

## SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Aditya Birla Idea Payments Bank Limited

### Report on the Audit of the special purpose Ind AS Financial Statements

#### Opinion

1. We have audited the accompanying Ind AS financial statements of **Aditya Birla Idea Payments Bank Limited** ('the Bank'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as special purpose Ind AS financial statement) in accordance with the group audit instruction dated February 19, 2019. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements give the information required by the group audit instructions in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS), of the state of affairs of the Bank as at March 31, 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

#### Responsibility of Management for special purpose Ind AS Financial Statements

3. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these special purpose Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Ind AS. 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; 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 special purpose Ind AS financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the special purpose Ind AS financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the special purpose Ind AS Financial Statements**

4. Our objectives are to obtain reasonable assurance about whether the special purpose Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose Ind AS financial statements. Our audit process in accordance with the SAs is narrated in details in Annexure 1 to this report.

## **Other Matters**

5. The comparative financial information of the Bank for the year ended March 31, 2018 included in these special purpose Ind AS financial statements, are audited by S.R.Batliboi & LLP, Chartered Accountants (predecessor auditor) for the year ended March 31, 2018 whose reports dated April 24, 2018, expressed an unmodified opinion on those special purpose Ind AS financial statements. Our opinion is not modified in respect of this matter.
6. This report is issued at the request of the Bank and is intended for the information and use of the shareholders of the Bank to prepare their consolidated financial results/ statements and should not be circulated to any other person for any other purpose without our prior written consent.

**For Khimji Kunverji & Co**

Chartered Accountants

Firm Registration No 105146W



**Vinit K Jain**

Partner (F – 145911)

Place: Mumbai

Date: April 30, 2019

## Annexure 1 to the Independent Auditors' Report

(referred to in para 4 titled "Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements")

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to 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.
- 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.
- 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.



**Aditya Birla Idea Payments Bank Limited**  
**Balance Sheet as at March 31, 2019**

₹ '000

Sr No	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a)	Property, plant and equipment	5	172,287	234,380
(b)	Capital work-in-progress		-	-
(c)	Intangible assets	6	662,421	792,881
(d)	Intangible assets under development		2,100	11,643
(e)	Financial assets			
(i)	Security Deposits		65,290	58,913
(ii)	Deposit with Banks		2,500	2,500
(iii)	Other non current financial assets		295	-
(f)	Other non-current assets	7	5,405	9,572
<b>Total non-current assets (A)</b>			<b>910,298</b>	<b>1,109,889</b>
<b>Current assets</b>				
(a)	Financial assets			
(i)	Current investments	8	298,973	236,133
(ii)	Cash and cash equivalents	9	587,698	763,164
(iii)	Bank balances other than (ii) above		250,000	356,201
(iv)	Current Portion of Loans to employees		-	303
(v)	Trade receivables	10	4,709	15,221
(vi)	Other current financial assets	11	9,301	4,110
(b)	Current tax assets (net)		3,942	4,850
(c)	Other current assets	12	407,575	282,369
<b>Total current assets (B)</b>			<b>1,562,198</b>	<b>1,662,351</b>
<b>Total assets (A+B)</b>			<b>2,472,496</b>	<b>2,772,240</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity share capital	13	5,689,655	4,523,155
(b)	Other equity	14	(4,062,237)	(2,548,615)
<b>Total equity (A)</b>			<b>1,627,418</b>	<b>1,974,540</b>
<b>Non-current liabilities</b>				
(a)	Financial liabilities			
(i)	Finance lease obligations		95,927	125,620
(b)	Long term provisions	15	21,989	32,509
(c)	Other non-current liabilities	16	18,077	13,527
<b>Total non-current liabilities (B)</b>			<b>135,993</b>	<b>171,656</b>
<b>Current liabilities</b>				
(a)	Financial liabilities			
(i)	Trade payables	17		
	(I) Dues of micro enterprises and small enterprises		10,977	-
	(II) Other trade payables		183,180	246,173
(ii)	Finance lease obligation		45,789	52,866
(iii)	Payable for capital expenditure.		18,871	40,324
(iv)	Other current financial liabilities	18	418,161	241,627
(b)	Other current liabilities	19	18,593	34,268
(c)	Short term provisions	20	13,514	10,786
<b>Total current liabilities (C)</b>			<b>709,085</b>	<b>626,044</b>
<b>Total equity and liabilities (A+B+C)</b>			<b>2,472,496</b>	<b>2,772,240</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Khimji Kunverji & Co

Chartered Accountants

ICAI Firm Registration No: 105146W



Vinit K Jain

Partner

Membership No.: F-145911

For and on behalf of the Board

  
Devajyoti Bhattacharya

Director

DIN: 00868751



Jayashankar Jayaraman

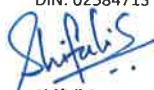
Director

DIN: 07755148

  
Sudhakar Ramasubramanian

Managing Director & CEO

DIN: 02584713



Shifali Suvarna

Company Secretary

  
Pradeep Agrawal

Chief Financial Officer

Place : Mumbai

Date : April 30, 2019



**Aditya Birla Idea Payments Bank Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**

₹ '000

Particulars	Notes	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>INCOME</b>			
Interest earned		77,964	8,774
Service revenue		151,878	5,662
<b>REVENUE FROM OPERATIONS</b>		<b>229,842</b>	<b>14,436</b>
Other income	21	13,560	27,952
<b>Total income</b>		<b>243,402</b>	<b>42,388</b>
<b>OPERATING EXPENDITURE</b>			
Employee benefit expenses	22	675,498	600,350
Customer acquisition and servicing expenditure		351,285	211,635
Advertisement & Publicity		24,655	28,960
Administration and other expenses	23	425,331	315,515
<b>Total expenses</b>		<b>1,476,769</b>	<b>1,156,460</b>
<b>Profit/(Loss) before finance charges, depreciation, amortisation and taxes</b>		<b>(1,233,367)</b>	<b>(1,114,072)</b>
Finance costs	24	15,527	27,283
Depreciation	5	75,171	31,090
Amortisation	6	201,756	19,785
<b>Profit/(Loss) Before Tax</b>		<b>(1,525,821)</b>	<b>(1,192,230)</b>
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
<b>Profit/(Loss) After Tax</b>		<b>(1,525,821)</b>	<b>(1,192,230)</b>
<b>Items that will not be reclassified to profit and loss in subsequent periods:</b>			
Re-measurement Gains / (Losses) on defined benefit plans		12,199	12,504
Income tax effect		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>12,199</b>	<b>12,504</b>
<b>Total comprehensive income for the period</b>		<b>(1,513,622)</b>	<b>(1,179,726)</b>
<b>Earnings per equity share:</b>			
Basic		(2.91)	(5.96)
Diluted		(2.91)	(5.96)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For Khimji Kunverji & Co

