

August 11, 2021

The BSE Limited

Corporate Relationship Department.
P J. Towers.
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange of India Limited

Exchange Plaza,
Bandra-Kurla Complex.
Bandra (E), Mumbai - 400 051

SCRIP CODE: **543066**

SYMBOL: **SBICARD**

Sub: Corrigendum to the Annual Report for FY 2020-21

Re.: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

This is in furtherance to our letter dated August 3, 2021 wherein the Company had submitted its Annual Report along with the Notice of the 23rd Annual General Meeting to be held on August 26, 2021 at 11.00 a.m. (IST) through video conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

We wish to inform you that few errors were noticed in the Annual Report for FY 2020-21 after the same was dispatched on August 3, 2021 through email.:

1. On page No. 59 - Capital expenditure on property, plant and equipment- H56.95 crore to be read as **Rs. 56.95 crore.**
2. On page No. 128 - 13.2 Intangible Assets to be read as **13.3 Right-of-Use assets (Contd...).**
3. Pages forming part of the Annual Report related to the Independent Auditor's Report were inadvertently, missed to be included at the time of submission to the Stock Exchanges and dispatch of the same to the Shareholders of the Company.

We are enclosing herewith the Annual Report for FY 2020-21 of the Company after incorporation of the above changes and the same is also available on the website of the Company at www.sbicard.com.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For SBI Cards and Payment Services Limited

(formerly known as SBI Cards and Payment Services Private Limited)

Payal Mittal Chhabra
Company Secretary & Compliance Officer



SBI Cards and Payment Services Ltd.

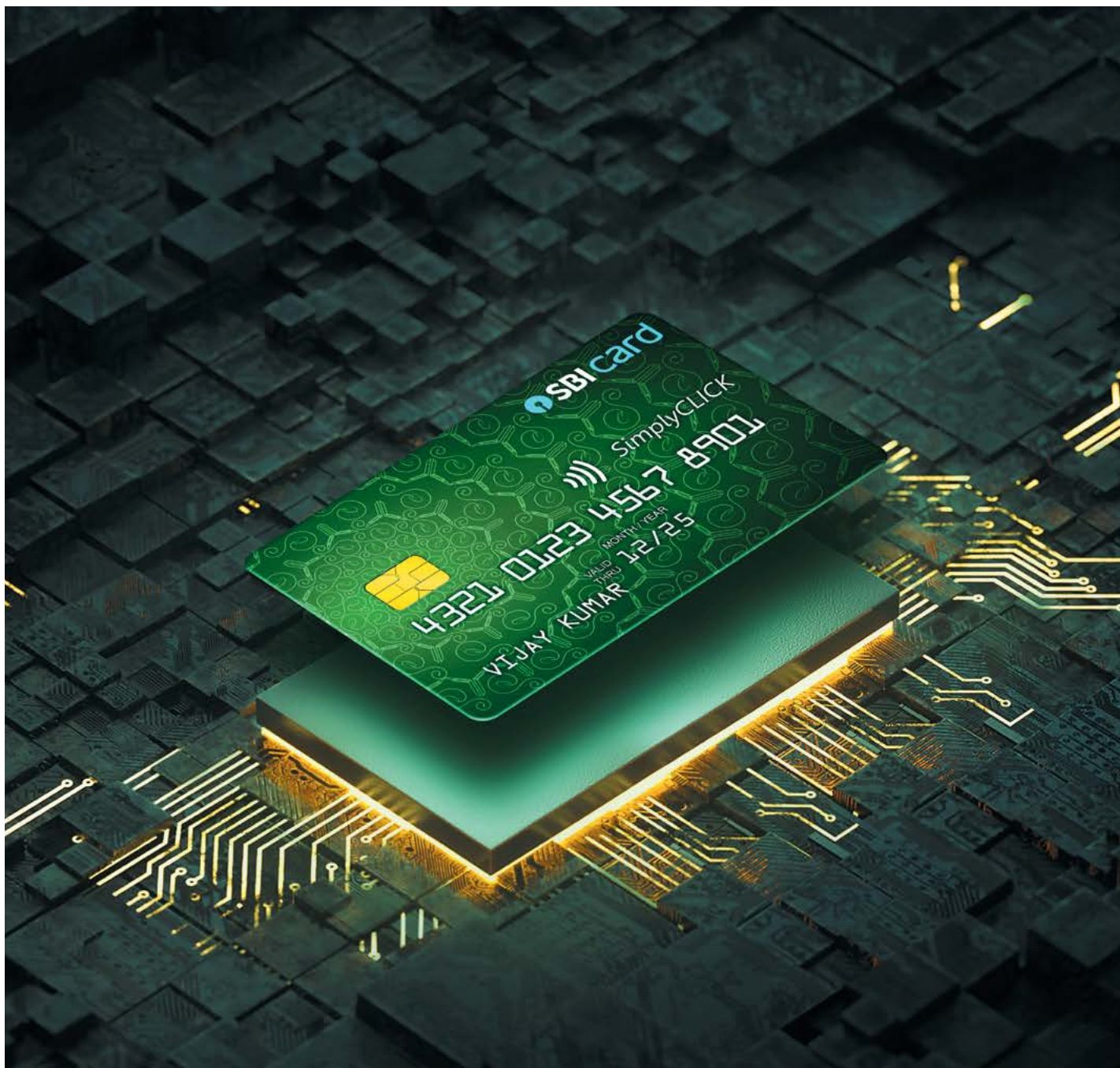
(Formerly known as SBI Cards and Payment Services Pvt. Ltd.)

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12th Floor, Block 2, Building 3,
DLF Cyber City, Gurugram - 122002,
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CIN - L65999DL1998PLC093849

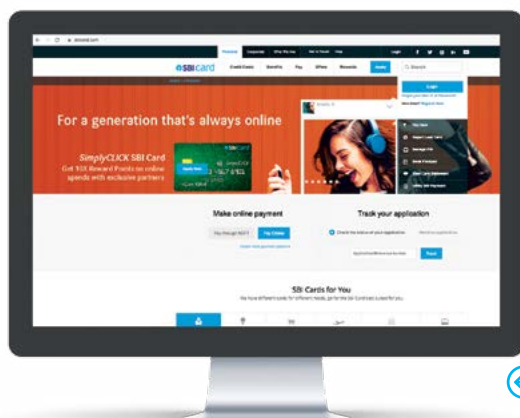


TRANSITIONING FOR TOMORROW

SBI Card as a leading credit card issuer in India, plays a key role in processing millions of transactions and enjoys patronage of over 1.18 Cr customers. Over the years SBI Card has made significant contribution to India's continuously innovating digital payment ecosystem.

SBI Card has successfully evolved to fulfill fast changing consumer preferences for contactless & digital modes of transactions, further accelerated by the pandemic. This significant shift towards digital and contactless payments is being further fueled by a plethora of digital & technology initiatives, making life simple for customers.

With its wide range of proprietary and co-branded credit cards & multiple installment-based payment options, SBI Card is enabling customers to fulfill their wishes, every day. Digitization and customer centricity will continue to be SBI Card's guiding lights for the future.



← To know more please visit www.sbicard.com

Robust Performance

Key highlights FY21 vs FY20

(₹ In Cr) Earnings Before Credit Costs 4,024 ↑ 10%	(in %) Cost to Income 53.6 ↓ 299bp	(in %) Net Interest Margin 15.9 ↑ 3bp
(₹ In Cr) Network 6,374 ↑ 18%	(₹ In Cr) Receivables 25,114 ↑ 4%	(in %) CAR 24.8 ↑ 233bp
(in Cr) Cards-in-Force (CIF) 1.18 ↑ 12%	(in %) Market Share - CIF 19.1 ↑ 79bp	(in %) Market Share - Spends 19.4 ↑ 153bp

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Who We Are

SBI Card, a subsidiary of the State Bank of India, is the second largest credit card issuer in the country. With more than 1.18 Cr cardholders, we offer financial access with our wide range of value-added payment products and services that fulfil transactional and short-term credit requirements. Our focus on delivering a diverse portfolio of credit cards enables us to support cashless and contactless digital payments in India while ensuring complete safety and transparency of transactions.



SBI Card brand promise**'Make Life Simple'**

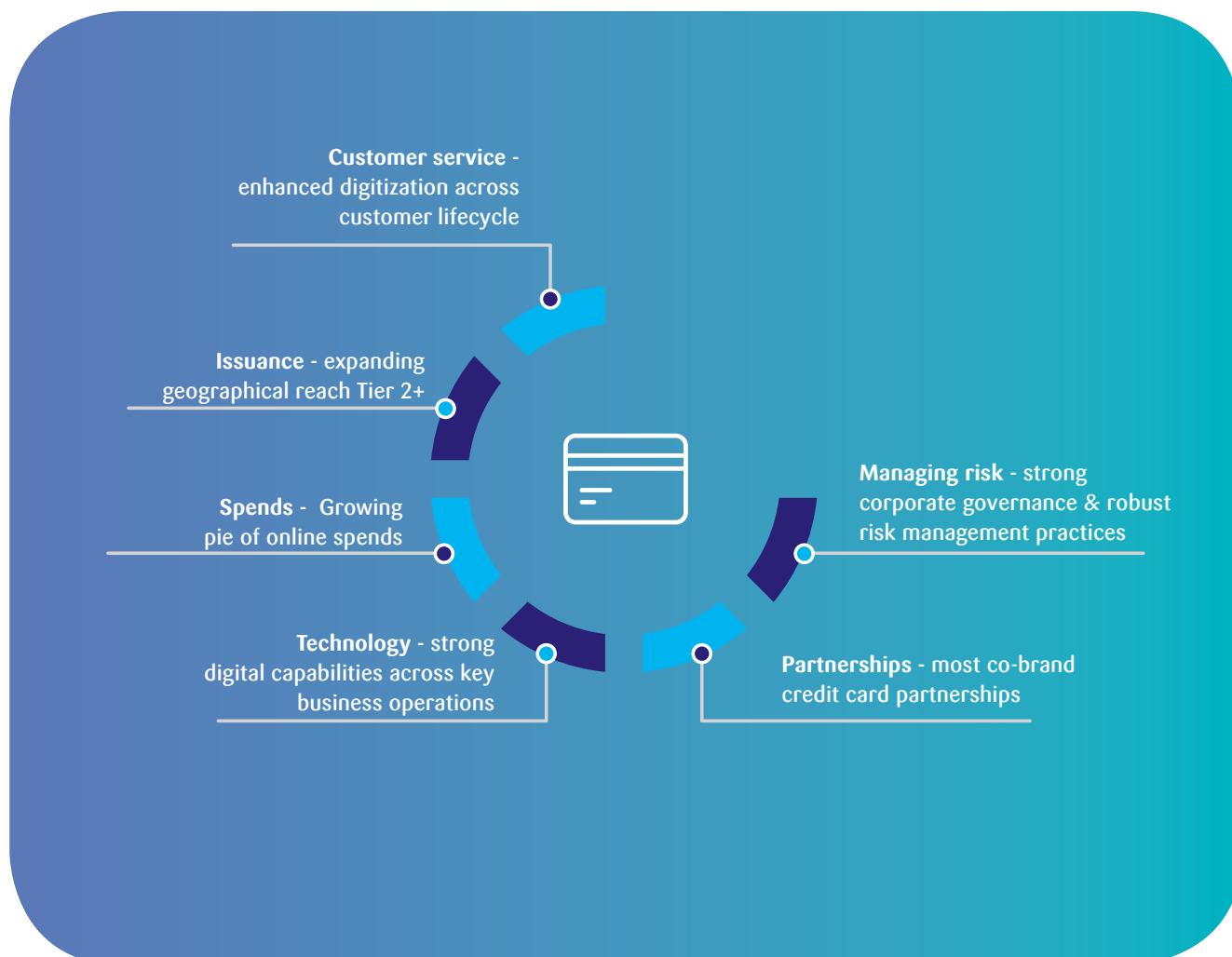
for our customers, employees, and other business stakeholders with innovative products and services as well as responsible corporate practices adhering to the highest standards.

Credit rating**Long term**

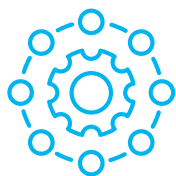
**AAA/stable
by CRISIL and
ICRA.**

Short term

**A1+ by CRISIL
and ICRA.**

Our Capabilities

SBI Card at a Glance



Years in operation

22+



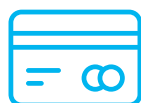
Employees

3869



Sourcing locations

148



Market share of cards in
force as on Mar'21

19.1%



Market share of spends
for FY21

19.4%

Awards and Accolades

Second most watched film on
**YouTube India's
Leaderboard of
'Most Watched PSA
(Public Service
Announcement)
Advertisements.**

**Economic
Times Iconic
Brands of
India, 2020**

**Customer Contact
Week Asia
Excellence Awards
2020 - Best in Class
Contact Centre
(Over 100 seats) -
Bronze**

**InnTech2020
Award.**

Contactless Ad film,
made in collaboration
with VISA, was listed
amongst the **'Top 10
Most Watched India
Ads on YouTube'**
in the monthly
leaderboard released
by Afaqs!

**15th Annual
Stevie
Awards®
for Sales &
Customer
Service in Gold
Category**

Received two
**'Express Computer
Data Centre Awards'**
under the category of
Disaster Recovery and
Storage Technology

**Brandon Hall
Group's Award**

Received award for
**Best in Class
Enterprise-wide Digital
Transformation**
from The Economic
Times in
March 2021.

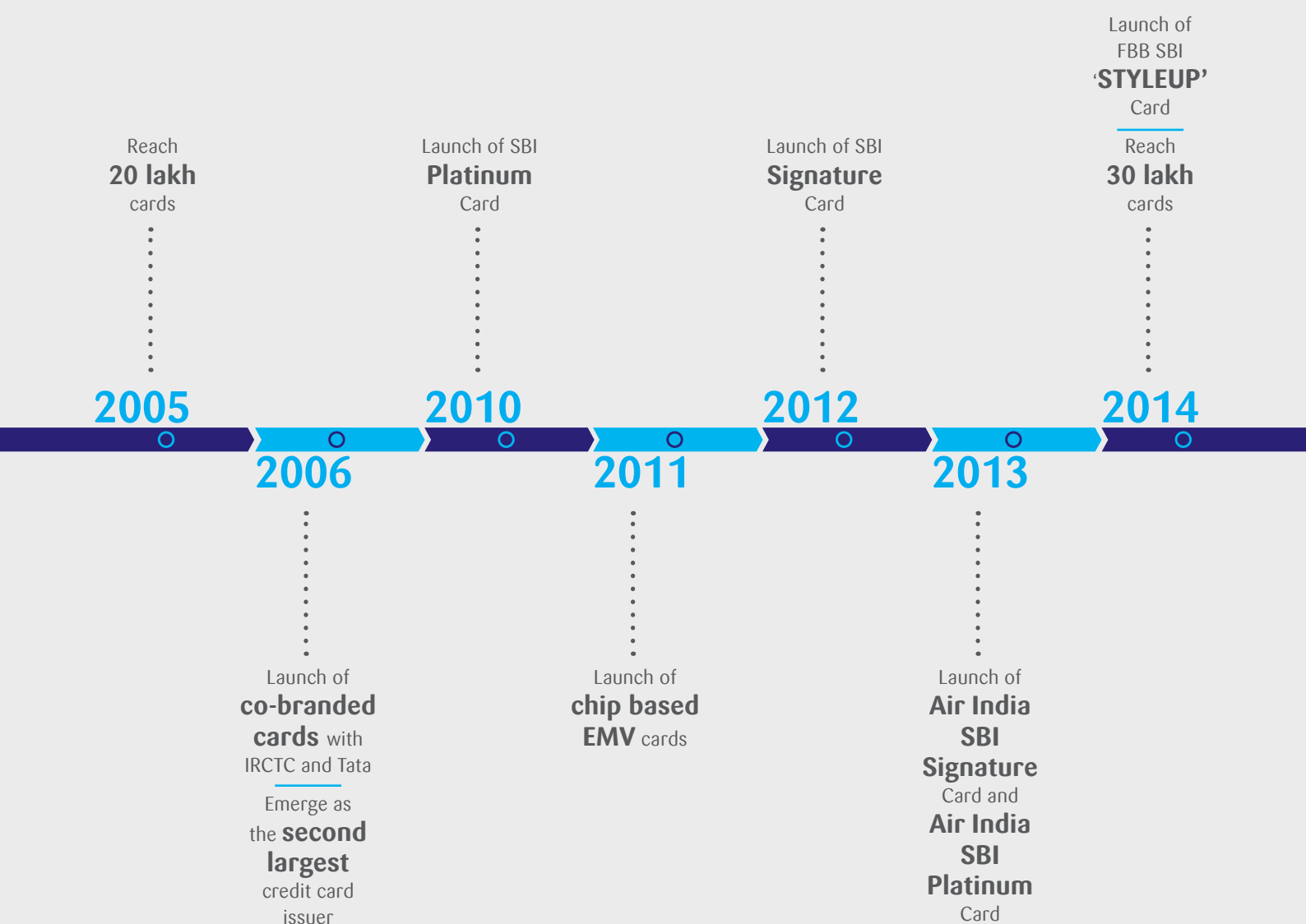
**ET Best BFSI
Brand Award**
in credit card
category

