later than five years	3.27	5.68
ii) Lease payment recognized in the statement of Profit and Loss for the year	3.15	1.61

19) Impairment of Assets

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

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



20) Dues to Micro and Small Enterprises

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

(Rupees in crores)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.99	6.86
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	18.00	3.21
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	0.20	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006.	-	-

21) Related Party Disclosure

Related party disclosures have been made in accordance with Accounting Standard (AS) 18. List of related parties includes those with whom transactions have occurred during the year.

Sr. no.	List of Related Parties	Relationship
1	Bharti Airtel Limited	Holding Company (Directly till March 18, 2025, and indirectly through Airtel Limited w.e.f. March 19, 2025)
2	Airtel Limited	Parent Company (w.e.f. March 19, 2025)
3	Bharti Enterprises Limited	Entity having Significant Influence
4	Bharti Telemedia Limited	Fellow Subsidiary
5	Bharti Hexacom Limited	Fellow Subsidiary
6	Nextra Data Limited	Fellow Subsidiary
7	Bharti Airtel Services Limited	Fellow Subsidiary
8	Xtelify Limited (Formerly known as Airtel Digital Limited)	Fellow Subsidiary
9	Beetel Teletech Limited	Fellow Subsidiary
10	Bharti Life Insurance Company Limited*	Group Companies
11	Payu Payments Private Limited	Entity having common director (w.e.f. May 13, 2025)
12	Anubrata Biswas	Key Management Personnel (KMP)
13	A Ganesh	Key Management Personnel (KMP) (w.e.f. October 31, 2025)

Relative of KMPs

Jhelum Biswas, Anup Biswas, Indrani Bose, Ishi Biswas, Asha Ganesh, Sushila Ananthanarayanan, Anwita Ganesh, Gia Ganesh



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

The details of the amounts due to or due from the related parties as on 31.03.2026 and 31.03.2025 along with transactions entered during year are as follows:

(Rupees in Crores)

Items / Related Party	Holding / Parent Company	Fellow Subsidiary	Group Companies	Entity having Significant Influence	Entity having common director	Key Management Personnel (KMP)	Relatives of KMP	Total
Deposits and Wallet balances	-	-	-	-	-	0.02	0.00^	0.02
	-	-	-	-	-	0.01	-	(0.01)
Payable	166.68 (263.90)	35.83 (53.92)	0.94 (1.42)	- -	18.08 -	2.94 (1.93)	- -	224.47 (321.17)
Receivable	4.43 (3.54)	1.66 (1.74)	0.37 (0.06)	- -	5.97 -	- -	- -	12.43 (5.34)
Receiving of Services (Refer Note 2 & 3 below)	135.00 (73.66)	80.96 (117.05)	1.11 (0.00)	- -	82.78 (0.00)	4.93 (4.02)	- -	304.78 (194.73)
Rendering of Services	435.73 (454.77)	59.64 (59.57)	0.05 (0.08)	- -	511.75 (0.00)	- -	- -	1,007.17 (514.42)
Reimbursement paid for cost incurred	31.80 (33.57)	0.21 (0.18)	- -	- -	- -	- -	- -	32.01 (33.75)
Reimbursement received for cost incurred	0.41 (0.29)	- (0.13)	- -	- -	- -	- -	- -	0.41 (0.42)
Subscription to equity shares	- -	- -	- -	- (77.76)	- -	- -	- -	- (77.76)

^ Represents deposits and Wallet balances of Rs. 659.48

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31.03.2026 and 31.03.2025 are given below:



(Rupees in Crores)

Items / Related Party	Holding / Parent Company	Fellow Subsidiary	Group Companies	Entity having Significant Influence	Entity having common director	Key Management Personnel (KMP)	Relatives of KMP	Total
Payable	193.46 (263.90)	43.01 (80.03)	0.94 (1.42)	- -	351.82 -	2.94 (1.93)	- -	592.17 (347.28)
Receivable	7.43 (7.80)	4.41 (6.35)	0.07 (0.07)	- -	1.06 -	- -	- -	12.97 (14.22)

Notes:

- 1) Executive Director – Business Operations (formerly COO) has been designated as MRT with effect from 09 May 2025 and has been appointed as Whole Time Director from 31 October 2025. The above disclosures have been prepared taking into account transactions effective from 01 November 2025.
- 2) As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Bank as whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence not included in the above table. Number of Employee Stock Options (ESOP) granted during the year are 0.11 Crores (PY 0.20) are not considered above.
- 3) Includes purchase of IT Equipment/Software
- 4) Figures of previous year are given in brackets
- 5) Maximum balance outstanding during the year is based on comparison of the total outstanding balances at each month-end.
- 6) The amounts disclosed above are inclusive of GST, wherever applicable.