Chartered Accountants

ICAI Firm Registration No: 105146W

Vinit K Jain

Partner

Membership No.: F-145911

For and on behalf of the Board

Devajyoti Bhattacharya  
Director  
DIN: 00868751

Jayashankar Jayaraman  
Director  
DIN: 07755148

Sudhakar Ramasubramanian  
Managing Director & CEO  
DIN: 02584713

Pradeep Agrawal  
Chief Financial Officer

Shifali Suvarna  
Company Secretary

Place : Mumbai  
Date : April 30, 2019





Aditya Birla Idea Payments Bank Limited  
Statement of Cash Flow for the year ended March 31, 2019

	₹ '000	
Particulars	For the year ended 31 March, 2019	For the period ended 31 March, 2018
<b>Cash Flow from Operating activities</b>		
Profit before tax	(1,525,821)	(1,192,230)
Adjustments for:		
Depreciation	75,171	31,091
Amortisation	201,756	19,785
Provision for gratuity and compensated absences	15,544	5,095
Provision on Doubtful advances	11,348	-
(Profit)/Loss on Fixed Assets	2,028	881
Finance lease charges	13,991	17,521
Interest on Loan/OD	8	9,643
<b>Working capital adjustments</b>		
(Purchase) / Sale of investments	(62,840)	534,524
(Increase)/decrease in other financial and non-financial assets	(27,233)	(554,730)
Increase/(decrease) in trade payables	(52,016)	153,787
Increase/(decrease) in provisions	(11,137)	(24,648)
Net assets acquired on Merger	-	32,704
Increase/(decrease) in other financial and non-financial liabilities	165,409	234,482
<b>Cash flows from operating activities</b>	<b>(1,193,792)</b>	<b>(732,095)</b>
Income tax (paid)/refund (including TDS) (net)	908	(4,751)
<b>Net cash flows from operating activities</b>	<b>(1,192,884)</b>	<b>(736,846)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP)	(103,040)	(442,378)
Sale of property, plant and equipment and intangible assets (including CWIP)	4,728	2,560
<b>Net cash flows from / (used in) investing activities</b>	<b>(98,312)</b>	<b>(439,818)</b>
<b>Financing activities</b>		
Proceeds from issue of equity shares	1,166,500	2,023,451
Repayment of Finance lease obligation	(50,762)	(79,796)
Proceeds from Loan taken	-	527,500
Repayment of Loan	-	(527,500)
Interest on Loan	(8)	(9,643)
<b>Net cash flows from / (used in) financing activities</b>	<b>1,115,730</b>	<b>1,934,012</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(175,466)</b>	<b>757,348</b>
Cash and cash equivalents at the beginning of the period	763,164	5,816
<b>Cash and cash equivalents at the end of the period</b>	<b>587,698</b>	<b>763,164</b>

**Notes to Cash flow Statement for the year ended March 31, 2019**

Cash and Cash Equivalents include the following Balance Sheet amounts:

Balances with banks		
In current accounts	167,692	163,163
In deposit accounts	220,000	500,000
Call lending	200,000	100,000
Cash on hand	6	1
<b>Total</b>	<b>587,698</b>	<b>763,164</b>

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

As per our report of even date attached

For Khimji Kunverji & Co

Chartered Accountants

ICAI Firm Registration No: 105146W



Vinit K Jain

Partner

Membership No.: F-145911

For and on behalf of the Board



Devajyoti Bhattacharya

Director

DIN: 00868751



Jayashankar Jayaraman

Director

DIN: 07755148



Sudhakar Ramasubramanian

Managing Director & CEO

DIN: 02584713



Pradeep Agrawal

Chief Financial Officer



Shifali Suvarna

Company Secretary

Place : Mumbai

Date : April 30, 2019



**Aditya Birla Idea Payments Bank Limited**  
**Statement of Changes in Equity for the year ended March 31, 2019**

<b>(A) Equity Share Capital</b>	
Equity shares of ₹ 10 each issued, subscribed and fully paid	
₹ '000	
<b>Particulars</b>	
<b>As at March 31, 2018</b>	<b>4,523,155</b>
Issue of shares	1,166,500
<b>As at March 31, 2019</b>	<b>5,689,655</b>

(B)	Other Equity	₹ '000		
	Particulars	Share Application Money Pending Allotment	Retained Earnings	Total
	As at March 31, 2017	85,353	(352,896)	(267,543)
	Profit/(Loss) for the period	-	(1,192,230)	(1,192,230)
	- Remeasurement gains/(loss) on defined benefit plans	-	12,504	12,504
	Any other change	(85,353)	-	(85,353)
	Loss on Merger	-	(1,015,993)	(1,015,993)
	As at March 31, 2018	-	(2,548,615)	(2,548,615)
	Profit/(Loss) for the period	-	(1,525,821)	(1,525,821)
	- Remeasurement gains/(loss) on defined benefit plans	-	12,199	12,199
	Any other change	-	-	-
	Total Comprehensive Income	-	(1,513,622)	(1,513,622)
	As at March 31, 2019	-	(4,062,237)	(4,062,237)

As per our report of even date attached

For Khimji Kunverji & Co  
Chartered Accountants  
ICAI Firm Registration No: 105146W



Vinit K Jain  
Partner  
Membership No.: F-145911

For and on behalf of the Board

  
Devajyoti Bhattacharya  
Director  
DIN: 00866751

  
Jayashankar Jayaraman  
Director  
DIN: 07755148

  
Sudhakar Ramasubramanian  
Managing Director & CEO  
DIN: 02584713

  
Pradeep Agrawal  
Chief Financial Officer

Place : Mumbai  
Date : April 30, 2019

  
Shifali Suvarna  
Company Secretary



## **1. CORPORATE INFORMATION**

Aditya Birla Idea Payments Bank Limited (“the Bank” or “the ABIPBL”) is a limited Company incorporated on 19th February, 2016 under the provisions of the Companies Act, 2013 having its registered office at A/4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400 030.

The Bank has been incorporated with the object of carrying on the business of Payments Bank as permitted by Reserve Bank of India. The Bank has received Banking License from RBI dated 03 April 2017 (License No. MUM: 133) and the Bank has commenced operations from February 22, 2018.

## **2. BASIS OF PREPARATION**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act), [Companies (Indian Accounting Standard Rules), 2015] and other relevant provisions of the Act.

### **Historical Cost Convention**

The financial statements have been prepared on historical cost basis, except for certain financial instruments that have been measured at fair value.

### **Functional Currency**

The financial statements are presented in Indian Rupee (INR), which is its functional and presentation currency.