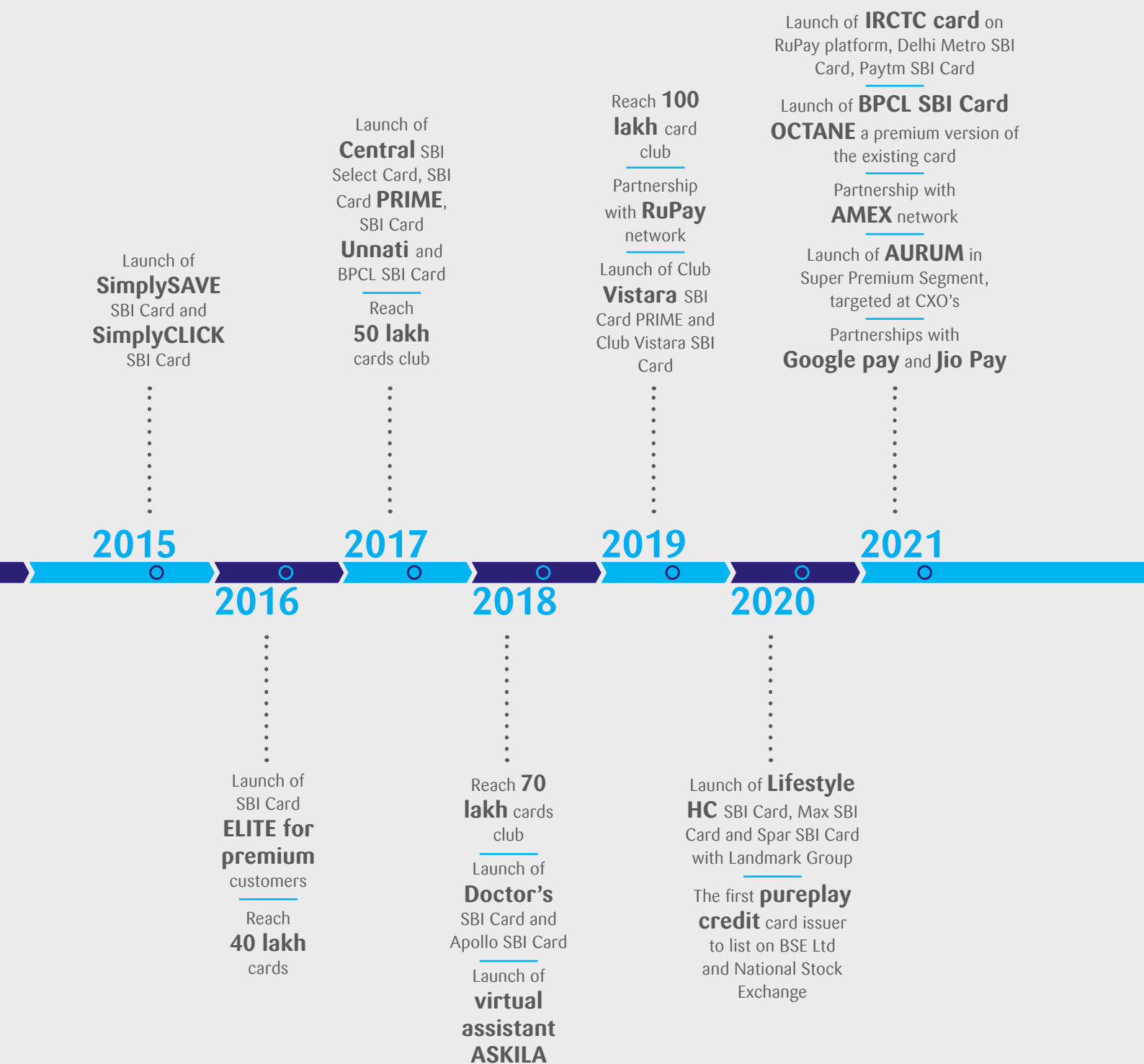
MD & CEO - Rama
Mohan Rao Amara
featured among the
**"Economic Times
Inspiring CEOs of
India 2021"**

**13th Reader's
Digest Trusted
Brand Award**

Received a
bronze award in
**Health CSR
Project - Health
Campaign of
the Year** from
IHW

Our Timeline





Message from Chairman



SBI Card today has set commendable benchmarks in the industry and is at par with some of the best credit card issuance companies in India and across the globe.



Dear Shareholders,

2nd largest credit card issuer in terms of cards & spends.

Market Share

19.1%

Cards

19.4%

Spends

FY21 will be remembered in the history for worldwide pandemic leading to an unprecedented environment and uncertainty. Adaptability, agility and continuous calibration of operations was the only way to ensure sustainable business operations. I wish to convey my heartfelt gratitude to all the employees and management team at SBI Card who rose to the challenge. Your relentless commitment and efforts enabled the company to navigate effectively even during this phase. We possibly have overcome the toughest phase; however, it is not completely normal and hence I urge you to diligently follow Covid discipline and stay safe.

Covid-19 pandemic has caused unforeseen damage to economies across the world. The direct impact of the lockdown, social distancing, job losses, disruption of supply chains, increased uncertainty in business operations and

rapid changes in consumer behaviour have resulted in a 7.3% decline of the Indian Economy in the year under review. Rapid unemployment, along with social and economic inequality may well prevail for some more time in the post-pandemic period, while the countrywide vaccination program has been intensified, offering a ray of hope for citizens.

On a positive note, onset of Covid-19 accelerated the adoption of digital payments. The surging need for varied digital payment methods also enabled us to attract tech-savvy millennials looking for newer and better experiences. As younger generations start their careers, they would be more likely to utilise mobile apps, credit and debit cards for various requirements. Gradually, investment in personal assets like homes, vehicles or utilities are bound to grow and this is expected to lead to



Our motto is to ‘Make Life Simple’ for our customers and we stay committed to this, even in these difficult times.

increase in the number of consumers using cards.

Our group has shown commendable resilience in a tumultuous year. Calibrated decisions have helped us to navigate challenges with ease, ensured value protection for all our stakeholders, along with the long-term sustainability of our business. We have also updated our cyber security framework with a comprehensive information system security that adheres to the highest regulatory standards. With many such measures, along with the support of our partners and investors, we have successfully maintained a robust business model. We shall strive to continue delivering high quality services and exceed expectations by focussing on growth prospects.

I am proud to present the company's strong performance despite the challenges and hardships borne in the last fiscal SBI Card delivered Earnings before credit costs (EBCC) for ₹ 4,024 Cr in FY21 at YOY 10%. After absorbing credit costs the company delivered profit after tax (PAT) for ₹ 985 Cr in FY21. We continue to maintain our leadership position in

the market with an increase in market share, reflecting the strength of our business and robust financial position.

Our motto is to ‘Make Life Simple’ for our customers and we stay committed to this, even in these difficult times. We have endeavoured to meet the customers' growing need for new and innovative services. As per the need of the hour, we offer various contactless solutions to facilitate safe, convenient and secure transactions, anytime and from anywhere. Our ability to provide a seamless payment experience through value-added services enables us to streamline our operations and emphasize on key emerging spend categories.

SBI Card today has set commendable benchmarks in the industry and is at par with some of the best credit card issuance companies in India and across the globe. We understand our responsibility and are working tirelessly to deliver the finest services to our valued patrons. Our digital capabilities, developed over the last few years, enabled a comprehensive transformation in all our customer-facing touchpoints, ensuring that the core services are delivered

while safeguarding our employees, data, systems, and assets. To foster a fast adaptation to WFH culture and ensure safety of our workforce, our VPN infrastructure was scaled up to accommodate over 5000 users who could work securely during the pandemic. We also enabled the access of SBI Card Private Cloud based dialer, allowing agents to work remotely to support the Customer Services and Collections functions.

SBI Card will continue to move forward with the values of trust, transparency, and a strong lineage. We aspire to be the best in the Indian credit card industry, and our status as the only listed credit card issuing company in India demonstrates our strength in this space. We are confident that our superior risk and data analytics capabilities will help us create a differentiated value for all the stakeholders in the ecosystem.

In conclusion, I thank all our stakeholders for their support and trust in our abilities. I also extend my appreciation to all our employees and fellow management leaders for showing tremendous resolve, ingenuity and perseverance. Without their dedication and overwhelming effort, we could not have accomplished what we did this year. We shall continue to build on the lessons learnt, while pursuing our journey towards growth and innovation.

Warm Regards,

Dinesh Kumar Khara
Chairman, SBI Card

Message from Director



A key outcome of the unprecedented environment has been an impressive growth in India's digital payments ecosystem.



Dear Stakeholders,

(₹ In Cr)

Spends

122,416

(In Cr)

Cards-in-Force (CIF)

1.18

What an extraordinary year FY21 has been, never imagined or experienced before. A closer look at different aspects of the business at different stages is indicative of the environment and how the year unfolded. As we saw, the economy and businesses got drastically impacted during the Q1, subsequently with every quarter the economy & consumer sentiments picked up.

A key outcome of the unprecedented environment has been an impressive growth in India's digital payments ecosystem. Owing to lockdowns and social distancing guidelines, consumers preferred using varied digital payment modes and online shopping. The period also witnessed emergence of newer spend categories, including OTT, utilities, online education, online health consultation and pharmacies. Capitalizing on many such existing and emerging opportunities, SBI Card

continued to operate with resilience and reported an all-round performance on major business parameters. We also restructured and developed strategies to withstand the impact of an unprecedented economic situation.

We observed a surge in cashless and digital payments, backed by surge in online spend with our cards, which rose to an astounding 51.9%. More than 1 in every 4 Point of Sale transaction was a 'non-touch' transaction on our digital platform. We introduced products such as the tokenisation-based e-card for Android, which allows users to make contactless payments at point-of-sale terminals that support Near Field Communication (NFC).

We continued to forge strategic partnerships to deliver a differentiated value proposition to our valued customers. We launched our flagship



With unlock measures, PoS based transactions, including fuel and retail too should pick momentum over a period.

offering IRCTC SBI Card on Rupay platform. We collaborated with the Delhi Metro Rail Corporation (DMRC) to create the 'Delhi Metro SBI Card,' a unique multifunctional and affordable contactless credit cum metro smart card. To bolster our portfolio further we got into alliances with leading players, such as, Paytm, Google Pay and Jio Pay. I'm glad to share that we are receiving overwhelming responses from all these platforms.

Our market share of cards in force increased from 18.3% to 19.1% in FY21 and we continue to be the second-largest credit card issuer in India, both in terms of the number of credit cards in use and in terms of credit card spends. We have also witnessed a significant growth in our market share of New to Credit, New to Credit Card segment and sourced a higher percentage of customers from tier 3+ cities during the year.

Our efforts are also directed at improving our foothold in the premium market. We introduced the BPCL SBI Card OCTANE as a premium version of the previous

card. Our newly released AURUM card that complements the distinctive lifestyle of CXOs has successfully begun to carve its space in the super-premium segment. What's more, SBI Card is now available on all key payment networks in India.

We always aspire to deliver unique solutions that are tailored to meet the ever-evolving requirements of consumers. I am happy to announce that we have been awarded 'Gold 2021 Stevie Winner' in the Innovation in Customer Services category. The Economic Times also honoured us in the category of 'Enterprise-Wide Digital Transformation'. Such accolades reaffirm our dedication to continuously provide creative customer services premised on cutting-edge technology, enhanced data analytics and advanced risk management, all while adhering to the foundations of a strong business.

At SBI Card, we aim for holistic and sustainable improvements within our communities. We have adopted a sustainability policy to reinforce our commitment to create a better society.

We also conform to sound financial and corporate governance frameworks to remain competent and lead a responsible business.

Looking ahead, we continue to be optimistic about the potential of the Indian credit card market. Owing to social distancing guidelines and the prevailing environment, open market customer acquisition is still facing a few on ground challenges, but we remain poised to enable seamless customer onboarding with the help of technologically advanced solutions such as Video KYC. We expect the trend observed in varied online spend categories to continue. With unlock measures, PoS based transactions, including fuel and retail too should pick momentum over a period. We are also closely tracking the developments and expect to emerge out of this phase with perseverance and resilience.

I would like to extend my heartfelt gratitude to everybody associated with our journey. In the days ahead, we intend to maximize value creation for all our stakeholders.

Warm Regards,

Ashwini Kumar Tewari
Director, SBI Card

Message from Managing Director & CEO



We scaled our operations based on detailed macro-market studies and enabled smooth transition to a remote working environment.

Dear Stakeholders,



(₹ In Cr)

PAT

985

ROAA

3.8%

ROAE

16.6%

FY21 has been an extremely challenging year. To combat the negative effects of the pandemic, we responded with resilience. Our agility and potential to adapt to new methods and develop sound strategies enabled us to consistently serve our growing customer base. I am delighted to report that, as of March 31, 2021, we are India's second-largest credit card issuer, with a base of over 1.18 Cr cards in force.

Our priorities were clear, right from the onset of the pandemic. When the lockdown was imposed, we were focused on guaranteeing business continuity, improving the quality of our services, and, most importantly, ensuring the safety of our employees. We scaled our operations based on detailed macro-market studies and enabled

smooth transition to a remote working environment. Owing to our digital excellence, all our critical business processes were virtually supported, and we allowed majority of our employees to Work from Home. Virtual platforms like Office365, Skype and MS Teams enabled our workforce to ensure business continuity.

Leveraging data analytics, we identified newer opportunities for customer engagement at different stages, accordingly we rolled out timely and relevant offers to grow spends in relevant categories. For instance, during Q1FY21 we identified emergence of newer spend categories and sharpened our focus on categories such as OTT, utilities, online education, online health consultation and pharmacies. Business momentum picked up pace in Q2 owing to pent up demand and our varied initiatives. In Q3 to harness the positive consumer



At the same time, being a responsible corporate citizen, we are committed to meet all Environmental Social and Governance obligations consistently.

sentiment and festive season we forged partnerships with leading players across key categories, to introduce pertinent offers - local, hyperlocal and online, as a result we registered a positive YOY spends growth in October itself, a month earlier than the industry. During Q4 business reached normalized growth levels, in line with what we traditionally observed.

One of the positive outcomes of the Covid-19 pandemic was the growing adoption of digitalization. As social distancing protocols continue to be an integral part of our lives, we foresee a significant growth of digital and contactless payments. Therefore, we have proactively established a Digital Journey for customers, starting from Sourcing to Decisioning, Carding to Onboarding, Digital Marketing to Servicing and Collections.

We are very active across all digital platforms and even during the lockdown, our 24x7 digital self-service channels fulfilled our customers' requirements digitally. Our Mobile App was rated 4.6/5 on iOS and 4.4 on Android, the highest rating for a credit card app. It ensured a unique end-to-end digital onboarding journey for users and Sales24 surfaced as a fully integrated digital platform for credit cards. We also launched the E-Card as our proprietary instant e-credit card to facilitate 'no touch' payments.

We derive our strength from a diverse portfolio. Over the years, we have built customized offerings based on strong market research and strategic market penetration to offer a superior

value proposition to our esteemed customers. Our services appeal to both individual cardholders and corporate clients, and cover a wide range of cardholder requirements, from lifestyle to banking partnership needs. Also, leveraging our inherent expertise in co-brand relationships, we provide a wide portfolio of co-brand credit cards in collaboration with renowned industry players, including Air India, Apollo Hospitals, BPCL, DMRC, IRCTC, Landmark Group, OLA Money, Club Vistara and Yatra.

Our earnings before credit costs for FY21 stands at ₹ 4,024 Cr at Y-O-Y 10 % and PAT at ₹ 985 Cr. Our return on average assets (ROAA) stands at 3.8% and return on average equity (ROAE) at 16.6%. Our liquidity position and credit ratings also remained exceptional, with CRISIL and ICRA ratings of A1+ and AAA for both short-term and long-term borrowings, which is a clear reflection of our strong financial foundation, and robust business model.