22) Deferred Tax

During the year ended March 31, 2026, the Bank has recognized Deferred Tax Assets aggregating to Rs. 296 crore on accumulated carried forward tax losses of Rs. 1,176 crore, resulting in a net Deferred Tax Asset balance of Rs. 343.71 crore as at March 31, 2026.

The recognition of Deferred Tax Assets is based on management's assessment of virtual certainty supported by convincing evidence of sufficient future taxable profits, as required under AS 22 – Accounting for Taxes on Income. This assessment considers, inter alia, approved business plans, projected profitability from core banking and ancillary services, expected growth in transaction volumes, operating leverage benefits, benchmarking.

Management has also evaluated the timing of reversal of temporary differences and utilisation of tax losses and is of the view that the Deferred Tax Assets recognised are expected to be realised within the permissible carry-forward period. Based on the above assessment, management believes that the recognition of Deferred Tax Assets as at March 31, 2026 is appropriate and in compliance with applicable accounting standards.

(Rupees in crores)

Particulars	As on March 31, 2026	As on March 31, 2025
Deferred tax assets		
Carried forward tax losses	296.00	-
Unabsorbed Depreciation	16.98	17.14
Employee benefits	20.38	10.30
Depreciation on fixed assets	2.05	-
Provision/MTM on investment	0.12	-
Others (including provisions)	8.18	2.39
Total Deferred tax assets	343.71	29.83
Deferred tax liabilities		
Depreciation on fixed assets	-	6.40
Provision/MTM on investment	-	0.13
Total Deferred tax liabilities	-	6.53
Total Net Deferred tax assets/(liabilities)	343.71	23.30



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 financial year as the Bank does not have eligible profits in accordance with Section 198 of the Act.

24) Break up of Other Expenditure, Commission, Exchange and Brokerages, Other liabilities and other assets**A. Operating expenses – Other Expenditure (exceeding 1% of total income)***(Rupees in crores)*

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Commission and Incentive	862.58	925.58
NPCI/Master Card/VISA Switching & Interchange Expense	765.20	374.29
Sales Support	214.07	167.46
Information Technology	136.76	123.43
Bank Charges	37.50	46.94
Call Center and Customer Communication Expenses	164.48	123.32
GST	42.28	36.66

B. Commission, Exchange and Brokerages (exceeding 1% of total income)*(Rupees in crores)*

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Revenue from Collection Services	1,225.84	855.02
Revenue from Remittance & Transfer Services	680.84	829.61
Fees & Charges Collected	919.07	699.63
Revenue from Government Authority	25.14	47.75
Revenue from Insurance Commission & Referral Fees	29.75	23.62

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

Particulars	March 31,2026	March 31,2025
Merchant Settlements	1,832.20	2,124.29
Earnest Money Deposit	406.77	343.63
Semi-Closed Prepaid Payment Instruments	267.07	240.18
Provision for Expense	225.22	201.58
Outward Remittance-Pending Settlement	139.83	92.18
Trade Creditors	69.67	91.43
Provision for Employee Benefits	118.04	72.26



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

(Rupees in crores)

Particulars	March 31,2026	March 31,2025
Trade Receivable	200.51	162.56
Inward Remittance-Pending Settlement*	412.04	246.55

*Include NEFT outward transactions debited on 01st April with value dated 31st March, due to annual closure.

- 25) During the financial year ended 31st March 2026, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable.
- a) the Bank has not granted any advance/loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend/invest/provide guarantee or security or the like to any other person on behalf of the Bank.
 - b) the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.
- 26) Comparative figures: Figures for the previous year have been re-grouped and reclassified wherever necessary to conform to the current year's presentation.