### **Going Concern**

As at the year end, the accumulated losses are more than fifty percent of the paid up share capital of the Bank and the net worth of the Bank has eroded to that extent. The Bank’s ability to continue as going concern is dependent on the success of operations and its ability to arrange funding of the operations. The Bank based on the commitment and support from Grasim Limited, the Promoter company, is confident of meeting its operating and capital funding requirements in the future. Accordingly, these financial statements have been prepared on a going concern basis.

### **Current versus non-current classification**

All the assets and liabilities have been classified as current and non-current as per the Bank’s normal operating cycle and other criteria set out in IND AS and the schedule III of the Companies’ Act 2013. The Bank has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **I. Foreign Currency Presentation**

Foreign currency transactions are denoted in functional currency using exchange rate at the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at exchange rate in effect at the reporting date. Exchange difference on settlement or translation of assets and liabilities is recognised in the Statement of Profit and Loss.





## **II. Revenue Recognition**

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

## **III. Interest Income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate. Interest income is included in Other Income in the Statement of Profit and Loss.

## **IV. Lease**

### **Finance Lease**

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

Finance lease is capitalized at the inception of the lease at fair value of the leased property or present value of the minimum lease payments, whichever is lower and corresponding rental obligations with finance costs are included in other Financial Liability.

Lease payments are apportioned between finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over lower of the useful life of the asset or period of lease term.

### **Operating Lease**

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

## **V. Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## **VI. Property, Plant and Equipments**

All items of Property, Plant and Equipments are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price including import duties and non-refundable purchase taxes, directly attributable cost of bringing the assets to its working condition for its intended use after deducting trade discounts and rebates. When significant parts of plant and equipment are required to be replaced at intervals, the Bank depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work in progress, plant and equipment is stated at cost.



## **VII. Depreciation**

Depreciation is charged over the useful life of Property, Plant and Equipments as estimated by Management on straight line basis. Depreciation for assets purchased/sold during the year is provided proportionately.

The Bank has estimated the useful life of PPE which is lower than as prescribed in Schedule II of Companies Act, 2013 based on technical estimates, nature of assets, estimated usage of assets, operating conditions of assets and manufacturer warranties, support period maintenance etc as below:

<b>Fixed Assets</b>	<b>Estimated Useful Life</b>
Office Equipments *	3-5 Years
Servers	3 Years
Vehicles *	4 Years and 5 years
Electrical Installations and Equipments	5 Years
Furniture & Fixtures	5 Years

\*The useful life of these fixed assets are different than those specified under schedule II of Companies Act 2013. The management believes that useful life of fixed assets currently considered for the purpose of depreciation fairly reflects its estimates of the useful lives and residual values of fixed assets.

Leasehold assets are depreciated over the life of asset or period of lease, whichever is lower.

Items costing up to Rs. 5,000 are charged off/depreciated fully in the year of purchase.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## **VIII. Intangible Assets**

Intangible assets on initial recognition are measured at cost.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

## **IX. Amortization**

Amortization of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or expected economic benefit of the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.



<b>Assets</b>	<b>Estimated Useful Life</b>
Computer Software (Tally and MS Office)	1 year
Other Computer Software	5 years

#### **X. Gain/Loss on Disposal**

Gains and Losses on disposal of assets are recognized as difference between the net disposal proceeds and carrying amount of assets and are recognised in the Statement of Profit and Loss on the date of disposal.

#### **XI. Impairment of Non-Financial Assets**

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

An assessment is made at each reporting date to determine whether there is an Indication that previously recognized impairment losses no longer exist or have decreased.

An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

#### **XII. Trade and Other Payables**

These amount represents liabilities for goods and services provided to the Bank prior to the end of financial year which are unpaid. These amounts are unsecured and presented as Current Liability unless payment is not due within twelve months after the reporting period.

#### **XIII. Provisions and Contingent Liabilities**

Provisions are recognized when the Bank has a present obligation as a result of a 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. When no estimate can be made, a disclosure is made as contingent liability.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period.

#### **XIV. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till the time such asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as an expense in the period in which they are incurred.



## **XV. Employee Benefits**

### **a) Defined Contribution Plan**

#### **Employee Provident Fund, Employee Pension Fund and Superannuation Fund**

Eligible employees receive benefits from a provident fund which is a defined contribution plan. The Bank makes monthly contribution to provident fund plan, pension plan and superannuation plan equal to specified percentage on employees' salary which are recognised in the Statement of Profit and Loss on accrual basis. The Bank contributes the amount of provident fund to government administered Employees Provident Fund. Contribution to superannuation fund are funded with Birla Sunlife Insurance and charged to Statement of Profit and Loss.

### **b) Defined Benefit Plan**

#### **Gratuity**

The Bank provides for gratuity, a defined benefit plan covering eligible employees. The Gratuity plan provides lump sum payment to vested employees based on respective employees' salary and the tenure of the employment.

Liability with respect to gratuity is determined by actuarial valuation, performed by an independent actuary at each balance sheet date using projected unit credit method.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the reporting date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

#### **Compensated Absences**

The employees of the Bank are entitled to compensated absences. The expected cost of accumulated compensated absences is determined by actuarial valuation using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at Balance sheet.

#### **Remeasurements**

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Bank recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss.

- Net interest expense or income
- Service Costs

### **c) Short term and Long term employee benefits**

A liability is recognized for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.



## **XVI. Taxation**

### **a) Current Tax:**

Provision for current tax is made on taxable income using the applicable tax rate and tax laws. Advance income tax and provision for taxes if any, are disclosed in balance sheet on net basis as these are settled on net basis.

### **b) Deferred Tax:**

Deferred Tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profits. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

## **XVII. Earnings Per Share**

Basic and diluted earnings per share are computed in accordance with IND AS 33 Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year 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 contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## **XVIII. Financial Instruments**

### **Initial recognition and measurement**

Financial Instruments (assets and liabilities) are recognised when the Bank becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.

### **Financial assets**

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### **Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)





- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Bank does not have any assets classified as FVTOCI.

**a) Financial assets measured at amortised cost**

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

**b) Financial assets measured at FVTPL**

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - the Bank has transferred substantially all the risks and rewards of the asset, or
  - the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

**Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

**a) Financial liabilities at amortized cost**

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on



acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**b) Financial liabilities at FVTPL**

The Bank does not have any liabilities classified under FVTPL.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**Fair value measurement**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**4A. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Bank's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognized in the period in which result are known or materialized.

The Bank has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.



**i. Defined benefit plans (gratuity benefits)**

The Bank's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 31.