We witnessed an impressive growth in the total spends market share as it rose from 17.9% in FY20 to 19.4% in FY21. While the corporate travel segment was severely affected due to the pandemic, our online spends improved and average retail spends improved across most categories in which we operate.

Over the years, we have made consistent and purposeful investments to improve our infrastructure and operational efficiency. We have been continually focusing on deploying new-age technologies to integrate every customer touchpoint and engage our

employees, while upholding the highest standards of data security. At the same time, being a responsible corporate citizen, we are committed to meet all Environmental Social and Governance obligations consistently.

As a hallmark of our robust modelling capabilities, we have developed models that accurately estimate risk for New-To-Credit and New-To-Card cardholders without a credit history. Through robust scorecards and portfolio management, we effectively identify micro-segments that might require actions in terms of credit limit reduction and denial of high-risk transaction. Such strategies help to monitor and mitigate all controllable risks within the organization.

We are confident of our ability to respond to changes in the operating environment. Our recent performance has been promising, and it provides a basis to believe that we will see a significant rebound in the foreseeable future. At the same time, we need to be alert and cannot let our guard down as the risks prevail. We need to diligently follow social distancing and hygiene guidelines to stay safe. I wish for the safety and well-being of our employees as well as our stakeholders.

I would like to extend my heartfelt appreciation to all the Board members, customers and our employees for their invaluable support and trust. I would also like to assure our stakeholders that your company is well-positioned and ideally equipped to deliver sustainable growth for years to come.

Regards,

Rama Mohan Rao Amara
Managing Director & CEO, SBI Card



*A bit like yourself,
there's nothing quite like it.*

AURUM

0.64 Oz Metallic Card



Beyond the reach of long queues
and far from the clamour of distant crowds,
is a world reserved for a select few.
A haven for the discerning and the refined.
Where luxury rubs shoulders with good taste
and anything less than perfect simply won't do.

Presenting AURUM.

A credit card with curated privileges,
exclusively for C-Suite Executives.

AURUM

By invitation only

Resilient Business Performance

Financial Performance

Total Income

(₹ in Cr)

9,714	9,752	7,287
FY21	FY20	FY19

Profit After Tax

(₹ in Cr)

985	1,245	865
FY21	FY20	FY19

Return on Average Assets*

(%)

3.8	5.2	4.8
FY21	FY20	FY19

Return on Average Equity*

(%)

16.6	27.9	28.4
FY21	FY20	FY19

Capital Adequacy Ratio

(%)

24.8	22.4	20.1
FY21	FY20	FY19

Cost to Income Ratio

(%)

53.6	56.6	60.4
FY21	FY20	FY19

Interest Income Yield*

(%)

20.1	21.7	21.6
FY21	FY20	FY19

Net Interest Margin*

(%)

15.9	15.8	15.5
FY21	FY20	FY19

Operational Performance

New Accounts

(000)

2,685	3,408	2,840
FY21	FY20	FY19

Cards in Force

(000)

11,822	10,548	8,271
FY21	FY20	FY19

Average Spend per Card*

(₹ 000)

110	139	142
FY21	FY20	FY19

Average Receivables Per Card

(₹)

21,244	22,888	22,398
FY21	FY20	FY19

Gross Non-performing Assets

(%)

4.99	2.01	2.44
FY21	FY20	FY19

30-Day Active

(%)

47.0	54.7	55.9
FY21	FY20	FY19

Receivables

(₹ in Cr)

25,114	24,141	18,526
FY21	FY20	FY19

Spends

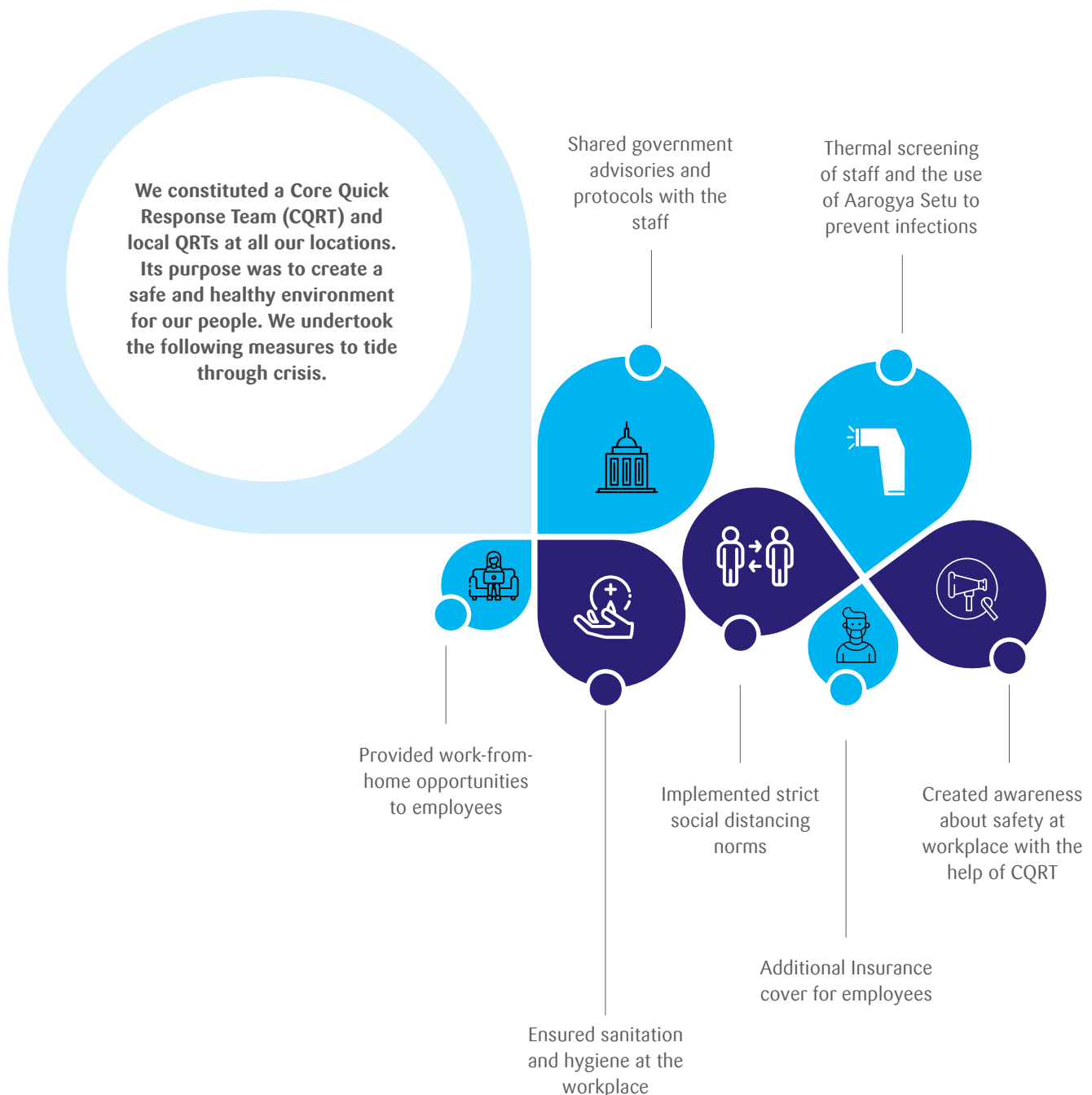
(₹ in Cr)

1,22,416	1,30,915	1,03,265
FY21	FY20	FY19

*FY21 & FY20 on 5 point average and FY19 on 2 point average.

Our Response to the Pandemic

The COVID-19 outbreak has brought to the fore the strength and resilience of people at large. With wider ramifications on life and livelihood, the global crisis tested people as well businesses. At SBI Card, we adopted new methods to ensure business continuity and assure support to our customers during a challenging period.



SBI Card: Enabling cashless payments

The payments landscape in India is heavily skewed towards cash payments. In recent years, a growing thrust towards financial inclusion, along with acceptance and adoption of cashless payments have initiated new opportunities in this segment. The credit card space too is witnessing phenomenal growth due to changing mindsets and increasing awareness about safer, secure and convenient methods of payment.

Credit cards allow people to avail interest free credit for several days, a lucrative proposition that is finding acceptance among the growing urban population of India. At SBI Card, we aim to capitalise on emerging opportunities to further grow our foray in cashless payments and deliver advanced solutions to a diverse customer base.

Our Competitive Strengths



A Diversified Portfolio



Unparalleled Reach



Adoption of Digital Platforms



Reliance on State-of-the-Art Technology



Growing Customer Base

Our Strategies



Expanding customer acquisition capabilities



Wide offerings to tap new customer segments



Accelerating transaction volumes



Optimising risk management



Improving cardholder experience

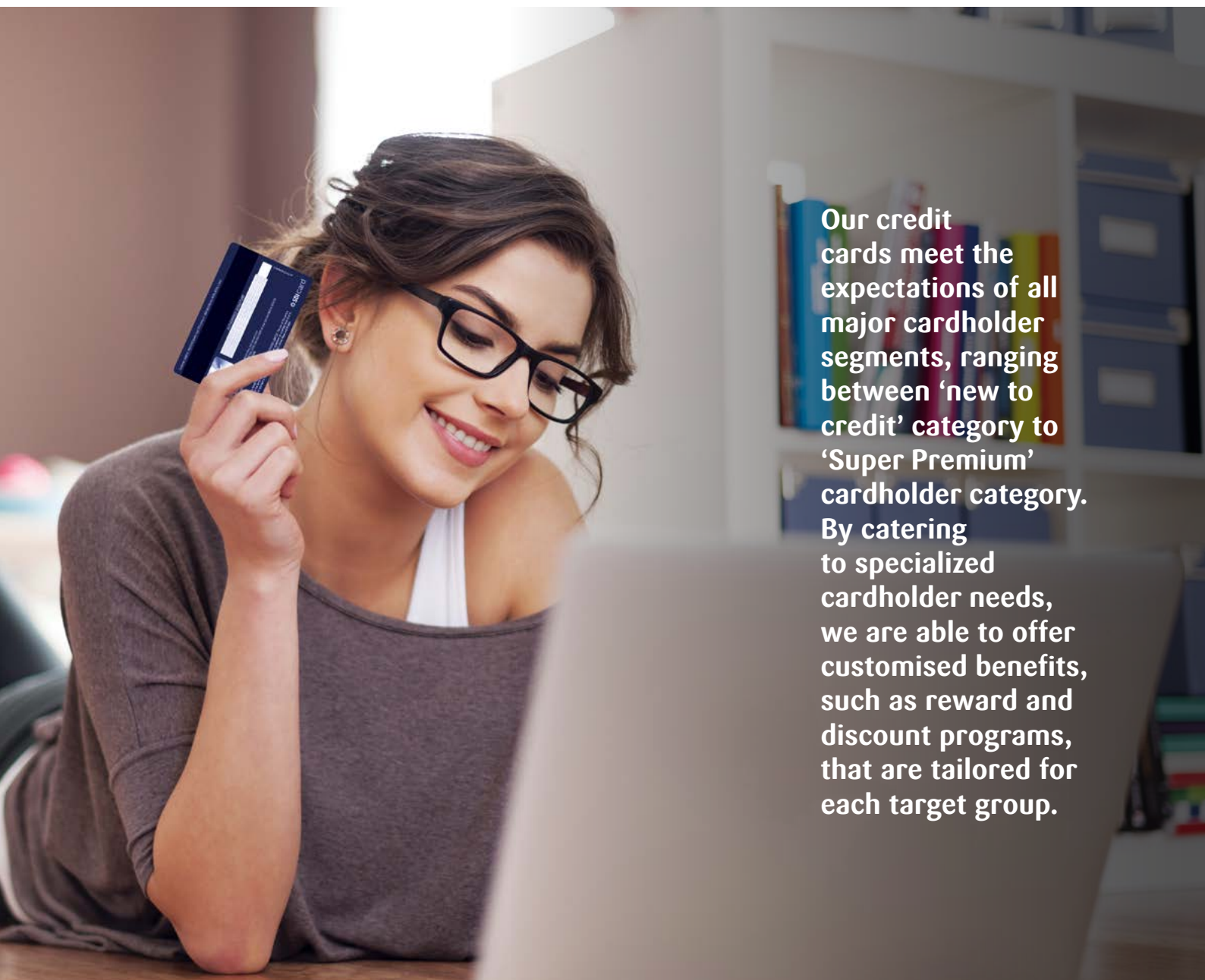


Technology for operational excellence

Our Diversified Portfolio

We are the only listed credit card issuer in India and our products are intricately crafted to provide a unique customer experience for our cardholders.

Our credit card portfolio caters to individual cardholders as well as corporate clients, and includes lifestyle, rewards, travel and fuel, shopping, banking partnership cards and corporate credit cards. We offer a wide portfolio of co-brand credit cards in partnership with several major players, across sectors such as travel and tourism, fuel, fashion, healthcare and mobility, amongst others.



Our credit cards meet the expectations of all major cardholder segments, ranging between 'new to credit' category to 'Super Premium' cardholder category. By catering to specialized cardholder needs, we are able to offer customised benefits, such as reward and discount programs, that are tailored for each target group.

In the aftermath of the Covid 19 pandemic, a substantial shift towards contactless payments was noticed. To meet the growing demand, we further bolstered the SBI Card portfolio with Tap and Pay functionality. The Tap function allows the Near Field Communication (NFC)-enabled point of sale (POS) terminal to directly communicate with a virtual card available on mobile devices to facilitate payments, thereby eliminating the need to swipe physical cards. Besides, the SBI Card app is powered by Host Card Emulation (HCE) technology to support the digital version of the physical credit card. The tokenization method powers convenient and contactless mobile payments for customers.

Coupled with our digitalization efforts and new product launches in key customer segments, the company recorded a 79 basis point increase in market share of cards during the fiscal 2020-21. Subsequently, market share of spends increased by 153 basis points during the same period.

SimplySave, SimplyClick, Prime and Elite

Key credit cards in the SBI Card portfolio

Most

Co-brand partnerships in India

BPCL SBI Card OCTANE

Premium version of the existing card launched in FY21.

19.1%

Market Share of cards in force, as of March, 2021

Over 11 million

Cards in force

Paytm, Google Pay and Jio Pay

Partnerships to strengthen the digital portfolio.

Delhi Metro SBI Card

A multipurpose and affordable contactless credit cum smart card in partnership with Delhi Metro Rail Corporation (DMRC)

AURUM

This 'by invitation only' card offers a unique experience commensurate with the lifestyle of CXOs.