**ii. Useful life of Property, Plant and Equipment**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**4B. STANDARDS ISSUED OR MODIFIED BUT NOT YET EFFECTIVE UP TO THE DATE  
OF ISSUANCE OF THE COMPANY'S FINANCIAL STATEMENTS**

The amendments to standards that are issued, but not yet effective up to the date of issuance of Company's financial statements are discussed below. The Company intends to adopt these standards, if applicable, when they become effective.

- a) Ind AS 116 – on March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces an on-balance sheet lease accounting model for lessee. This will result in the company recognizing right of use assets & lease liability in the books.

The Company is in the process of analyzing the various contracts to determine the impact of Ind AS 116 on its financials.

The amendment will come into force from April 01, 2019.

- b) Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning or after April 01, 2019.

**1. Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments**

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

**2. Amendment to Ind AS 12 – Income taxes**

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events



**Aditya Birla Idea Payments Bank Limited**  
**Notes forming part of the Financial Statements**

**3. Ind AS 19 - Plan amendment, curtailment or settlement**

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.



**Aditya Birla Idea Payments Bank Limited**  
**Notes to the Financial Statements**

**Note 5: Property, plant and equipment**

₹ '000

Particulars	Furniture and fixtures	Vehicles	Office equipments	Computers and data processing units	Electrical Installations and Equipment	Total
<b>Gross Block</b>						
As at March 31, 2018	27,721	35,509	16,453	181,289	10,064	271,036
Additions	154	8,933	1,213	9,534	-	19,834
Disposals	-	(9,721)	-	-	-	(9,721)
<b>As at March 31, 2019</b>	<b>27,875</b>	<b>34,721</b>	<b>17,666</b>	<b>190,823</b>	<b>10,064</b>	<b>281,149</b>
<b>Accumulated Depreciation</b>						
As at March 31, 2018	7,288	8,064	3,987	14,698	2,619	36,656
Depreciation charge for the period	5,673	7,932	4,271	55,282	2,013	75,171
Disposals	-	(2,965)	-	-	-	(2,965)
<b>As at March 31, 2019</b>	<b>12,961</b>	<b>13,031</b>	<b>8,258</b>	<b>69,980</b>	<b>4,632</b>	<b>108,862</b>
<b>Net Block</b>						
As at March 31, 2019	<b>14,914</b>	<b>21,690</b>	<b>9,408</b>	<b>120,843</b>	<b>5,432</b>	<b>172,287</b>
As at March 31, 2018	<b>20,433</b>	<b>27,445</b>	<b>12,466</b>	<b>166,591</b>	<b>7,445</b>	<b>234,380</b>

**Note 6: Intangible assets**

₹ '000

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at March 31, 2018	812,744	812,744
Additions	71,296	71,296
Disposals	-	-
<b>As at March 31, 2019</b>	<b>884,040</b>	<b>884,040</b>
<b>Accumulated Amortisation</b>		
As at March 31, 2018	19,863	19,863
Amortisation charge for the period	201,756	201,756
Disposals	-	-
<b>As at March 31, 2019</b>	<b>221,619</b>	<b>221,619</b>
<b>Net Block</b>		
As at March 31, 2019	<b>662,421</b>	<b>662,421</b>
As at March 31, 2018	<b>792,881</b>	<b>792,881</b>

All Intangible assets are other than internally generated.





**7 Other non-current assets**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
a) Deferred lease assets	5,035	8,391
b) Prepaid expenses	370	1,181
<b>Total</b>	<b>5,405</b>	<b>9,572</b>

**8 Current Investments**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
a) <b>Investments at fair value through profit or loss</b>		
Government securities	198,769	235,931
b) <b>Investment in units of liquid mutual funds (unquoted)</b>		
32,738.631 units of UTI Mutual Funds- Growth Direct (Previous Period : 70.873)	100,204	202
<b>Total</b>	<b>298,973</b>	<b>236,133</b>

**9 Cash and cash equivalents**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
a) Cash on hand	6	1
b) Cheques on hand		
c) Balances with banks		
- In current accounts	167,692	163,163
- In deposit accounts	220,000	500,000
d) Call lending	200,000	100,000
<b>Total</b>	<b>587,698</b>	<b>763,164</b>

**10 Trade Receivables**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
Receivables considered Good - Secured	-	-
Receivables considered Good - Unsecured	4,709	15,221
Receivables having significant increase in credit risk	-	-
Receivables - credit impaired	-	-
<b>Total</b>	<b>4,709</b>	<b>15,221</b>

**11 Other current financial assets**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
a) Accrued interest	4,997	4,037
b) Deposits	-	-
c) Other Receivables - Unsecured		
- Considered Good	4,304	73
- Considered Doubtful	11,348	-
Less : Allowance for doubtful debt	(11,348)	-
Net Other Receivables	4,304	73
<b>Total</b>	<b>9,301</b>	<b>4,110</b>

**12 Other current assets**

	₹ '000	
Particulars	As at March 31, 2019	As at March 31, 2018
a) Indirect tax credit	360,787	243,497
b) Prepaid expenses	21,031	26,259
c) Deferred Lease Rent	3,357	3,357
d) Advances	14,437	9,256
e) Others	7,963	-
<b>Total</b>	<b>407,575</b>	<b>282,369</b>



**Note 13 : Equity Share Capital**

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ '000)	No. of Shares	Amount (₹ '000)
<b>1) Share Capital</b>				
<b>Authorised:</b>				
Equity Shares of ₹ 10/- each	650,000,000	6,500,000	650,000,000	6,500,000
	<b>650,000,000</b>	<b>6,500,000</b>	<b>650,000,000</b>	<b>6,500,000</b>
<b>Issued, Subscribed and Paid Up.</b>				
Equity Shares of ₹ 10/- each	568,965,460	5,689,655	452,315,460	4,523,155
	<b>568,965,460</b>	<b>5,689,655</b>	<b>452,315,460</b>	<b>4,523,155</b>

**2) Term/Right Attached to Equity Shares**

The Company has single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

**3) Equity Shares in the Company held by each shareholder holding more than 5% shares and the number of equity shares held are as under:**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Equity Share Capital
Grasim Industries Limited (Erstwhile Aditya Birla Nuvo Limited)	290,172,385	51.00%	230,680,885	51.00%
Idea Cellular Limited	278,793,075	49.00%	221,634,575	49.00%
<b>Total</b>	<b>568,965,460</b>	<b>100.00%</b>	<b>452,315,460</b>	<b>100.00%</b>

**Note 14 : Other Equity**

	₹ '000
<b>Particulars</b>	<b>Retained Earnings</b>
<b>As March 31, 2018</b>	(2,548,615)
Add : Profit / (Loss) during the period	(1,525,821)
Add: Other comprehensive income	12,199
<b>As at March 31, 2019</b>	<b>(4,062,237)</b>



15 Long term provisions

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
Compensated Absences	21,989	32,509
<b>Total</b>	<b>21,989</b>	<b>32,509</b>