19.4%

Market share of spends, for the year ended March, 2021

2nd

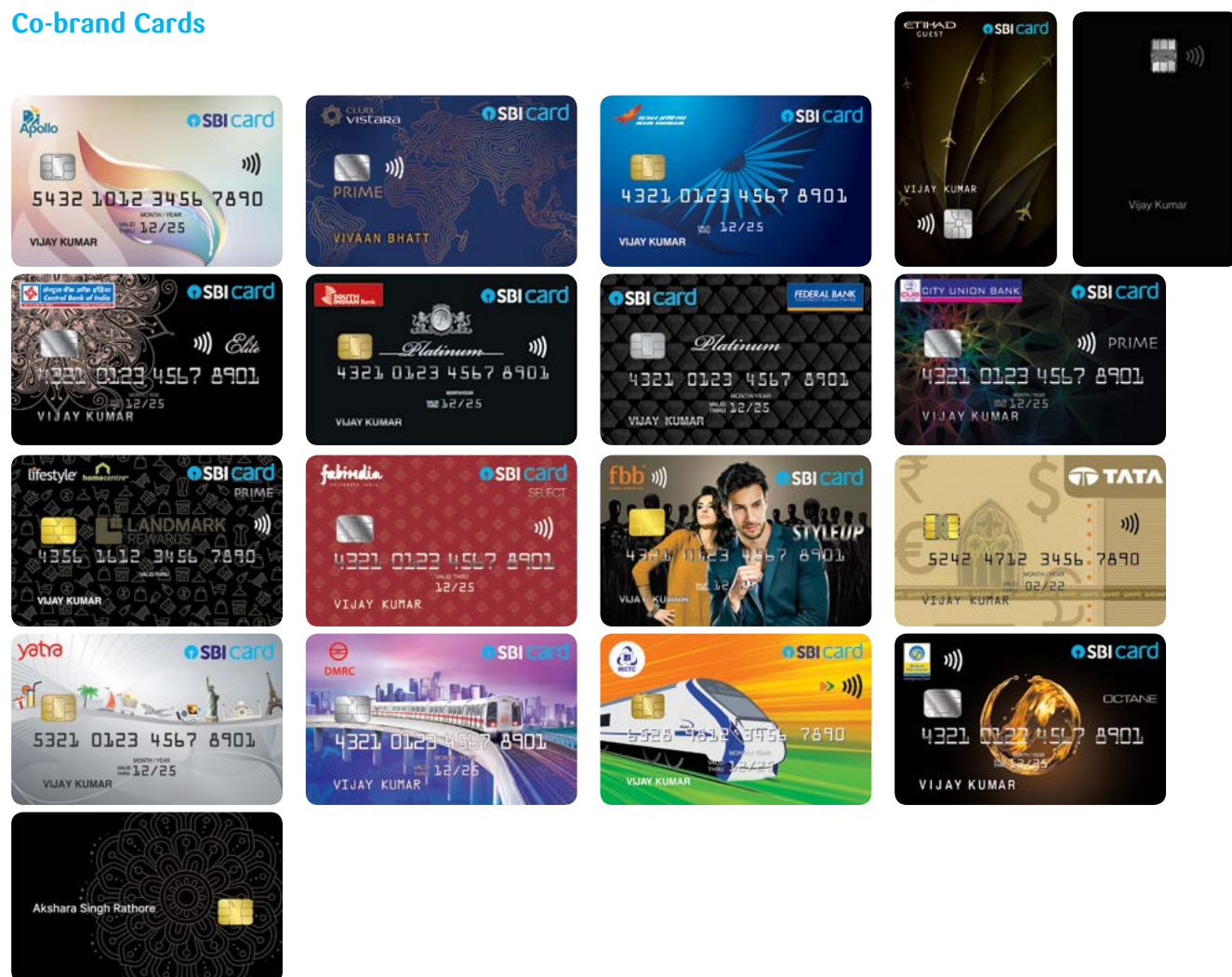
Largest credit card Issuer in India – in terms of cards outstanding and spends as of March, 2021

Our diversified product and service offering

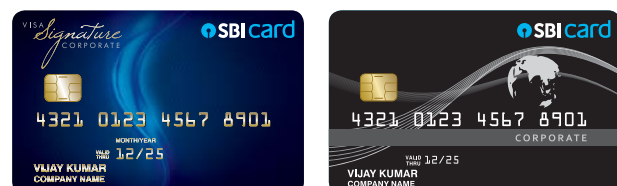
Core Cards



Co-brand Cards



Corporate Cards



Unparalleled Reach

Our robust and growing nationwide distribution network enables us to stay close to existing as well as potential customers and address their needs efficiently. We are prudently expanding our reach by increasing our physical presence, complemented by our best-in-class digital platforms that empower us to deliver products and solutions to the remotest corners.



Enduring partnerships

To further deepen our presence, we are forging ties with industry players and entering new territories. We have partnered with key players, including GooglePay, Paytm and JioPay, to enhance our digital partnerships and improve our portfolio. Additionally, we have partnered with Delhi Metro Rail Corporation (DMRC), to launch a unique multipurpose, affordable, contactless credit/metro smart card called – ‘Delhi Metro SBI Card’.

Scalable Services

Over the years, we have built a scalable and profitable business model. Taking this further, we strengthened our premium portfolio. We launched BPCL SBI Card OCTANE, a premium version of the existing card. We also launched AURUM – a superior premium segment card. This is a ‘by invitation only’ card which offers a value proposition that supports and compliments the unique lifestyle of CXOs. We have seen an encouraging response since its launch in Q4FY21.



Adopting Digitisation: Empowering our people

The business landscape continues to evolve rapidly. To keep pace with changes, we are building a future-ready workplace, equipped to meet the demands of tomorrow. At SBI Card, we offer learning and career development opportunities that prepare them for the challenges of a dynamic workspace.



The future of our work

We firmly believe that 'Happy employees' create 'Happy customers'. We aim to empower our people with skills and expertise that enable them to deal with emerging customer needs. We also strive to inculcate an inclusive culture where people from diverse backgrounds can thrive and succeed. While we have always relied on advanced technology to serve our customers, today, our CRM Solution include over 300 processes in a single system and enables our employees to easily access the system from the first day of operation.

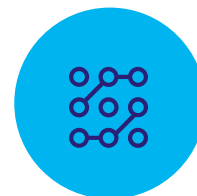
Adapting to digitisation

Over the years, we have realised the need to develop new systems, processes and frameworks that are simple, relevant and efficient. It serves to improve employee experiences and enhances customer satisfaction. Therefore, we have simplified the technology landscape and the underlying HR processes. Today, our employee on-boarding, performance management, learning and training processes are completed with CLOUD based solutions. We have also provided access to AI powered digital assistants to our employees, which enables them to address queries, and understand various policies and procedures.



Enhancing the use of state-of-the-art technology

Digitisation is a strategic focus area for SBI Card, and an important marker of our performance. Since inception, we have led the digital transformation of the Indian financial services sector. We continue to invest in technologies to improve customer experience and enhance efficiencies. This is redefining financial services and empowering us to design products and services by keeping the customer at the core of our operations.



Today, it is important to be present where the customer is and offer contextual and personalised solutions seamlessly, in real time, using analytics and predictive capabilities. We, at SBI Card, have proactively built a Digital Journey for our Customers, starting from Sourcing to Decisioning, Carding to Onboarding, Digital Marketing to Servicing and Collections. We are now available across all digital channels (Website, AskILA, IVR, Mobile App). This has enabled us to focus on improving our digital convenience.



Key initiatives during the year:



AskILA

Our AI enabled virtual assistant not only addresses customers queries but also enables customers to conduct select transactions. This facility stood out during the pandemic and allowed customers to avail self service without the need to connect to an agent. AskILA addresses 4.2 million + queries per month.



Whatsapp Servicing

Attuning to the customers preferred channel for communication and contact, we launched the Whatsapp based servicing.

The channel not only provides customers with instant account information, but also allows self servicing options.

We have 3 million + customers registered on the platform in the short period since we have launched the service.



Essential Customer Services

The flexible operating model and our investments in technology allowed the speedy enablement of Work From Home.

With this we were able to continue servicing critical customer needs like dispute management, lost/stolen reporting of card throughout the lockdown period.



VKYC

Video KYC is an end-to-end secure, AI driven, digital onboarding journey introduced for card applications without physical interactions with our staff. It ensures safety and security through non-face to face interactions.



EKYC

Biometric Authentication based Digital KYC process has been started in 2020-21 and being ramped up. It ensures a secured and seamless on-boarding experience.



E-Card

An instant e-credit card is sent to our new cardholders by generating an electronic PIN and completing the on-boarding processes online. This has enabled our cardholders to perform online transactions with ease, without any waiting time. We are focused on increasing digital card issuances in the near future.



Partnerships

Partnered with Paytm and DMRC for co-branded cards for new age customers.



Collaboration

Collaborated with platforms such as GooglePay and JioPay to enable cardholders to make contactless payments.



Sales24

A digital application platform which is fully integrated with our customer onboarding and credit decision platform. It provides real time in principle approval at Point of Sale (POS).



Mobile App

Our Mobile App is the highest rated app for credit cards with rating of 4.6/5 on iOS and 4.4 on Android. 96% of our payments come digitally and have only risen during the pandemic.

Growing Our Customer Base

At SBI Card, our success is pivoted on our customer-centric attitude. We believe, a great product enriches customer experience. It remains a key differentiator service that gives us a competitive edge. Thus, our relationship with customers encompasses a broader trajectory, going beyond transaction to create a lasting bond.



Supporting Our Customers Responsibly

We responded rapidly to the changing environment caused by the Covid-19 outbreak. We revised our internal policies and procedures to help our customers – especially the most vulnerable – ensuring safer and convenient transactions.

Despite changes in the external environment, our market share for cards in force increased from 18.3% in March, 2020 to 19.1% in March, 2021. This improvement paved the path for our business success. We opened 2685K new accounts in FY21, as compared to 3408K in FY20. This was mainly because of the complete lockdown during Q1 FY21 and the sudden outbreak of the second wave of Covid-19 in Q4 FY21.

Reliance on Technology

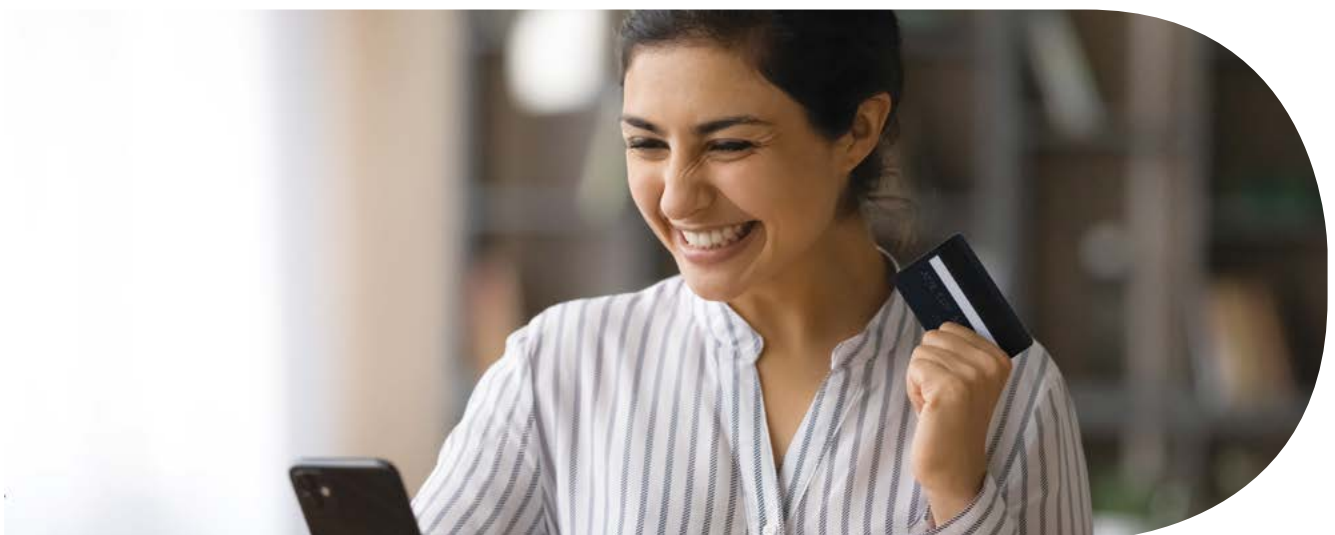
The Covid-19 outbreak increased remote transactions significantly. With considerable investments in technology platforms, to shore up our processes before the pandemic, we supported the accelerated shift to mobile and online channels during 2020.

We are actively working on digital sourcing and KYC. We had also introduced Video KYC to ensure zero contact, hassle free customer onboarding processes. We also endeavour to establish an end-to-end paperless, digital sourcing and onboarding process. Extensive use of Artificial Intelligence (AI), Machine Learning (ML), and Robotics Process Automation (RPA) is redefining user experiences consistently and enabling rapid changes in our operations.

Customer Satisfaction

We continuously seek feedback from our valued customers to take decisions that are aimed at improving customer experience across the lifecycle.

The insights from the Voice of Customer are constructively used to Eliminate the process redundancies to build more enriching customer journeys, Empower the customer to “Do it Yourself” and Enable our agents to service the customers requirement more effectively.



Our Digital Story

At SBI Card we have adopted a modern and scalable digital infrastructure that is designed to aid customer convenience and enhance our digital capabilities. To ensure operational excellence and deliver customised services, we are consistently deploying latest technology and investing in new-age processes that significantly improve efficiency.

We seek to utilise latest technology not only at customer touchpoints, but also for empowering our employees and ensuring the highest standards of data security. Our strategic investments in technology, over the years, helped us create a state-of-the art technology infrastructure, both at the back end and front end, constantly improving user experience as well as efficiency of operations.

SBI Card has introduced a round-the-clock self-service facility, accessible through websites, mobile apps, chatbot, messaging platforms such as WhatsApp, among others. Our chatbot, christened AskILA, is capable of conducting transactions and has improved resolution of customer queries as compared to the fiscal before. We also launched Video KYC to ensure zero contact, hassle-free customer onboarding.

We used data analytics to identify new opportunities for customer engagement through temporal analysis of spend categories and relevant marketing efforts. Leveraging data analytics, we identified newer opportunities for customer engagement and rolled out timely and relevant offers to grow spends in various categories

We invested in our core technology systems to build scalable peripheral applications for online customer acquisition, servicing, customer relationship management, fraud management and credit risk applications. Our modern and scalable technology platform today is powered by the best of Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA) and a host of other digital tools.

SBI Card Private Cloud is a private cloud service facilitating secure remote operations across verticals. Essential customer services such as chargeback and dispute management, reporting theft/loss of card, and management of transaction frauds are remotely handled with the help of SBI Card Private Cloud based dialler. In addition to the cloud based dialler, our remote working infrastructure consists of a VPN setup configured for high-capacity usage with virtual collaboration platforms such as Office 365, Skype and MS Teams.

Sales24

Digital platform for real time in-principle approval at Point of Sale (POS) terminals.

E Card

Our proprietary e-card for enabling online transactions without physical card delivery.

3X

Increase in usage of our chatbot

5000 users

Capacity of scalable VPN infrastructure

SOMETIMES
IT'S NOT ABOUT
GAINING CONTROL,
BUT LOSING IT.



Elite Credit Card

Far away from turbulent tides of corporate life, lies a transcendental world of exploratory experiences. A place, where commanding winds become your GPS. A place where you want to unleash yourself and let go. With an assortment of indulgent privileges, the SBI Card ELITE, promises to take you on a journey that will lead you to scenic and serene shores.

ELITE Benefits:

Dedicated Concierge Service | Complimentary International Airport Lounge visits | Complimentary Club Vistara & Trident Privilege Membership | 2 Complimentary Movie Tickets every month | Up to 50,000 Bonus Reward Points annually

Board of Directors



Mr. Dinesh Kumar Khara

Chairman

He holds a Bachelor's and a Master's degree in commerce and a Master's degree in business administration. He is also a Certified Associate of Indian Institute of Bankers (IIB). He is the Chairman of State Bank of India (SBI). Before assuming office as Chairman- SBI, Mr. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager - Bhopal Circle. He was also posted at Chicago for an overseas assignment. As Managing Director, he led the International Banking Group, Large Corporate and Treasury operations in addition to the non-banking subsidiaries of SBI viz., SBI Card, SBIME, SBI Life, SBI General etc. He also seamlessly executed the merger of five erstwhile Associate Banks and Bhartiya Mahila Bank, with SBI. Additionally, he also headed the Risk, IT and Compliance functions of the bank at various points. He joined SBI as a probationary officer in 1984 and has over 36 years of experience in the banking industry.



Mr. Ashwini Kumar Tewari

Director

He is an electrical engineer by degree and a Certified Associate of Indian Institute of Bankers (CAIIB), Certified Financial Planner (CFP) and has also done a Certificate Course in Management from XLRI. He served on the Board of International Institute of Bankers, New York and the Board of University of Washington Global Bankers Program. He has been a part of SBI for almost three decades during which he held several leadership positions. Presently he is the Managing Director of State Bank of India handling the portfolio of International Banking, Information Technology and Associates & Subsidiaries of the Bank. Prior to becoming Managing Director at SBI, he served as Managing Director and CEO of SBI Cards and Payment Services Ltd. Earlier, he was the Country Head of the US Operations of State Bank of India (New York, Chicago, Los Angeles, Washington DC and São Paulo, Brazil).



Mr. Rama Mohan Rao Amara

Managing Director and Chief Executive Officer

He is an Engineering Graduate, and also has renowned financial accreditations namely CFA and FRM and is a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Rao, Deputy Managing Director in State Bank of India (SBI) took the helm at SBI Card on January 30, 2021. Based in Gurgaon, Mr. Rao manages all facets of SBI Card's business. In his previous role as the Chief General Manager SBI, Bhopal Circle, he has spearheaded two states, namely, MP and Chhattisgarh. Prior to that he served as the Chief General Manager, Financial Control at SBI Corporate Centre in Mumbai. He amassed international experience while managing key assignments for SBI in markets like, Singapore and US. He served as CEO of Chicago branch and then as President and CEO, SBI California. He has been a part of State Bank of India, India's oldest and largest banking group, for almost three decades now and has handled several key assignments, across India and abroad.

**Mr. Mihir Narayan Prasad Mishra**

Director

He has done Master's in Physics from IIT Kanpur and is a Science Graduate. He has completed CAIIB and has undergone various trainings and certifications while working for SBI. Presently, he is serving as Chief General Manager (Associates & Subsidiaries) in State Bank of India. Earlier he had headed a Retail Network consisting of about 647 branches of SBI in Bihar/Jharkhand. Mr. Mishra has earlier served in SBI New York for about 2.5 years and SBI General Insurance Co Ltd under deputation from SBI for about a year. In the past, Mr. Mishra had been a Director on the Boards of Andhra Pradesh Grameen Vikas Bank (APGVB) and AP State Warehousing Corporation. He had joined State Bank of India in 1987 as a Probationary Officer.

**Dr. Tejendra Mohan Bhasin**

Independent Director

He holds a Bachelor's degree in law, a Master's degree in business administration. He is an associate of the IIB and is also a Doctor of Philosophy. He has been conferred with honorary fellowship by the Indian Institute of Banking and Finance. He was appointed as the vigilance commissioner at the Central Vigilance Commission by the President of India and is presently the Chairman of Advisory Board for Banking and Financial Frauds (ABB&FF), constituted by CVC in Consultation with RBI. He held senior leadership positions with Oriental Bank of Commerce, United Bank of India, and Indian Bank. He has over 43 years of experience in administration, banking, and finance.

**Mr. Rajendra Kumar Saraf**

Independent Director

He holds a Master's degree in Physics from IIT Kanpur and a diploma in financial management. He is an Associate of IIB and Fellow of the Insurance Institute of India. He has held multiple positions during his tenure with SBI in India and abroad, including the deputy MD and CFO of SBI. He has been advisor and mentor for two important initiatives, viz., Bharat Bill Payment System run by NPCI and TReDS run by Mynd Solutions. He serves as External Expert on Technology Advisory Committee and Price Discussion Committee at NPCI and as a senior advisor to TVS Capital Funds. In a career spanning over four decades he has acquired expertise in banking, finance functions, technology management, payment systems, digital channels and private equity.



Mr. Dinesh Kumar Mehrotra

Independent Director

He was the Chairman and Managing Director of Life Insurance Corporation of India (LIC). Previously, he was LIC's zonal manager in-charge of eastern zone and its senior divisional manager. He worked on foreign assignments as well. He has approximately 40 years of experience in the insurance industry.



Ms. Anuradha Shripad Nadkarni

Independent Director

She holds a Bachelor's degree in commerce, a postgraduate diploma in management and is a member of the Council of Chartered Financial Analysts. She was associated with ANZ Grindlays Bank and Standard Chartered Bank in multiple senior positions including as head financial institutions group. She was also advisor to Swadhaar Finserve Private Limited and with Lotus India Asset Management Company as the head of business development and strategic initiatives. She has a deep interest in the financial inclusion space and is currently associated with Svakarma Finance Private Limited as a founder and director. She has over 35 years of experience across multiple financial services businesses.



Mr. Shriniwas Yeshwant Joshi

Independent Director

He is a Chartered Accountant in practice over past 40 years and is also a member of Institute of Company Secretaries of India since 1980. He is a partner at CVK & Associates, Chartered Accountants, Mumbai. He is a member of the Central Council in the second term of the Institute of Chartered Accountants of India (ICAI), for the period 2019 -2022. He has held positions as Chairman and Secretary of Regional Council Member of Western India Regional Council (WIRC) of ICAI. He is an eminent speaker at various seminars organised by ICAI and its Regional Councils and branches.

Senior Management Team



Mr. Rama Mohan Rao Amara

Managing Director & CEO - SBI Card



Mr. Richhpal Singh

Chief Operating Officer



Ms. Aparna Kuppuswamy

Executive Vice President &
Chief Risk Officer



Mr. Nalin Negi

Executive Vice President &
Chief Financial Officer



Mr. Girish Budhiraja

Executive Vice President &
Chief Product and Marketing Officer



Mr. Manish Dewan

Executive Vice President &
Chief Sales Officer



Mr. Pradeep Singh Khurana

Executive Vice President &
Chief Information and Digital Officer



Mr. Kamlesh Kumar Shukla

Executive Vice President
& Head - Internal Audit



Mr. Ashok Kumar Lohmod

Executive Vice President
& Head - Workforce Effectiveness



Ms. Seema Kapahi

Executive Vice President
& Chief People Officer



Mr. Ugen Tashi Bhutia

Executive Vice President
& Head - Legal



Ms. Rinku Sharma

Executive Vice President
& Chief Compliance Officer



Mr. Amit Batra

Executive Vice President
& Head - Operations



Mr. Monish Vohra

Executive Vice President
& Head Customer Services



Ms. Anu Choudhary Gupta

Executive Vice President
& Head - Collections



Mr. Vishal Singh

Executive Vice President
& Head Banca Channel



Ms. Nandini Malhotra

Executive Vice President
& Chief Credit Officer

Sustainability Update

FY 2020-21

SBI Card is committed to be a pioneer in Sustainability activities. We are actively contributing towards protecting the environment and resources for future generations.

This update lists our most relevant sustainability achievements and objectives. Efforts invested in each of our strategic focus area are distinctly explained in upcoming sections of this update.



Environment



Social



Governance

1 Environment

Digital Transformation: Sustainable Fit for Environment



Conscious Organization Practices

44.7%

Energy consumption reduced by

**thereby reducing
SCOPE 2 emissions**
(as compared to FY 18-19)

1.95 lakh trees

saved through Paperless
Communication in last 4 years

Trees Saved In Last 4 Years

69,747 **55,434**
FY21 FY20

39,664 **29,381**
FY19 FY18

E-waste reduced by

58%

(as compared to FY 18-19)

Conventional Lights replaced with LED lights, further installed sensors to auto control On/Off to optimize energy	Installation of smart printers with "Managed Print Service"	Periodic activity at all offices on replacement & cleaning of AC coils & filters to conserve energy. Insulation of AC ducts as well installation of heat resistant films on façade to preserve cooling and thus save energy	Limited business travel & preferred use of virtual meetings
Installation of multipurpose color-coded waste bin to effectively manage wet, dry & plastic waste for recycling	Installation of sensor-based faucets to significantly reduce water usage.		

2 Social

Employee Development Programs



SBI Card On Job Training program, Accelerated Learning Curve

Focused on developing functional expertise for new joiners



Learning @ go - eLearning Modules accessible via Mobile app, laptops or desktops

SBI Card digital content in-house capability

Over **1 Lakh** learning hours in FY 20-21

Average 29 hours of training & development per employee

Employee Wellness

1500+

Engagement Hours

A Wellness Webinar series for SBI Card employees to educate employees and increase workplace happiness

Key Themes Covered

Emotional well-being
Combating Covid-19
Digital cum Social Media Detox
Nutrition
Building Immunity
Ergonomics
Elderly care & Covid-19

Diversity @ SBI Card

29%

Women Employees

41%

resources < 30 years age

Additional Benefit for Employees

Additional ₹ 3 lacs

insurance cover (Covid 19 Plan)

CSR Initiatives

Serving Communities

Following contributions (in ₹) made in various areas:

Healthcare	Skill Development
8.71 Cr	2.29 Cr
Education	Childcare/ Elderly Care
7.91 Cr	1.65 Cr
Environment	Rural Development
3.44 Cr	0.25 Cr
COVID Relief Projects	
7.82 Cr	



3 Governance

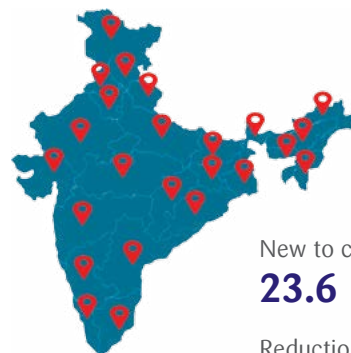
Ethics, Practices & Procedures

The Board oversees the conduct of the Company's business. Further, the Board also has delegated its powers to various Board Level Committees. Each of the Board's Committee has been delegated with specific responsibilities/ matters as per the provisions of the Companies Act, 2013, SEBI LODR, RBI Directions/ Guidelines and as per the business requirements. In addition to the Board level committees the Company has various management level committees for monitoring processes and to ensure implementation of improvements required considering governance processes and controls.

SBI Card has Code of Conduct Policy that defines the standard of conduct to be maintained by Directors, Key Management Personnel and Employees while performing their duties.

1. Code of Conduct Guidelines
2. Fair Disclosure of UPSI
3. Code of Conduct for the Company's Board of Directors and Senior Management Team
4. Corporate Governance Code
5. Related Party Transactions Policy
6. Policy for Determination of Materiality of Events/ Information & Disclosure
7. Fair Practice Code
8. Vigil Mechanism Policy
9. Corporate Social Responsibility Policy
10. Sustainability & Business Responsibility Policy

PAN India Reach Serving Diverse Markets



New to credit
23.6

Reduction in frauds YOY in FY21 with Fraud to Spends Ratio | **64%** lower vs Industry 75%

Card members in Tier 2+ cities

49%

New to card

28%

Serving All Segments of Our Society



SBI CARD UNNATI



DOCTOR'S SBI CARD



SHAURYA SBI CARD



SIMPLYCLICK SBI CARD



SIMPLYSAVE SBI CARD

Summary

These above-mentioned efforts are some of the key disclosures. At SBI Card, our efforts are to ensure that the relevant ESG risks are prioritized and incorporated for the right governance and measurement. Both from the perspective of planet and people, we want the impact of our services and its ecosystem to be positive. Since our inception, we have been a trusted steward to our customers and communities, and we will continue with our relentless efforts to have a more profound impact on our surroundings and everything else that we are a part of.

Corporate Social Responsibility

We continuously implement innovative ways and solutions to address social and environmental challenges in our markets, and to help our communities achieve growth, prosperity and fulfilment. Such initiatives enable us to contribute to India's advancement and earn the trust of our stakeholders.

Our focus is to leverage our business activities to drive India's growth, and at the same time make a positive impact on society and the environment. Our selected impact areas align to our core business and are informed by the needs of our people, businesses and economies.

₹ 32.07 Crores

Total CSR Spent

Our Intervention Areas



Education



Healthcare



COVID-19
Support



Livelihood
and Skill
Development



Senior
Citizen
Welfare



Environmental
Sustainability

Education

We support access to inclusive quality education, promote lifelong learning and invest in initiatives that help gain the skills needed to compete in the global economy and harness the opportunities. Some projects that we undertake cover different aspects of Education, such as, special education, transforming Schools, digital learning, effective governance, learning level etc. for holistic development of students.

4000+

Youth undergoing training

Healthcare

We contribute to better health outcomes for people by financing healthcare providers, infrastructure and equipment, providing business development support to healthcare practitioners, and investing in the health, safety and wellbeing of our people and communities. Various projects undertaken in the financial year include, providing mobile medical units to slums in Delhi, Chennai and Agra, palliative care services to cancer patients, portal toilet units to schools, mid-day meals to govt. schools, to name a few.

50000+

Patients benefited

Testimonials

SPARSH HOSPICE, HYDERABAD

Shalini a terminally-ill cancer patient, is a 19-year-old student from a nomadic settlement Thanda in Telangana. She was awarded a merit-based seat at TISS, Hyderabad for her exceptional academics. Due to the prevailing superstitions in her culture, she was told that the reason for being diagnosed with cancer, was because of her decision to pursue education as a girl. She was referred to Sparsh by TISS to lend her care and support. Sparsh's home-care nurse, Ms. Myroon and a social worker Ms. Vahini, journeyed 90 kms to Siddipet Thanda to see her.

She was moved by their compassion and opened up to them about her struggle. **"I wanted to be a role model for all the girls in this village",** she said, **"but today I have become a role model for what not to do."** Sparsh's team evaluated her medical condition and recommended the necessary solutions for her symptoms. In addition to this, they also gifted her new clothes as a gesture of support and reassured her that Sparsh was going to walk with her on this difficult journey. She continues to remain under Sparsh's care.



SMILE ON WHEELS (SoW), GURUGRAM

Kaptan Singh, 59, lives in a village called Jharsa in Gurugram. His wife is a homemaker, and he has one son who is currently studying. Kaptan faces problems of high sugar and blood pressure (BP). On retirement he lost the benefit to avail free-of-cost medicinal services that was supposed to be provided by his company. At the Smile on Wheels (SoW) community mobilization session, he became aware about the services provided by SoW and consulted the SoW Medical Officer. During his 1st visit, he had high BP, to which the Doctor prescribed

medicines and recommended specific diet. The SoW team followed up on his health condition during each OPD, and Kaptan regularly got his BP and RBS (random blood sugar) check-up done at SoW free of cost. Now, after his 11th visit, his BP and sugar level is under control. He thanked SBI Card for supporting him with doorstep free health services during the pandemic.



COVID-19 Support

With Covid-19, we have understandably seen more emphasis on protecting the vulnerable in our societies. As a credit card company, we have a responsibility to customers experiencing financial hardship. But we also support local communities, and invest, where possible, in local social entrepreneurs. We initiated various support systems to combat Covid-19, including, providing testing kits, face masks, dry rations, PPE kits, gloves, surgical/N-95 masks, basic hygiene kits and cooked meals. Further,

we partnered with various organisations across India like Ekal Gramathan Foundation, Smile Foundation, SHEOWS, Akshaya Patra to name a few.

3 Lakh

Cooked Meals

14.11 Lakh

Masks (Cotton, Surgical, N95)

9500

Ration kits

Livelihood and Skill Development

We aim to empower unemployed and unskilled rural youth as well as households from economically backward regions to access better livelihood opportunities. We support several projects focused on capacity-building, upskilling, entrepreneurial activities, agricultural and allied practices.

Testimonials

LITERACY INDIA, GURUGRAM

'It has been rightly said 'Where there is a will there is a way'. One such example of this is Mithlesh, a grade X pass out at Literacy India Vidyapeeth, Gurugram. During the lockdown his father lost his job, and the family was left with no source of income for their livelihood. Mithlesh has been learning the art of mobile repairing in his pre-vocational classes for two years and had gained proficiency in it. Based on his skills, he landed on a part-time job in a mobile repair shop. He earns an income of ₹6000 per month to support his family and wishes to open his own shop in the future, once the pandemic settles down.



Senior Citizen Welfare

Elderly people are nowadays the most neglected of all and having their back during their old age helps them live a happier life. Thereby, we aim to support the elderly by providing food, medical care, and operational expenses. We support family-based care homes and orphanages in various regions of Delhi.

Testimonials

SAINT HARDYAL EDUCATIONAL AND ORPHANS WELFARE SOCIETY, NEW DELHI

Ishwar Dayal, 62, is suffering from right sided gluteal abscess. His family members did not accept him because of this and threw him out of the house. He was rescued by SHEOWS team from the streets. He was admitted and treated with surgical incision and drainage, while also been given drugs on topical application to counteract the infection. Initially drugs acted as a debriding agent, removing slough and necrotic material from the wound and subsequently promoted smooth and uncomplicated healing. At present, he is in an ashram under supervision of professional nurses and doctors at the old age home (Delhi). Ishwar is in a stable condition now, as compared to when he was admitted to the old age home.



Before



After

Environmental Sustainability

We are working to stay ahead of the risks climate change poses to our business through sound strategy and risk management, while we also help our local communities seize the opportunities of green economies. For effective use of rainwater to stop depleting the water levels, we have developed rainwater harvesting structure for 10 government schools in Gurugram. To develop sustainable supply chain, we have undertaken a project to recycle plastic waste in automobile and construction sectors. Further, to promote source segregation, we ensure resource recovery and better working conditions for waste workers.

Testimonials

INDIAN POLLUTION CONTROL ASSOCIATION (IPCA), NEW DELHI

Vijay Kumar, a 39-year-old migrant from Bihar moved to Delhi as a young teenage boy with dreams of a brighter future. To make ends meet he started taking up odd jobs and eventually became a rag picker. Rag pickers like Vijay have been integrated into the waste management model of one of the latest ventures of SBI Card, undertaken in association with IPCA. This entails developing innovative mechanism for recycling plastic waste by developing a material recovery facility and a plastic recycling facility in Delhi NCR. The rag-pickers get a better price for their segregated waste compared to non-segregated waste. This project has a double prong approach aimed at efficient plastic waste recycling and improving the economic return for the rag-pickers to help better their livelihood condition. Vijay has scaled up his operations using multiple collection vehicles. He is a source of inspiration for other rag-pickers who have tried to learn about segregation of waste and are now earning a substantially higher income than before.