16 Other non-current liabilities

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
Lease Equalisation Reserve	18,077	13,527
<b>Total</b>	<b>18,077</b>	<b>13,527</b>

17 Trade Payables

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
(I) Dues of micro enterprises and small enterprises (Note No. )	10,977	-
(II) Other trade payables	183,180	246,173
<b>Total</b>	<b>194,157</b>	<b>246,173</b>

18 Other current financial liabilities

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
a) Advance from Customers and Trade Partners	276,822	217,489
b) Deposits from Savings bank customers	38,867	85
c) Security deposit	27,105	24,046
d) Other	75,367	7
<b>Total</b>	<b>418,161</b>	<b>241,627</b>

19 Other current liabilities

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
a) Taxes and Other Liabilities	17,405	33,977
b) Others	1,188	291
<b>Total</b>	<b>18,593</b>	<b>34,268</b>

20 Short term provisions

Particulars	₹ '000	
	As at March 31, 2019	As at March 31, 2018
a) Gratuity	-	5,528
b) Compensated Absences.	13,514	5,258
<b>Total</b>	<b>13,514</b>	<b>10,786</b>



21 Other income			₹ '000
Particulars	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)	
Profit/(Loss) on Investments (Including fair value gain/loss)	7,238	23,796	
Other interest income	3,228	41	
Miscellaneous income	3,094	4,115	
<b>Total</b>	<b>13,560</b>	<b>27,952</b>	

22 Employee benefits expense			₹ '000
Particulars	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)	
Salaries, wages and bonus	620,383	540,029	
Contribution to provident and other funds	40,549	34,980	
Employee stock option scheme	(2,796)	-	
Staff welfare	14,073	13,507	
Recruitment and training	3,289	11,834	
<b>Total</b>	<b>675,498</b>	<b>600,350</b>	

23 Administrations and other expenses			₹ '000
Particulars	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)	
Audit fees (Refer Note.29)	2,133	1,750	
Tax Audit fees	1,118	-	
Branch Audit Fees	2,056	-	
Cash collection cost	2,961	241	
Commission & Brokerage	222	558	
Outsourced Manpower Cost	31,943	12,544	
Communication expenses	3,679	3,171	
Director sitting fees	2,155	1,557	
IT Expenses	181,077	104,183	
Legal Expenses	3,399	95	
Professional Fees	15,961	12,913	
Loss on sale of Assets (Net)	2,028	881	
Loss on exchange transactions(Net)	31	1	
Miscellaneous expense	1,060	2,379	
Provision for bad & doubtful Advances/Other Receivables	11,348	-	
Stamp Duty & Registration Expenses	1,929	20,280	
Networking cost	16,846	220	
Repairs and maintenance	724	299	
Rent	95,496	93,613	
Rates and Taxes	4	-	
Electricity	9,447	9,811	
General Office Expense	5,508	1,827	
Postage and courier	820	664	
Printing and Stationery	992	2,056	
Travelling and conveyance	31,671	46,350	
Insurance Exp	723	122	
<b>Total</b>	<b>425,331</b>	<b>315,515</b>	

24 Finance costs			₹ '000
Particulars	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)	
Interest on borrowings	7	9,597	
Other finance charges	1,528	119	
Interest on OD	1	46	
Finance Lease Cost	13,991	17,521	
<b>Total</b>	<b>15,527</b>	<b>27,283</b>	



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

25. The Board of Directors of Aditya Birla Idea Payments Bank Limited (“the Bank” or “the ABIPBL”) and the Board of Directors of Idea Mobile Commerce Services Limited (“IMCSL”) at their Board Meetings held on 26<sup>th</sup> July, 2016 and 22<sup>nd</sup> July, 2016 respectively approved the amalgamation of the Bank with IMCSL. .

The Hon’ble High Court of Mumbai vide its order dated December 9, 2016 and the Hon’ble High court of Delhi vide its order dated January 3, 2017 approved the scheme of amalgamation of IMCSL with the Bank on a going concern basis.

Upon the Scheme being effective from 22<sup>nd</sup> February, 2018, the entire undertaking of IMCSL including all its assets, liabilities and reserves and surplus stood transferred and vested in ABIPBL.

**Accounting for Merger:**

Pursuant to the Scheme of Amalgamation approved by Hon’ble Bombay High Court order and Hon’ble Delhi High Court order, IMCSL had been merged with ABIPBL on a going concern basis with effect from 22<sup>nd</sup> February 2018. As per IND AS, mergers are accounted as per Purchase Method unless the entities are under common control. Under such method assets and liabilities of transferor entity are fair valued and difference between such fair value of net assets acquired and consideration paid is accounted for in the books of transferee entity as either goodwill or gain on a bargain purchase. However, the Bank has followed Pooling of Interest Method as prescribed by the Scheme. As per this method assets and liabilities of IMCSL are recorded by the Bank at carrying value. The excess of the paid up value of equity shares of ABIPBL issued over the net assets acquired of IMCSL amounting to Rs. 101.60 crores had been adjusted to reserves. The identity of the reserves is preserved and they appear in the financial statements of the Bank in the same form in which they appeared in the financial statements of the IMCSL.

Hence the results for the year ended March 31, 2019 are not comparable with that of the corresponding period of the previous year.

26. Estimated amounts of contract remaining to be executed on Capital Account and not provided for (Net of advance) is ₹ 5,056 thousands (Prev. Period ₹ 63,018 thousands).
27. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilized. Accordingly, Bank has not recognized deferred tax assets in respect of deductible temporary differences, unabsorbed depreciation and unused tax losses of Rs. 821,311 thousand (Prev period Rs 443,106 thousand.)
28. As of March 31, 2019 Rs 10,977 thousand (Prev period - NIL) is payable to Micro, Small, and Medium Enterprises (SMEs) within the meaning of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at March 31, 2019	As at March 31, 2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	10,977	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the	-	-





**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

payment made to the supplier beyond the appointed day during each accounting year;		
(c) 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 Micro, Small and Medium Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

## 29. Finance Lease

### Bank as lessee

The Bank has entered into agreements with vendor wherein the vendor is supplying certain fixed assets and also acting as a System Integrator. The ownership of the assets will be transferred to the Bank at the end of the agreement period. Such Fixed assets have been accounted for as finance lease, recorded at present value of the minimum lease payments at the inception of the lease and depreciated over the lease term. Finance lease obligations are payable as under:

₹ '000

Particulars	As at March 31, 2019		As at March 31, 2018	
	Future Minimum Lease Payments (MLP)	Present value of minimum lease payments	Future Minimum Lease Payments (MLP)	Present value of minimum lease payments
Within one year	55,764	44,228	52,866	45,421
After one year but not more than five years	101,371	71,410	150,550	109,944
More than five years	-	-	-	-
	<b>157,135</b>	<b>115,639</b>	<b>203,416</b>	<b>155,365</b>
Less: Future Finance Charges	41,496	-	48,051	-
	<b>115,639</b>	<b>115,639</b>	<b>155,365</b>	<b>155,365</b>

## 30. Operating Lease

### a) Bank as lessee

The Bank has entered into non-cancellable operating leases for offices for periods ranging from 12 months to 108 months.

For the current period, total minimum lease payments amounting to ₹ 79,998 thousand is (Prev. Period ₹78,198) charged to the Statement of Profit & Loss.

Future minimum rentals payable under non-cancellable operating leases are as follows:



₹ '000

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	85,600	79,426
After one year but not more than five years	194,734	250,482
More than five years	53,550	65,832

**31. Auditor's Remuneration:**

₹ '000

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Statutory Audit Fees	1850	1750
Certification (included in Professional Charges)	225	75
Out of pocket expenses	58	-
<b>Total Remuneration</b>	<b>2133</b>	<b>1825</b>

**32. Basic & Diluted Earnings per Share :**

₹ '000

Particulars	As at March 31, 2019	As at March 31, 2018
Nominal value of equity shares (₹)	10	10
<b>Basic</b>		
Profit attributable to equity shareholders (₹ '000)	(1,525,821)	(1,192,230)
Weighted average number of equity shares outstanding during the year	520,982,118	198,052,195
Basic Earnings Per Share (₹)	(2.91)	(5.96)
<b>Diluted*</b>		
Profit attributable to equity shareholders (₹ '000)	(1,525,821)	(1,192,230)
Weighted average number of equity shares outstanding during the year	520,982,118	198,052,195
Diluted Earnings Per Share (₹)	(2.91)	(5.96)

\* As the Bank has incurred loss during the period, dilutive effect on weighted average number of shares would have an anti- dilutive effect and hence will not be considered.

**33. Employee Benefits**

**Defined Benefit Plan**

**General Description and Benefits of the plan**

The Bank operates a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. In case of employees retiring from the Bank, the Bank's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972 depending on the period of continuous service. The benefit is payable on termination of service or retirement, whichever is



earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Bank.

### **Regulatory Framework, Funding Arrangement and Governance of the Plan**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. As the fund is under income tax approval, the Bank and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Bank is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Bank's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlement. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Bank operates its gratuity plan through separate trust which is administered and managed by the Trustees. As on March 31, 2019, the contribution towards the plans have been invested in Insurer Managed Funds.

### **Inherent Risks**

The plan is of a final salary defined benefit in nature which is sponsored by the Bank and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Bank that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarizes the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for gratuity:

₹'000			
Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
	<b>Amount recognised in Balance Sheet</b>		
1	Present value of obligations as at the end of the year	50,484	53,840.0
	Fair value of plan assets as at the end of the year	58,437	48,204.0
	Net Funded Obligation	7,953	(5,636.0)
2	Net Asset/(Liability) recognized in Balance Sheet	7,953	(5,636.0)
	Net Asset/(Liability) recognized in Balance Sheet is bifurcated as		
	- Current	7,953	(5,636.0)
	- Non – Current	-	-

Amounts recognized in statements of profit and loss in respect of these defined benefit plans are as follows:



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

₹ '000

Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	<b>Expenses Recognised in the Statement of Profit and Loss</b>		
	Current Service cost	9,663	8,750
	Interest on Net Defined Benefit liability (asset)	155	1,696
	Expenses recognised in the Statement of Profit and Loss	9,818	10,446
2	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Opening amount recognised in OCI	(11,671)	833
-	Re measurement during the year due to		
	- Changes in experience assumptions	(4,698)	8,580
	- Demographic adjustments	(6,995)	(18,003)
	- Financial adjustments	315	(2,526)
	- Return on plan assets (excluding amounts included in net interest expense)	(821)	(556)
	Closing amount recognised in OCI	(23,870)	(11,672)

Reconciliation of net defined obligation, defined obligation and plan assets:



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

₹'000

Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability / (asset)	5,636	35,307
	Expense charged to profit & loss account or capitalized	9,818	10,446
	Mortality Charges	2	-
	Expense charged to OCI	(12,199)	(12,504)
	Contribution made	(10,000)	(30,984)
	Impact of liability assumed / (settled)	(1,210)	3,371
	Closing Net Defined Benefit liability (asset)	(7,953)	5,636
2	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	53,840	50,840
	Current Service cost	9,663	8,750
	Interest on Defined Benefit Obligation	3,931	3,795
	Actuarial (Gain)/Loss arising from change in experience assumptions	(4,698)	8,580
	Actuarial (Gain)/Loss arising from change in demographic assumptions	(6,995)	(18,003)
	Actuarial (Gain)/Loss arising on account of financial changes	315	(2,526)
	Benefits paid	(4,362)	(966)
	Liabilities assumed/ (settled)	(1,210)	3,370
	Closing of Defined Benefit Obligation	50,484	53,840
3	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	48,204	15,533
	Employer contributions	10,000	30,983
	Interest on plan assets	3,776	2,098
	Re measurements due to-		
	- Actual return on plan assets less interest on plan assets	821	556
	Benefits paid	(4,362)	(966)
	Mortality Charges	(2)	
	Closing fair value of plan assets	58,437	48,204





**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	6.80%	7.70%
Expected Return on Plan Assets	7.70%	7.10%
Future salary increases	7.00%	8.00%
Mortality rate during employment	As per Indian Assured Lives Mortality (2012-14) ult	As per Indian Assured Lives Mortality (2006-08) ult
<b>Withdrawal Rate</b>		
Age – upto 30 years	30.00%	10.00%
– 31-40 years	30.00%	10.00%
– 41-50 years	30.00%	10.00%
– Above 50 years	30.00%	10.00%
Expected average remaining working lives of employees (in years)	3.31*	8.89*

\* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

₹ '000

Particulars	As at March 31, 2019			As at March 31, 2018		
	Discount rate	Salary escalation rate	Withdr awal rate	Discount rate	Salary escalation rate	Withdr awal rate
Impact of increase in 50 bps on DBO	(776)	556	(43)	(1968)	1823	(435)
Impact of decrease in 50 bps on DBO	800	(545)	45	2092	(1735)	470

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**Investment details of plan assets:**

₹ '000

Particulars	As at March 31, 2019	As at March 31, 2018
BSLI - Insurer Managed Funds	56,292	46,221
Life Insurance Corporation of India	2,145	1,983

The funds are managed by BSLI and LIC. They do not provide breakup of plan assets by investment type.