Corporate Information

Board Of Directors

Mr. Dinesh Kumar Khara

Chairman

Mr. Ashwini Kumar Tewari

Nominee Director

Mr. Rama Mohan Rao Amara

Managing Director & Chief Executive Officer

Mr. Mihir Narayan Prasad Mishra

Nominee Director

Dr. Tejendra Mohan Bhasin

Independent Director

Mr. Rajendra Kumar Saraf

Independent Director

Mr. Dinesh Kumar Mehrotra

Independent Director

Ms. Anuradha Shripad Nadkarni

Independent Director

Mr. Shriniwas Yeshwant Joshi

Independent Director

Chief Financial Officer

Mr. Nalin Negi

Company Secretary & Compliance Officer

Ms. Payal Mittal Chhabra

Statutory Auditors

S. Ramanand Aiyar & Co., Chartered Accountants

Registrar and Transfer Agents

For Equity

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Telephone: +91 22 4918 6200

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

For Debt

Zuari Finserv Limited

Corporate One, 1st Floor, 5 Commercial Centre, Jasola, New Delhi – 110025, India
Telephone: 011-41697900,

Facsimile: 011-40638679

Email: rta@adventz.zuarimoney.com

Website: www.zuarimoney.com

Bankers

STATE BANK OF INDIA

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Management Discussion and Analysis Report

Macro-Economic Environment

The Indian economy was impacted by an unprecedented health crisis in FY21 with the corona virus (Covid-19) spreading across the country. In response to the pandemic, Government had taken several proactive preventive and mitigating measures starting with progressive tightening of international travel, issue of advisories for the members of the public, setting up quarantine facilities, contact tracing of persons infected by the virus and various social distancing measures. Government imposed a strict 21 day nationwide lockdown from March 25, 2020, under the Disaster Management Act, 2005, with subsequent extensions and relaxations, to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services.

Provisional estimates of national income released by the National Statistical Office (NSO) on May 31, 2021 placed India's real gross domestic product (GDP) contraction at 7.3 per cent for FY21, with GDP growth in Q4 at 1.6 per cent (y-o-y). The forecast of a normal south-west monsoon, the resilience of agriculture and the farm economy, the adoption of COVID compatible operational models by businesses, and the gathering momentum of global recovery are forces that can provide tailwinds to revival of domestic economic activity when the second wave abates. On the other hand, the spread of COVID-19 infections in rural areas and the dent on urban demand pose downside risks. Ramping up the vaccination drive and bridging the gaps in healthcare infrastructure and vital medical supplies can mitigate the pandemic's devastation.

(Source: Macro Economic Framework Statement 2021-22 GOI, Monetary Policy Committee Statement Jun 4, 2021)

Outlook for Fiscal 2022

The second wave of COVID-19 is associated with unexpectedly higher rates of morbidity and mortality relative to the first wave. The emergence of mutant strains that render the virus highly transmissible in both urban and rural areas, has led to fresh restrictions on activity across a large swath of the country. Yet, unlike in the first wave, when the economy came to an abrupt standstill due to a nationwide lockdown, the impact on economic activity is expected to be relatively contained in the second wave, with restrictions on mobility being regional and nuanced. Moreover, people and businesses are adapting to working conditions, overcoming the challenges posed by the pandemic.

Urban demand, as reflected by high frequency indicators such as electricity consumption; railway freight traffic; port cargo; steel consumption; cement production; e-way bills; and toll

collections – recorded sequential moderation during April-May 2021, as manufacturing and services weakened due to restrictions/lockdowns imposed by most states. Mobility indicators declined during April-May, but they remain above the levels seen during the first wave last year. Domestic monetary and financial conditions remain highly accommodative and supportive of economic activity. Moreover, the vaccination process is expected to gather steam in the coming months and that should help to normalise economic activity.

With external demand strengthening, a rebound in global trade is taking hold, which should support India's export sector. Global demand is also expected to improve further, buoyed by fiscal stimulus packages and the fast progress of vaccination in advanced economies. India's exports in March, April and May, 2021 have gone into an upswing. Conducive external conditions are forming for a durable recovery beyond pre-pandemic levels. Enhanced and targeted policy support for exports remain the need of the hour. It is opportune now to give further policy push by focusing on quality and scalability.

Notwithstanding the sequential decline of the indicators of rural demand in April, it is expected to remain strong as forecast of a normal monsoon bodes well for sustaining its buoyancy going forward. The increased spread of COVID-19 infections in rural areas, however, poses downside risks. Taking all these factors into consideration, real GDP growth is now projected at 9.5 per cent in FY22 consisting of 18.5 per cent in Q1; 7.9 per cent in Q2; 7.2 per cent in Q3; and 6.6 per cent in Q4 of FY22.

(Source: Monetary Policy Committee Statement June 4, 2021)

INDUSTRY DEVELOPMENTS

Payment Industry has continued its high growth trajectory with interests not only from established financial players but, also from a host of fintech players entering the market with UPI based payment solutions and/or digital lending products. Credit card as a product has also gained in acceptance. As per the RBI Industry reports, number of credit cards in circulation in India stands at 62.0 MM as on Mar 2021 growing by 7% YOY. Spends on credit cards for FY21 was impacted by Covid-19 and stands at ₹ 6,309 Bn, which is at 86% of previous year industry spends. Number of POS terminals stand at 4.7 MM as on March, 2021, growing by 8% YOY. Number of BharatQR (BQR) terminal stands at 3.6 MM, as on March, 2021, growing by 76% YOY. Significant growth of POS and BQR terminals indicate a strong positive momentum for the industry.

The company is the 2nd largest credit card issuer in India in terms of both spends and cards in force. The company has been growing above industry average consistently in both spends and cards category. The company has a total card base

of 11.8 MM as-on Mar 2021 which is 12% higher than the previous year. The company's spend of ₹ 122,416 Cr, stands at 94% of previous year spends. This is significant, considering overall Industry spends at 86% of previous year spends. The company is ranked 2nd in terms of both cards-in-force and spends on cards. It has grown to 19.1% market share (18.3% previous year) in terms of cards-in-force and 19.4% (17.9% previous year) in terms of spends in FY21.

OPPORTUNITIES

India is a highly under penetrated market, with average card ownership per 100 people being 4, compared to 105 in Brazil, 26 in Russia, 53 in China, 79 in Australia, 92 in UK and 331 in USA (Source: BIS Data). This represents a huge potential to increase credit card penetration in India. There have been certain tailwinds for the industry which should help it to grow at a robust pace.

1. Infrastructure

- Acceptance infrastructure inclusive of POS and BQR terminals has seen over 2.5X growth in last 3 years and initiatives like acceptance development fund is further expected to aid this growth
- QR code-based acceptance gaining ground; growing faster than POS terminals

2. Consumer Behaviour

- Increased digitization in payments; retail digital payments up to 86% in FY21 vs. 45% in FY15
- Credit acceptance growing; Retail credit grew at 14% CAGR for 3-year period, as on Mar'21
- E-commerce market estimated to reach \$200Bn+ by 2026 from \$64Bn in 2020

THREATS

Along with opportunities, there are also new challenges in the credit category. The government continues to focus and push for the adoption of digital payments. However, the biggest beneficiary is the UPI payment option offered by banks. Further, there are multiple aggregators that have launched their own UPI platforms, powered by banks which have increased the adoption of this option. UPI is altering the payments landscape as it is being adopted in new merchant categories and new use cases are being developed.

On account of Covid-19 there is a renewed focus on digital lending in a big way. A lot of new age players, especially online e-commerce companies are offering pre-approved short term credit to their existing customers as well as fintech approaching new segments.

The impact of these initiatives on credit cards is uncertain and the company will need to keep a close watch to analyze and take actions as and when required

With growing acceptance of prepaid payment instruments (PPIs), through app-based solutions, concerns about data security have also risen. Fraudulent transactions in the recent past have made many consumers cautious, limiting the usage of credit cards on digital platforms. Besides, technical faults resulting in cancelled transactions may be a deterrent for many customers. With the surge in UPI transactions, the banking infrastructure is being constantly put to test and it has become extremely important to upgrade systems to support the high volume of online transactions carried out on a regular basis.

RISKS AND CONCERNS

As the world grapples with the impact of the COVID19 pandemic, the credit card industry has also been affected. Estimating the deterioration in customer credit health, both in terms of extent and timing, has emerged as the key risk factors. During the pandemic, the regulator allowed moratoriums and one-time relaxed restructuring programs. Further, the Supreme Court ruling did not make it mandatory to declare new NPAs between Sep'20 and Feb'21. This caused information asymmetries as many financial institutions utilized these clauses in different ways to report facts in different ways to the bureaus. The challenges about health and collection remain, for now. The company is leveraging innovative strategic options like asset sale, greater dependence on digital and new Machine learning models for mitigating these risks.

With an increase in the number of cybersecurity incidents of data thefts and financial frauds in banking and financial sector, SBI Card has given top-most priority to strengthen its information and cybersecurity framework across people, processes, and technology within the company. All customer and organizational data along with information assets are protected with multi-layered security. The company is equipped to prevent, detect, withstand, and respond to cybersecurity attacks or insider threats with security controls implemented across layers (Security awareness, IT network, system and applications). SBI Card remains in complete compliance with RBI's Cybersecurity mandate for NBFCs.

NEW PAYMENT TECHNOLOGIES

SBI Card has been amongst the industry front runner in technology adoption. The company was one of the earliest issuers in the industry to launch contactless cards and has moved all new card issuance to contactless cards. The existing Scan to Pay and SBI Card Pay payment solutions on SBI Card Mobile App are now also available for MasterCard cardholders. Both these proprietary solutions not only provide ease of transaction and greater payment experience but also enhanced security. Additionally, SBI Card has also integrated with Google Pay for Visa Cardholders and Jio Pay for Visa & MasterCard cardholders. With these launches, SBI Card's digital payment suite now includes – Samsung Pay, SBI Card Pay, Google Pay, Jio Pay and Scan & Pay. With the advent of upcoming wallet technologies, SBI Card is geared on integrating it to provide its cardholders easy access to new & updated means of payment.

BUSINESS OVERVIEW

CARD ACQUISITION

SBI Card sourced 26.9 Lac new accounts in FY21 Vs 34.1 Lac in FY20. SBI Card base increased to 11.8 MM as on March 31, 2021 compared to 10.5 MM cards as on March 31, 2020 at 12% YOY.

New card acquisition in first quarter of FY21 was impacted severely due to the pandemic and national lockdown. With the implementation of digital processes like VKYC & E-sign and the opening of the economy in the second quarter, the company started building back towards pre-Covid levels.

NEW PRODUCT LAUNCHES

SBI Card launched six new products in FY21. The products have been launched across diverse categories and segments.

- **AURUM:** SBI Card has entered the super-premium segment with the launch of AURUM. It is a “By invitation only” card, customer enjoys plethora of exclusive privileges and benefits, right from onboarding with personalized kit and metallic card. AURUM has 7 complimentary memberships, indulgent travel experiences, dining experiences, to entertainment privileges. The card rewards every customer spend with reward points which do not expire and offers milestone benefits.

AURUM provides experiential services like secretarial access, concierge assistance, dedicated helpline number and a dedicated portal making it one of its kind credit card best suited for super premium category.

- **Paytm SBI Card:** SBI Card's association with Paytm is designed for the new age, digitally savvy customers. Paytm SBI Card and Paytm SBI Card SELECT will bring customers rewards and savings upon using the card on the Paytm app.
- **DMRC-SBI Card:** Cobranding with India's largest metro rail company, Delhi Metro Rail Corporation (DMRC), marks the launch of Company's credit-cum-smart card. The card provides contactless & touch-free travel experience to DMRC passengers. Customers using this card can benefit from an auto-top up of metro cash thus, avoiding refill queues at stations. This card also gives contactless features at many retail outlets outside the Metro ecosystem.
- **BPCL SBI Card OCTANE:** After the success of its cobrand with BPCL, SBI Card launched a premium variant offering. This card offers industry best savings & benefits on fuel & gas spends at BPCL & Bharat Gas. This card also gives host of lucrative travel & lifestyle benefits to its customers.
- **IRCTC SBI Card:** SBI Card's first Cobrand product launch on RuPay platform. IRCTC SBI Card offers a rewarding and complete travel experience to customers, through its unique benefits and unmatched value proposition the card offers exclusive benefits on travel booking through IRCTC.

- **SBI Elite and Prime Amex-SBI Card :** SBI Card has tied up with American Express to bolster the Premium Portfolio with the launch of SBI Card Elite and Prime variants on AMEX network.

SPENDS & ENGAGEMENT

- The company continued strong growth momentum in spends. Retail spends for FY21 were at ₹ 102,414 Cr.
- In line with the changing consumer preferences, the company has witnessed a robust growth in contactless transactions, as on March, 2021, around 1 out of every 4 retail point of sale transaction was a contactless transaction.
- The company continued to build on higher saliency of online spends with share of online spends at 52% of retail spends.
- The company engaged with leading merchant partners across categories from Apparel, Consumer durables to online shopping, healthcare, utility bill payments to provide value to cardholders on transacting with SBI Card.
- The company registered strong corporate card spend numbers during the year despite continuing impact of the pandemic on both Corporate & leisure travel through the year. The company has explored and built alternate use cases and have ramped up B2B spends in this period to reduce its dependency on travel related spends. Corporate Card spends in FY21 were at ₹ 20,002 cr.
- Transaction market share of company increased to 19.7% in FY21 from 17.7% in FY20.

BRAND

SBI Card brand continues to be a highly trusted and recognized brand in the country with one of the best Brand Health scores in the category. According to the Brand Track survey commissioned by the company and conducted by Kantar IMRB in 2021, the SBI Card brand enjoys 100% Total Awareness and the highest Top-Of-Mind Awareness in the category of 37%.

In addition to boosting salience, the objective has been to improve brand perception for increased customer affinity. In FY21, SBI Card transitioned to a story-telling approach in advertising with the launch of five film-based ad campaigns – three of them targeted at promoting contactless payment, given the relevance of safe payment options in the pandemic and subsequent new normal.

In below the line marketing, the retail kiosks program continued, by increasing its presence to more than 100 cities in FY21.

DIGITAL PLATFORMS

Mobile App:

- The Mobile App continues to be a preferred self-service Digital touchpoint for SBI Cardholders attracting over 426MM logins.
- To help the customers during COVID, SBI Card has launched many tools to make outstanding payments easily, in the form of EMIs, account restructuring etc.
- Many self service capabilities have been added in the SBI Card Mobile App to increase its digital capabilities and some of the major initiatives include the referral Program where customers can refer their friends and earn rewards, ability to view eCard, Bharat QR & HCE for Mastercard to strengthen the contactless payments, AURUM Card features, Manage credit card switches and limits at granular level to strengthen card security.

Website

- The websites - sbicard.com and tatacard.com attracted over 74MM visitors.
- Several key features were added to the SBI Card website to make the customer experience more enriching in the last financial year. The referral program was introduced to allow customers to refer friends and earn rewards. The collections portal had features for moratorium and other tools that helped customer to pay outstanding credit card bills easily. SBI Card Connect also helped branch officials in addressing walk-in customers' credit card queries.

DIGITAL AND SOCIAL MEDIA INITIATIVES

- 14 digital media campaigns were conceptualized around new product launches, portfolio offers and cross-sell product promotions and were executed in FY21. Some of the marquee campaigns on digital platforms during FY21 included the 'Ghar Main Khushiyan' Brand campaign, contactless film promotion, festive offer promotions and SBI Card Elite American Express Launch. The various Digital campaigns during the year helped to achieve 1.6B+ impressions and 370M+ video views.
- SBI Card is engaging with its customers and followers/subscribers on its social media platforms (Facebook, Twitter Instagram, YouTube and LinkedIn) through contextual posts, videos, carousels etc. on a regular basis. The social media handles of SBI Card focus on providing information about offers, services, products and garner engagement through contests and topical content. Social media presence of SBI Card has increased across platforms to a total of 1.8 Million+ followers/subscribers, owing to consistent engagement and content partnership with influencers & major publishers.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company has in place a robust and comprehensive Risk Management framework enumerating risk-based decision making and risk management processes encompassing existing risks, new risks that may have arisen, the likelihood and impact of risks & reporting significant changes adjusting to the risk priorities. In addition, the overall risk management process is subjected to periodic review to deliver assurance that it remains appropriate and effective, aligned with the emerging risks. Risk Management Framework supports a sound system of internal control, contributes to effective corporate governance and assists in fulfilling risk reporting requirements.

The internal audit process is synchronized with the Risk Management Framework of the company. The company has an internal audit system commensurate with the size of the company and had appointed an external audit firm for conducting periodic audits of the internal functions and processes of the company for the year.

RISK MANAGEMENT

At SBI Card, risk management process involves series of actions designed to reduce or eliminate potential loss, that emanate from known or unknown risks. Accordingly, a Risk Management Framework has been evolved to enable identification, assessment, aggregation, and reporting of risks prevailing in the processes.