The Bank does not intend to contribute to defined benefit plan in financial year 2019-20.



**Expected Future Benefit Payments:**

₹ '000

<b>Maturity Profile</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Expected benefits for year 1	16,045	6,260
Expected benefits for year 2	14,099	5,991
Expected benefits for year 3	12,115	6,794
Expected benefits for year 4	10,235	7,550
Expected benefits for year 5	8,533	8,263
Expected benefits for year 6-10	25,912	66,449

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.5 years.

**Defined contribution plans:**

During the year, the Bank has recognised the following amounts in the Statement of Profit and Loss:

₹ '000

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the period ended March 31, 2018</b>
Employers' contribution to provident and pension fund	25,723	20,670
Employers' contribution to superannuation fund	3,567	3,590
<b>Total</b>	<b>29,290</b>	<b>24,260</b>

**34. Related party transactions**

The related parties where control and significant influence exists are subsidiaries and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

Related parties of the Bank are disclosed below:

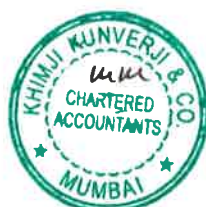
**List of related parties:**

**Entities with significant influence**

- Grasim Industries Limited (erstwhile Aditya Birla Nuvo Limited)
- Idea Cellular Limited

**Directors**

- Mr. Himanshu Kapania
- Mr. Devajyoti Bhattacharya
- Mr. Sudhakar Ramasubramanian
- Mr. Jayashankar Jayaraman
- Mr. Ganesh Krishnan
- Ms. Sudha Damodar
- Ms. Usha Narayanan



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

**Key Managerial Person**

- Mr. Sudhakar Kadathur Ramasubramanian
- Mr. Pradeep Agrawal
- Ms. Shifali Suvarna

**Others**

- Aditya Birla Health Insurance Co Limited
- Birla Sunlife Insurance Company Limited
- Aditya Birla Management Corporation Private Ltd.
- Ultratech Cement Limited
- Aditya Birla Money Limited
- Aditya Birla My Universe Ltd.

**Trust**

- Aditya Birla Idea Payments Bank Limited Employees Group Gratuity Scheme\*
- Aditya Birla Idea Payments Bank Limited Employee Superannuation Scheme\*

\*Refer Note No 25 for information on transaction with post-employment benefit plans mentioned above.

**Transactions with Related Party for the year ended March 31, 2019**

₹ '000

Nature of Transaction	Entities having significant influence	Others	Key Managerial Person (KMP)	Directors	Total
Purchase of Services	2,527	12,596	-	-	15,123
Sale of services by us	1,085	91	-	-	1,176
Expenses incurred on behalf of related parties	15	-	-	-	15
Contribution to Gratuity Fund	-	10,000	-	-	10,000
Interest Income on contribution to Gratuity Fund	-	4,434	-	-	4,434
Contribution for superannuation fund	-	3,567	-	-	3,567
Transfer of Liabilities on employee transferred out of ABIPBL	1,727	349	-	-	2,076
Transfer of Assets on Employee Transferred in ABIPBL	804	195	-	-	999
Transfer of Liabilities on Employee trans in ABIPBL	97	1,712	-	-	1809
Director's Sitting fees	-	-	-	1,740	1,740
Share Capital on Rights Issues	11,66,500	-	-	-	11,66,500
Remuneration	-	-	18,831	-	18,831



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

**Outstanding as on March 31, 2019**

**₹ '000**

<b>Nature of Transaction</b>	<b>Entities having significant influence</b>	<b>Others</b>	<b>Total</b>
Receivable	1,508	2,094	<b>3,603</b>
Payable	608	1	<b>609</b>

**List of Related Parties in Previous Year-**

**Entities with significant influence**

- Grasim Industries Limited (erstwhile Aditya Birla Nuvo Limited)
- Idea Cellular Limited

**Directors**

- Mr. Himanshu Kapania
- Mr. Devajyoti Bhattacharya
- Mr. Sudhakar Ramasubramanian
- Mr. Jayashankar Jayaraman
- Mr. Ganesh Krishnan
- Ms. Sudha Damodar
- Ms. Usha Narayanan

**Key Managerial Person**

- Mr. Sudhakar Ramasubramanian
- Mr. Pradeep Agrawal
- Ms. Shifali Suvarna

**Others**

- Aditya Birla Health Insurance Co Limited
- Birla Sunlife Insurance Company Limited
- Aditya Birla Financial Services Ltd
- Aditya Birla Management Corporation Private Ltd.
- Ultratech Cement Limited
- Aditya Birla Finance Limited
- Aditya Birla Money Limited

**Trust**

- Aditya Birla Idea Payments Bank Limited Employees Group Gratuity Scheme\*
- Aditya Birla Idea Payments Bank Limited Employee Superannuation Scheme\*

\*Refer Note No 31 for information on transaction with post-employment benefit plans mentioned above.



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

**Transactions with Related Party for year ended March 31, 2018**

**₹ '000**

<b>Nature of Transaction</b>	<b>Entities having significant influence</b>	<b>Others</b>	<b>Key Managerial Person (KMP)</b>	<b>Directors</b>	<b>Total</b>
Expenditure incurred on Bank's behalf	87	-	-	-	87
Purchase of Services	3,337	16,978	-	-	20,315
Contribution to Fund including Interest	-	29,100	-	-	29,100
Contribution to Superannuation fund	-	3,590	-	-	3,590
Transfer of Assets on Employee Transfer to ABIPBL	2,282	-	-	-	2,282
Transfer of Employee Benefit plans to ABIPBL	-	2,377	-	-	2,377
Transfer of Liabilities on Employee transfer to ABIPBL	5,929	482	-	-	6,412
Share Capital on Rights Issues	2,023,451	-	-	-	2,023,451
Share Capital on Merger	1,048,698	-	-	-	1,048,698
Reimbursements of expenses	-	15,497	-	-	15,497
Advance given	-	100	-	-	100
Loan	177,500	350,000	-	-	527,500
Director Sitting Fees	-	-	-	1,345	1,345
Remuneration	-	-	44,555	-	44,555

**Outstanding as on March 31, 2018**

**₹ '000**

<b>Nature of Transaction</b>	<b>Entities having significant influence</b>	<b>Others</b>	<b>Total</b>
Receivable	7037	431	7,468
Payable	26,012	7,556	33,568

**Compensation of Key Management Personnel of the Bank :**

**₹ '000**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the period ended March 31, 2018</b>
Short-term employee benefits	15,893	41,702
Post-employment gratuity and medical benefits	2,938	2,853
Termination benefits	-	-
Share-based payment transactions	-	-





**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

**35. Segment information**

As the Bank operates in only one business segment, hence there is no separate reportable segment as per Ind- AS 108 on "Operating Segments".

**36. Financial Instruments :**

**a) Financial Instruments by Category:**

**₹ '000**

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial Assets</b>				
Current Investments	298,973	-	236,133	-
Cash and cash equivalents	-	587,698	-	763,165
Bank balances other than cash and cash equivalents	-	252,500	-	358,701
Security Deposits	-	65,290	-	58,913
Trade Receivables	-	4,709	-	15,221
Loans to Employees	-	-	-	303
Other Receivables	-	4,304	-	73
Accrued Interest	-	5,292	-	4,038
<b>Total Financial Assets</b>	<b>298,973</b>	<b>919,793</b>	<b>236,133</b>	<b>12,00,414</b>
<b>Financial Liabilities</b>				
Payable for Capital Expenditure	-	18,871	-	40,324
Finance lease	-	141,716	-	178,486
Trade Payable	-	194,155	-	246,173
Advance from Customers and Trade Partners	-	276,822	-	217,489
Security Deposit	-	27,105	-	24,046
Deposits from Savings bank customers	-	38,866	-	85
Other Payable	-	75,365	-	7
<b>Total Financial Liabilities</b>	<b>-</b>	<b>772,901</b>	<b>-</b>	<b>706,610</b>



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

**b) Fair value hierarchy**

The Bank has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2019: ₹ '000

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	298,973	-	-	298,973
<b>Total Financial Assets</b>	<b>298,973</b>	-	-	<b>298,973</b>
<b>Total Financial Liabilities</b>	-	-	-	-

- ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018 ₹ '000

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	236,133	-	-	236,133
<b>Total Financial Assets</b>	<b>236,133</b>	-	-	<b>236,133</b>
<b>Total Financial Liabilities</b>	-	-	-	-

- iii. The carrying amounts of the following financial assets and financial liabilities are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed.

**A. Financial Assets**

- Cash and cash equivalents
- Security Deposits
- Loans to Employees
- Trade Receivables
- Others

**B. Financial Liabilities**

- Trade payable
- Security deposits
- Payable for capital expenditure
- Advance from customers and trade partners
- Finance lease obligation

**c) Valuation Technique used to determine fair value**

Fair value of quoted current investments in Mutual Funds is based on price quotations at the reporting date.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.



### **37. Financial risk management objectives and policies**

The Bank's principal financial liabilities comprise trade payable and payable for capital expenditure. The Bank's principal financial assets comprise of investments, security deposits, cash and bank balance, other receivables and employee loans.

The Bank is exposed to various market risk such as price risk and credit risk. The Bank is managed by a team of qualified finance professionals with appropriate skills and experience who provide assurance to the management that financial risks are identified, measured and managed in accordance with the Bank's policies and risk objectives.

#### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits and investments. Since the Investments are made in liquid funds which in turn invest in Government and Other Approved Securities, these investments do not pose substantial market volatility risk. Hence no impact has been considered for Sensitivity purpose.

#### **Price risk**

The Bank invests its surplus funds in debt mutual funds. These comprise of only liquid schemes of mutual funds.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk. Hence no impact has been considered for Sensitivity purpose.

#### **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Bank is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Investments of surplus funds are made only with approved counterparties.

The Bank's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019, is the carrying amounts as illustrated in note 7 and 11.

#### **Liquidity risk**

Liquidity risk is the risk that the Bank may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Bank's financial liabilities comprise of financial obligation, payable for capital expenditure and trade payable. The funding is done by the shareholders from time to time based on the fund planning requirement carried out by the Bank. The bank maintains sufficient cash and other liquid financial asset to meet the payment of financial liabilities within the due dates. The table below summarizes the maturity profile of the bank's financial liabilities based on contractual undiscounted payments:



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

₹ '000

As at March 31, 2019	Less than 1 year	1 to 5 years	> 5 years	Total payments
Finance Lease Obligation	55,764	101,371	-	157,135
Payable for Capital expenditure	18,871	-	-	18,871
Trade payable	194,155	-	-	194,155
Other current financial liabilities	418,159	-	-	418,159
<b>Total</b>	<b>686,949</b>	<b>101,371</b>	<b>-</b>	<b>788,320</b>

₹ '000

As at March 31, 2018	Less than 1 year	1 to 5 years	> 5 years	Total payments
Finance Lease Obligation	52,866	150,550	-	203,416
Payable for Capital expenditure	40,324	-	-	40,324
Trade payable	246,173	-	-	246,173
Other current financial liabilities	241,627	-	-	241,627
<b>Total</b>	<b>580,990</b>	<b>150,550</b>	<b>-</b>	<b>731,540</b>

38. The Bank has availed a Bank Guarantee for an amount of ₹ 2,500 thousand (Prev. Period ₹ 2,500 thousand ) in favour of UIDAI against a lien on Fixed Deposit.
39. "The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account."
40. Vodafone India Limited was merged with Idea Cellular Limited to form a new entity Vodafone Idea Limited with effect from August 30, 2018. The merger had resulted in Vodafone Idea Limited holding 100% ownership of Vodafone M-Pesa Limited (VMPL) besides 49% shareholding in Aditya Birla Idea Payments Bank Limited (ABIPBL). As per the RBI guidelines, same promoter group cannot have Payments Banking business in one entity and Prepaid Payment Instruments (PPI) business in another entity. Based on various discussions, the Regulator had initially permitted these two entities to carry on the business till December 31, 2018. Thereafter RBI has extended this date to March 31, 2019. M-Pesa has approached RBI seeking further extension



**Aditya Birla Idea Payments Bank Limited**  
**Notes Forming Part of the Financial Statements**

41. Previous year figures have been regrouped/reclassified where necessary to conform to the current year's presentation and classification.

As per our report of even date attached

**For KHIMJI KUNVERJI & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No:105146W



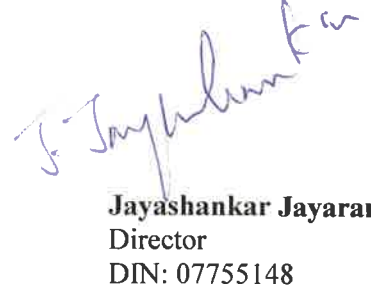
**Vinit K Jain**  
Partner  
Membership No.: F-145911

7

**For and on behalf of the Board**



**Devajyoti Bhattacharya**  
Director  
DIN: 00868751



**Jayashankar Jayaraman**  
Director  
DIN: 07755148

Place: Mumbai  
Date : April 30, 2019



**Sudhakar Ramasubramanian**  
Managing Director & CEO  
DIN: 02584713



**Pradeep Agrawal**  
Chief Financial Officer



**Shifali Suvarna**  
Company Secretary