The Board along with its various committees is responsible for overall corporate governance. The Board of Directors is responsible for approving and reviewing policies, risk appetite statement and strategic issues which are crucial for the organization's overall growth and development and achievement of its strategic and business goals. Board designated committee namely, Risk Management Committee of Board (RMCB), Enterprise Risk Management Committee (ERMC), Audit Committee of Board (ACB) and Asset & Liability Committee (ALCO) and various internal committees including Operational Risk Management Committee (ORMC), Compliance Review Committee (CRC), Information Security Committee (ISC), Vendor Risk Management Committee (VRMC) and Credit Committees (CC) are in place for monitoring business performance and monitoring & management of various risks.

The major risks faced by the company are Credit Risk, Operational Risk, Liquidity Risk, Regulatory Risk, Reputation Risk and Strategic Risk. The company has formulated various policies including Risk Management Policy, Compliance Policy, Credit Policy, Fraud Risk Management Policy, Outsourcing Policy, Information and Cyber Security Policy etc. to delineate comprehensive architecture for managing these risks prudently. The company has adopted qualitative and quantitative parameters to assess the materiality of risks to be included in its Risk Universe. Risk Management department of the company strives to identify new/ emerging risks. This risk universe is reviewed and updated annually. The Board

approved Risk Appetite Statement, provides guidance to the management on the desired level of risk for various types of risks and helps steer critical portfolio and strategic decisions. Performance of Risk Appetite Statement is monitored monthly.

- a. **Credit Risk:** Credit risk is the risk of financial loss if the customer fails to meet their contractual obligations. Being a credit card company with retail & corporate portfolio being the earning assets, credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any borrower. The goal of credit risk management is to maintain asset quality and concentrations at individual exposures as well as at the portfolio level. As card dues are mostly retail in nature and are payable monthly, the assessment & monitoring of credit portfolio is done through review of cardholder's repayment performance and outstanding in various buckets. Besides, the company has a detailed portfolio monitoring for the corporate card portfolio as well. Collection of dues is also geared towards bucket wise segmentation, as the behavioural pattern under different buckets differ.

The company uses sophisticated machine learning (ML) based analytics and models to continuously perform a risk rating of the portfolio for determining the acceptability of risk, drawdown ability, credit limits, eligibility and sanctioning of authorizations, eligibility for instalment based balance conversions and review frequency. Large and risky exposures for corporate card portfolio are independently vetted by the risk management department and approved by the suitable credit committee. Risk models are governed by a Model Risk Governance process covering the life cycle of all risk models from inception, methodology, discrimination power, accuracy, stability, to model calibration and retirement.

- b. **Operational Risk:** The Company has set up a comprehensive Risk and Controls Self-Assessment (RCSA) process for documenting, assessing, and periodic monitoring of various risks and controls. Risks are assessed for their acceptability or unacceptability by measuring their frequency and impact. An incident reporting mechanism for reporting operational risk incidents is in place. All outsourcing arrangements are examined and approved only after due diligence process including Operational, Financial & Information Security assessment. Business Continuity Plan (BCP) framework is in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical internal activities to ensure continuity of services and readiness to meet various contingency scenarios. The learning from the BCP exercises are used as inputs to further refine the framework. The company has strengthened its data loss prevention systems, deployed various controls to ensure information/ data of its customers, stakeholders, employees is secure. Information Security Committee regularly reviews the performance of key information and cyber security metrics and provides directions to mitigate risks.

- c. **Liquidity risk:** Liquidity risk arises when a company is unable to meet its payment obligation when they fall due. This may be caused by the company's inability to liquidate assets or to obtain funding to meet its liquidity needs. The Asset Liability Management (ALM) Policy of the company stipulates a broad framework for liquidity risk management to ensure that SBI CARD is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress. Pursuant to RBI Circular on 'Liquidity Risk Management Framework for NBFC', the company has introduced various key indicators in liquidity risk appetite to provide early warning signals.

The company has also adopted stress testing methodology to identify, measure, monitor and control risk concentrations. It has computed the impact of macro-economic variables on profitability of the company and accordingly requirement of additional capital is computed in three scenarios viz., mild, moderate & severe.

- d. **Regulatory Risk:** In order to comply with regulatory guidelines, laws/ rules, SBI Card Compliance team tracks completion of all regulatory tasks through an automated tool. All key issues are highlighted to Enterprise Risk Management Committee and Compliance Review Committee. In addition, Compliance functions perform independent annual assurance testing to comply with regulatory guidelines.
- e. **Reputation Risk:** As a part of the service industry, managing reputation risk is paramount important to the company. Therefore, it monitors customer complaints including social media complaints, negative media incidents, obtain real time feedback to measure voice of customers.
- f. **Strategic Risk:** Strategic Risk arises due to a wrong business model or lack of medium- or long-term planning. It may also arise due to lack of awareness about competition or changed business environment. Strategic Risk may jeopardize the very existence of the company. The assessment is generally carried out by benchmarking key business matrices against the competition. The Board is actively engaged in providing strategic direction to the company. Product & Marketing team of the company is constantly trying to introduce innovative products and thus, maintain & increase its competitive advantage in the Industry.
- g. **Vendor Risk:** SBI Card engages with multiple third parties or vendors for various services across geographies. Failure to manage risks arising out of vendor risk may result in significant financial loss, reputational damage, and/or legal and regulatory issues. The company has accordingly adopted Vendor Risk Management Policy detailing guidelines on vendor risk management framework.

Operations and Customer Servicing

The operations strategy of the company is aligned towards the key business goal of enhancing customer experience and optimize cost of operations. Various digitization initiatives are

aimed at increasing digital adoption in customer interactions as well as creating standard and scalable business models.

A rigorous benchmarking process is followed through customer voice, process baselining, cross industry study that helps to identify focus areas for improvement. Solution Identification and Implementation is done through methodologies and tools including Business Process Re-engineering, LEAN, SIX SIGMA, Robotics, AI to make the improvements sustainable.

During the Covid -19 outbreak, when lockdowns were implemented, SBI Card took all necessary and timely measures to ensure minimal to no impact on its services during FY21. Business Continuity Plan was efficiently activated to ensure continuity of Operations and services without any compromise on employees' health and customer data security.

The company successfully implemented new Digital initiatives even during the Covid -19 pandemic, thereby increasing agility and efficiency in the processes. Here is a glimpse of few key initiatives that were undertaken during FY21 that helped create value in customer experience and cost optimization:

- Digitization of key customer touchpoints:
 - eCards for Retail and Corporate customers
 - Statements and PIN on SMS – 97% non-paper statements
 - eApply option for Corporate Customers enabling instant submission of their application
 - 99% customer repayments through digital modes
 - Introduced eNACH payment facility
- Digital Card delivery tracking available for customers complimenting security standards of OTP-based and Industry first residence-only delivery
- All outward payments through digital modes
- Instant automated assistance calling to customers on card declines using AI

SBI Card is continuing its journey on digitization, use of Robotics and Artificial Intelligence for enhanced customer experience.

Technology

SBI Card, is committed to digitize its journey, across the life cycle of a Card, from New Accounts to Collections, powered by Artificial Intelligence and Data, built on strong Infrastructure to enable Growth in Payment ecosystem while protecting its customers.

• Digital Sourcing capabilities

The Sales 24 platform (Origination / New Account sourcing platform) is enabled for accepting applications and documents through digital channels. Both these features are available for applicants, for all sourcing journeys i.e. direct to customer, open market, tele-calling or self-assisted journey on SBI Card website or SBI Branch

Sourcing through the YONO Branch Portal. The platform also enabled instant issuance of digital multi-carding to eligible customers.

• Digital Carding

E-card functionality was launched last year for SBI Card customers to reduce the dependency of plastic and enable customers to transact immediately using Tap and Pay functionality (HCE) on NFC (Near field communication) at POS (Point of sale), using android devices with SBI Card App and Bharat QR. This year the e-card feature was made available on mobile app which enables customers to view their card details on SBI Card App.

• Digital Onboarding & Proactive Registration

For all new customers, an onboarding call is made from contact center to welcome the customer and make the customer aware of card details and its features. This entire process has been digitized with the launch of digital onboarding services. With digital onboarding, default online credentials of customer is created and the customer mandatorily changes it to create online credentials of his own choice in a simple & secure manner.

When customers log in for the first time, on the website or app, the customer is taken through a simple wizard which guides the customer through key features of credit card & financial details like Billing Date, annual fees etc., important security considerations, enabling customer to transact through card activation & pin management. Entire training and onboarding process for new customers is now digitized.

• Digital & Data Marketing

The company has invested in data lake which brings data from multiple core platforms into one place, enabling real-time and near real-time analytics and next best action for applicable use cases and business functions. This year the data lake platform was extensively leveraged to build capabilities using data science to improve customer experience, increase customer spends, increase collection efficiency and effective sales analytics to boost sales. Some of these initiatives are detailed below:-

1. Spend Increase Initiatives

- a. Location based offers – This feature is integrated with the SBI Card Mobile App and it enables the customer to view lucrative offers in the vicinity of the customer's location, based on his exact location, as detected by his recent card swipe (prior consent is taken to track customer location).
- b. Spend based offers - Customers are notified on a real time basis through SMS when they make any purchase and are near to achieving a loyalty milestone. This is aimed to encourage customers to spend more and reach the next milestone at the earliest.

- c. Transaction decline actions – SBI Card analytics engine acts on any transaction declines in real time. Customers receive a call within a few seconds to assist the customer in completing the transaction.

2. Customer Experience Improvement Initiatives

- a. Contextual servicing - With contextual servicing, customer is prompted intelligently by the IVR system with the most probable reason of his/her calling based on his/her past behaviour. It helps to save customer's time by avoiding going through entire static IVR menu options. Current services include requesting duplicate statement, fee reversal and flexi pay booking.
- b. Customer 360-degree view to the service agents – This gives a summarized view including the customer's demographics, recent transactions, and other relevant attributes of the customer to the servicing agent for better servicing.

3. Collection Efficiency Improvement Initiatives

- a. Collections nerve centre – This initiative enables SBI Card to offer collection hardship tools digitally to customers, thereby minimizing field visits and improving collections efficiency.

4. Sales Analytics Initiatives

- a. Sales dashboard – This is an intelligent dashboard which is present in the Sales Mobile App for every sales agent. With this dashboard a sales agent can track his/her performance in real-time and match it with the sales target to increase his sales efficiency.

• Digital Servicing

SBI Card has added many new digital capabilities and with the help of AI it aims to enhance customer service experience and empower customers to opt for self-servicing facilities.

Some of the key features added in digital channels are, empowering the customer to manage the type of transactions they want to enable on their card and corresponding card limits, payment instruments for delinquent customers, ability to view ecard in mobile app, digital onboarding in website and app etc.

SBI Card uses AI to take action on customer queries and sends an email without any human intervention. It achieved this in two ways.

- 1) Integrated ILA with webform which is used by the customer write queries. ILA now helps in answering the customer query in real time, avoiding the need of writing an email
- 2) Email Bot – The company has implemented email bot which reads the customer emails, identifies the

customer intent and accordingly, either takes action on customer query or responds to customer email. The email bot answers customer queries about credit limit increase and payment enquiries. emails which the BOT is unable to decipher are sent to agents for action.

To increase the productivity of agents in answering customer calls, many new features were added in Drishti, knowledge management bot for customer service agents. The Spend Based Calculator informs agents about how far a customer is from his spend based milestone, increases the ability to cross sell on agent's behalf, introduces new content, FAQs etc.

Additionally, robotics platform has also been leveraged to automate internal processes with increased efficiency. Multiple bots have kept the critical business processes up and running seamlessly. New bots have been written to increase the automation in handling chargeback disputes, enabling or disabling the credit card based on requests from corporate employees, soft Block (H) automation on suspected fraudulent transaction where bot reaches out to customer via SMS and IVR to ascertain if transaction was indeed fraudulent or not

• Digital Collections

To increase the collections agent's efficiency, the company launched a completely new Collect 24 platform for agents, to provide wing to wing digitized collection processes with a 360-degree customer view. It has following key modules

- 1) Collection strategy – Module has a set of collection algorithms which processes the delinquent accounts on a daily basis and identifies the best collection strategy to be deployed.
- 2) Collections portal: Portal provides complete view of customer data to agent and enables agent to execute an action on customer's account. Agents can make customers to promise payment, schedule follow ups, book hardship tools on account and facilitate payments.
- 3) Agency allocation: Modules help the agencies to take action on accounts which are allocated to them. Agency Managers are empowered to allocate accounts to their agents and track productivity.
- 4) Field mobile app – Collections mobile application is provided to field agent where they can securely view the customer account data, take digital payments, issue digital receipts and take requests on hardship tools.

SBI Card launched Collections Self Service Platform which enables the customer to explore various payment options and choose appropriate ones to clear outstanding amounts on their cards. Platform focusses on 2 key areas:

- 1) Customer awareness: It makes the customer aware of their financial account status, outstanding amounts, disadvantage of missing payments, impact of interest, impact on CIBIL score and advantages of maintaining a healthy account.
- 2) Ease of payment: It offers multiple payment options to customer with the help of various hardship tools like Easy Pay plans, Settlement, Re-structuring of account to help them clear outstanding dues easily.
- 3) Omnichannel presence - All the capabilities of collections platform were offered to customer in omnichannel, with the help of website, mobile app and WhatsApp.

- **Strong, Scalable, Reliable & Secure Infrastructure**

Last, but not the least, all the business enablers are being built up on a strong foundation with 24*7 availability across all IT systems with a strong disaster recovery set up for all mission critical applications. SBI Card has created its own intellectual property, consisting of applications to run the business processes and serve customers efficiently.

Compliance

To ensure highest standards of Compliance, SBI Card has a strong, independent and robust Compliance program in accordance with the regulatory and ethical obligations. To identify, assess and manage various compliance risks, a comprehensive compliance framework has been setup with Board Approved Compliance policy that includes detailed guidelines on Code of Conduct, Fair Practice Code, AML/KYC Policy etc.

All areas of Compliance are managed under a shared framework of Prevention, Detection and Response. This framework has been developed with specific focus on maintaining adherence to all applicable regulatory norms with a strong operating rhythm through regular reviews with the senior management team who sign a monthly certification. A compliance certificate is also submitted to the Board.

A Functional Compliance framework has also been set up, wherein each function is educated on their regulatory obligations; metrics of their processes are prepared to ensure compliance & an ongoing tracking/ review conducted in the Compliance Committee. The Compliance Program also has a proactive Assurance process that tests the controls governing high risk areas. Audits on Compliance function are carried out by organization's Internal Audit function as well as the regulators. The audit report is presented to the Audit Committee of the Board of Directors of SBI Card.

The Compliance function reviews all new products and processes as part of various committees and ensures that internal policies of the company address the regulatory requirements comprehensively. The Compliance function also aims to continuously strengthen the culture of integrity

and ethics through employee awareness and education on key compliance themes and regulatory obligations through various modes like newsletters, e-learning sessions, leadership connect, focus group sessions, location connect, online knowledge checks etc. A comprehensive Compliance training program ensures continuous employee education and awareness for all new and existing employees.

SBI Card, firmly believes that as business transactions become more digitized, trust and transparency remain a vital element of business. This approach strengthens its current relationship with the customers and also shapes its endeavours for future business growth.

INTERNAL AUDIT

The Internal Audit function of the company provides high quality counsel to the management on the effectiveness of Risk Management and Regulatory compliance of the organization besides contributing to the effectiveness of the internal controls in achieving the corporate objectives. The internal audit team is responsible for planning and getting the internal audits conducted for all functions, policies and processes through an independent external audit firm engaged for the purpose. The risks associated with the business and various processes are identified as part of risk assessment exercise and RCSA conducted by the risk function. The internal audit function ensures that all risks identified and captured in the RCSA are addressed in the audit process. The audit process includes elements to assess possible risk to organizational business performance, business sustainability and reputational risk. All key risk policies are reviewed and audited by the auditors to ensure that the design of the policy addresses the potential risks and that the policy is correctly implemented to give the desired results. The Internal Audit function of the company operates under the supervision of the Audit Committee of the Board (ACB), thereby ensuring its independence. Effectiveness of internal controls in terms of company's internal processes and regulatory guidelines are regularly reviewed by the ACB and wherever necessary directions are passed for the required compliance.

HUMAN RESOURCES

SBI Card is a rapidly growing organization, with average employee age of 33 years and is consistently focused on its biggest asset – Human Capital i.e. the employees. Overall employee strength was 3869 employees as on March 31, 2021. Strong and stable Senior Management (excluding officers deputed from SBI) has an average tenure of ~12 years with the organization. FY21 witnessed some strong HR initiatives around all aspects of the employee lifecycle:

Focus on Talent Acquisition framework

1. Digitization of hiring processes – Transition to Oracle Recruitment Cloud with enhanced features, better candidate experience w.r.t earlier hiring system.

2. Integrated Recruitment Process Outsourcing (RPO) Model running satisfactorily
3. Creation of Talent pipeline – an ongoing process of hiring the best fit from the market, basis hot skills, fitment etc.

Restructured Talent Management Framework to cater to business dynamics by:

1. Scientific and comprehensive process of Organization Structure, designed with clear linkages to productivity metrics
2. Robust Career Progression process & principles established through:
 1. Introduction of Assessment Centre
 2. Individual Development Plan for employees in middle & senior management
 3. Performance Management philosophy made objective and aligned to business requirements.

Robust Learning & Development domain in the organization

1. Designed and implemented an operational framework for measuring learning impact of L&D interventions on employees and business.
2. Bulk Email Automation & digitization of attendance & feedback
3. Virtual NEO Deployment
4. All ILT content improvised to enable virtual facilitation
5. Enhanced digital learning curriculum
6. Innovative learning platforms introduced to engage & connect with employees – SBI Card radio channel, Leadership Speak Series, Learning Champ contest

Digitization of HR processes

1. HR Chatbot up and live.
2. Online HR Analytics & Dashboard for all People & Individual managers across the Organization has gone live to provide critical insight on various types of HR Metrics.
3. Owing to the pandemic and the resultant lockdowns, Induction & onboarding processes moved to virtual platforms for all new hires.

Employee Wellness & Engagement

1. Under Wellness theme, multiple sessions with medical and other experts conducted on a wide range of topics such as COVID-19, Nutrition, Mental & Physical wellbeing
2. Enhanced and comprehensive Insurance coverage
3. Robust Recognition Framework – ‘Wings’
4. Quarterly employee townhalls conducted across India
5. Fun @work- Various activities were conducted across company offices pan India for promoting the culture of a happy and connected workplace.

Established Performance Oriented Rewards & Benefits structure

1. Enhanced and comprehensive Insurance coverage
2. Scientific Job Evaluation methodology
3. Role and performance-based pay philosophy

The company marked its presence in various states/UTs its and reached thousands of needy individuals through its CSR initiatives, targeting beneficiary groups that included children, youth, women and elderly in areas of education, health, environment sustainability & skill development

Financial Performance

Given under is a snapshot of the financial results for the year ended March 31, 2021 and the previous year:

₹ in Crores

Particulars	FY21	FY20	% Change
Total Income	9,714	9,752	0%
Finance Costs	1,043	1,301	-20%
Credit Costs	2,700	1,940	39%
Operating Costs	4,646	4,781	-3%
PBT	1,324	1,730	-23%
PAT	985	1,245	-21%

Total income has decreased marginally from ₹ 9,752 Cr in FY20 to ₹ 9,714 Cr in FY21. This was a result of the following key factors:

- Interest income increased by ₹ 86 Cr or 2%, from ₹ 4,841 Cr in FY20 to ₹ 4,928 Cr in FY21. The increase was driven by 9% YOY increase in the average receivables partially offset by lower interest yield from 21.7% in FY20 to 20.1% in FY21.
- Income from fees and services decreased marginally by 2%, from ₹ 3,979 Cr in FY20 to ₹ 3,908 Cr in FY21.
- Business development incentives decreased by ₹ 28 Cr or 9% from ₹ 327 Cr in FY20 to ₹ 299 Cr in FY21.

Finance costs decreased by ₹ 258 Cr, or 20 %, from ₹ 1,301 Cr in FY20 to ₹ 1,043 Cr in FY21 and was primarily driven by lower cost of funds from 7.8% in FY20 to 6.1% in FY21.

Operating costs decreased by ₹ 135 Cr or 3%, from ₹ 4,781 Cr in FY20 to ₹ 4,646 Cr for FY21. The cost to income ratio was favourable from 56.6% in FY20 to 53.6% in FY21.

Impairment losses & bad debt expenses along with net loss on derecognition of financial instruments under amortised category (Credit costs) for the year increased by ₹ 760 Cr, or 39 %, from ₹ 1,940 Cr for FY20 to ₹ 2,700 Cr for FY21. This included management overlay of ₹ 297 Cr over and above provisions as required by expected credit loss (ECL) model.

Profit before tax decreased by ₹ 406 Cr or 23% from ₹ 1,730 Cr in FY20 to ₹ 1,324 Cr in FY21. Profit after tax decreased by ₹ 260 Cr or 21%, from ₹ 1,245 Cr in FY20 to ₹ 985 Cr in FY21.

Balance Sheet as of March 31, 2021

- Total Balance Sheet size as of March 31, 2021 was ₹ 27,013 Cr as against ₹ 25,307 Cr as of March 31, 2020, a growth of 7%.
- Net worth as of March 31, 2021 was ₹ 6,374 Cr as against ₹ 5,413 Cr as of March 31, 2020, a growth of 18%.
- Gross Credit card receivables as of March 31, 2021 were ₹ 25,114 Cr, an increase of 4% from ₹ 24,141 Cr as of March 31, 2020.

Asset Quality

The Gross non-performing assets were at 4.99% of gross advances as on March 31, 2021 as against 2.01% as on

March 31, 2020. The Provision Coverage Ratio increased to 77.9 % as on March 31, 2021 compared to 67.2 % as on March 31, 2020.

Capital Adequacy and Liquidity

As per the capital adequacy norms issued by the RBI, Company's capital to risk ratio consisting of tier I and tier II capital should not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. As of March 31, 2021, Company's CRAR was 24.8% compared to 22.4 % as of March 31, 2020.

The Tier I capital in respect of an NBFC-ND-SI, at any point of time, is required to be not less than 10%. Company's Tier I capital was 20.9% as of March 31, 2021 compared to 17.7% as of March 31, 2020.

SBI Card enjoys the highest credit rating from CRISIL and ICRA for both short term and long debt programs as below:

Credit Rating

CRISIL Long Term	- AAA/Stable
CRISIL Short Term	- A1+
ICRA Long Term	- AAA/Stable
ICRA Short Term	- A1+

The high credit ratings depict the robustness of the company's liquidity management framework and its ability to meet financial obligations. The company has access to diverse source of funds and its borrowing composition consists of multiple bank lines, commercial papers and debentures. As on March 2021, the company had ₹ 6,124 Cr of unutilized banking limits which translates into 32% of sanctioned banking limits which is more than sufficient to meet its future obligations. The company also has a robust Asset Liability Management process with positive cumulative mismatches across all buckets.

Segment wise or product wise performance

There is only reportable segment ("Credit cards"), as envisaged by Ind AS 108 Segment reporting, specified under section 133 of the Companies act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risks and rewards. Accordingly, as the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary disclosures prescribed by Ind AS 108 are not required to be given.

Key Ratios

Particulars	FY21	FY20	Change
Return on average assets (ROAA)	3.8%	5.2%	-141bps
Return on average equity (ROAE)	16.6%	27.9%	-1132bps
EPS (basic) ₹	10.48	13.35	-22%
Total Capital Adequacy Ratio (CAR)	24.8%	22.4%	233bps
Financial Leverage (Debt/Equity = Liabilities/Tier 1 Equity)	4.0	4.7	-15%
Interest Income Yield	20.1%	21.7%	-152bps
Net Interest Margin (NIM)	15.9%	15.8%	3bps
Cost to Income	53.6%	56.6%	-299bps
Gross NPA	4.99%	2.01%	298bps

Explanation of Return on average equity

Return on average equity (ROAE) was 16.6% for FY21 as compared to 27.9% for FY20. Return on average assets (ROAA) for FY21 was at 3.8% compared to 5.2% in FY20. The following table provides a summary computation of the ratios:

Particulars	FY21	FY20	Change
Net Revenue	33.8%	35.6%	-181bps
Credit Costs	10.5%	8.2%	235bps
Operating Costs	18.1%	20.2%	-204bps
PBT	5.2%	7.3%	-213bps
Taxes	1.3%	2.0%	-72bps
PAT (ROAA)	3.8%	5.2%	-141bps
Average Assets/Average Equity	4.3	5.3	-
ROAE	16.6%	27.9%	-1132bps

PROSPECTS

The Company believes that a sustainable and a successful business model requires value maximization for all stakeholders. SBI Card is committed to serve its customers through superior product and enhanced customer experience. The company is intensively focused to achieve a profitable growth along with a healthy portfolio mix, leading to value enhancement for its shareholders.

The company shall continue to leverage sourcing from SBI customer database, It shall also focus on increasing high quality new account acquisitions from open market and cobrand distribution channels. The company aims to increase its digital sourcing from both banca and open market sourcing and is working on launching wing to wing digital acquisition.

The company shall continue its engagement with existing customers and remain focused to improve card features and value propositions. It shall continue to explore opportunities for cobranding relationships in e-commerce, retail, and mass transit as well as in lifestyle segments.

The risk and underwriting policies are constantly reviewed to maintain healthy portfolio quality through analytics driven infrastructure, to monitor and intervene with actions to minimize credit risks. The company has leveraged credit bureaus to enhance decisioning capability.

The business fundamentals of the company are robust and strong, with the company delivering profits each year.

Board's Report

Dear Members,

Your Directors are pleased to present the Twenty Third (23rd) Annual Report along with the Audited Annual Accounts of your Company for the financial year ended March 31, 2021.

FINANCIAL SUMMARY, STATE OF COMPANY'S AFFAIRS AND BUSINESS PERFORMANCE

The financial performance of the company for the financial year ended March 31, 2021 and for the previous year is summarized below: –
(₹ In Crores)

S. No	Particulars	2020-21	2019-20
1	Income	9,713.58	9,752.29
2	Finance Cost	1,043.40	1,300.93
3	Operating & Other Expenses	7,223.19	6,617.92
4	Depreciation and Amortization	123.26	103.80
5	Profit /(Loss) Before Tax	1,323.73	1,729.64
6	Tax	339.21	484.82
7	Profit /(Loss) After Tax	984.52	1,244.82
8	Add: Opening surplus in statement of profit and loss	2,719.51	1,726.65
9	Add: Transfer from other comprehensive income	5.55	(3.00)
10	Less: Transfer to Statutory Reserve	196.90	248.96
11	Less: Interim equity dividend (amount ₹ 1 per share)	93.90	-
12	Balance of P&L Account C/F to Balance Sheet	3,418.78	2,719.51

FY21 was predominated by COVID-19 pandemic and resulted in global economic downturn. The pandemic led to government mandated lockdowns which disrupted the growth momentum of Indian economy. Subsequently as the lockdowns eased gradually, the environment continued to remain challenging and uncertain. SBI Card effectively navigated the challenges by following the below aspects:

- **Ensuring business continuity:** SBI Card assessed and focused on business continuity from the very initial onset of Covid-19 and lockdown. Company's investment in technology over the past few years enabled smooth transition to a remote work environment during lockdowns and disruptions.
- **Enhancing and utilizing digitization:** Company focused on building a complete Digital Journey for Customers across new acquisition, onboarding, servicing and collections.
- **Building and enhancing product mix:** SBI Card focused on augmenting its portfolio in the premium segment. During the year, Company launched its first card in the super-premium/HNI segment, **AURUM** and introduced premium variant of its popular fuel co brand, **BPCL SBI Card OCTANE**. SBI Card entered into partnership with Paytm to launch an array of cards in both mass and affluent segments. SBI Card has been engaging continuously with leading digital/Payment platforms and entered into partnerships with Google Pay and Jio Pay during the year.
- **Managing Risks:** SBI Card kept a sharp eye on potential risks and taken measures in accordance. While Company continued to pursue sustainable growth, it has calibrated

its risk strategies and strengthened its portfolio monitoring mechanisms and recalibrated our underwriting models.

The nationwide lockdowns and subsequent restrictions led to disruptions and slowdown in new card acquisitions and also adversely impacted cardholder spends. Post easing of COVID lock-down there has been a strong business recovery in terms of higher new accounts, spends and receivables.

Company's market share on Cards in Force as on March 31, 2021 improved to **19.1%** as against **18.3%** as on March 31, 2020. Its Cards-in-force grew by **12% YOY** to close at **1.18 Cr** as on March 31, 2021 as against **1.05 Cr** as on March 31, 2020. The market share of cardholder spends improved to **19.4%** for FY21 as against **17.9%** in FY20. Cardholder spends in FY21 stood at **₹ 122,416 Cr** as against **₹ 130,915 Cr** in FY20 registering a decline of **6% YOY**. Cardholder receivables grew by 4% YOY to close at **₹ 25,114 Cr** as on March 31, 2021 as against **₹ 24,141 Cr** as on March 31, 2020.

In FY21 while SBI Card's total income remained largely flat as compared to FY20, reductions in finance costs led to net revenues growth of 3% YOY. Focus on operating efficiencies led to 3% decline YOY in operating costs. Earnings before credit costs stood at **₹ 4,024 Cr** at 10% growth YOY. The credit risk continued to be impacted by the macro-economic variables around us and led to higher credit costs. To cover the Company for future credit risks, SBI Card created additional provisions of ₹ 297 Cr by way of management overlay over and above the provisions required as per expected credit loss (ECL) model. This led to higher credit costs of 39% YOY and decline in profit after tax. The company achieved Profit after Tax (PAT) of **₹ 985 Cr** in FY21 as compared to **₹ 1,245 Cr** in FY20.

With consistent efforts of the employees and business partners backed by SBI Card's robust business model and ethics, Company continued to effectively navigate its business in turbulent times. SBI Card's business fundamentals are robust. Company follows healthy financial and corporate governance principles, which form its core strength. While the external environment continues to be volatile, Company is closely monitoring it to manage challenges and leverage opportunities.

The detailed business and financial performance is covered in the Management & Discussions Analysis section of the Annual Report.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR UNDER REVIEW

Mr. Hardayal Prasad, erstwhile Managing Director and Chief Executive Officer of the Company resigned from the directorship and CEO Position with effect from close of business hours of July 31, 2020. Thereafter, Mr. Ashwini Kumar Tewari was appointed as the Managing Director and Chief Executive Officer of the Company with effect from August 1, 2020.

Further, Mr. Ashwini Kumar Tewari, erstwhile Managing Director and Chief Executive Officer of the Company resigned from the directorship and CEO Position with effect from close of business hours of January 27, 2021. Thereafter, Mr. Rama Mohan Rao Amara was appointed as the Managing Director and Chief Executive Officer of the Company with effect from January 30, 2021.

During the FY21, the Company had allotted 15,68,662 Equity Shares of ₹ 10/- each to the eligible employees of the Company pursuant to the exercise of options under the SBI Card - Employee Stock Option Plan 2019 (ESOP Scheme 2019) at the exercise price of

₹ 152.10 per share. Accordingly, the paid-up capital of the Company increased from ₹ 9,38,95,67,940/-consisting of 93,89,56,794 equity shares of ₹ 10/- each as on March 31, 2020 to ₹ 9,40,52,54,560/-consisting of 94,05,25,456 equity shares of ₹ 10/- each as on March 31, 2021. There has been no change in the nature of business during the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR UNDER REVIEW AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year under review and the date of the report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, updated as on February 17, 2020 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

DIVIDEND

Due to COVID 19 impact and the uncertainty caused by it, your Company has considered it prudent to not propose dividend for the financial year ended March 31, 2021.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy of the Company is available on Company's website at www.sbicard.com. The dividend distribution policy forms a part of this report.

RESERVES

During the year ended March 31, 2021, the Company appropriated ₹ 196.90 Crores towards the Statutory Reserves (₹ 248.96 Crores in FY20) in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.

Status of other reserves and shares pending allotment (stated as other equity in financial statements) as on March 31, 2021 is as follows:

Other Equity		(₹ in Crores)	
Particulars	2020-21	2019-20	
Capital Redemption Reserve	3.40	3.40	
General Reserve	13.08	12.99	
Statutory Reserves	1,011.85	814.95	
Capital Reserve (on account of amalgamation)	(71.51)	(71.51)	
Securities Premium Reserve	935.19	904.74	
Retained Earnings	3,418.78	2,719.51	
Share application money pending allotment	2.92	-	
Share Options outstanding account	40.50	18.18	
Equity investment - OCI	7.29		
Total	5,361.50	4,402.26	

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the prescribed Form AOC-2, is appended as **Annexure 1** to the Board's Report. The Related Party Transactions Policy of the Company is available on the website of the Company and can be accessed at www.sbicard.com.

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, necessary approval of the Members was obtained for material related party transaction(s).

CAPITAL ADEQUACY

As per the Reserve Bank of India norms applicable for NBFC, the company is required to keep a Capital Adequacy Ratio (CAR) of 15%. Company's CAR is well above the regulatory requirement at 24.8% with 20.9% as Tier 1 Capital, as of March 31, 2021

DEBENTURES

ISSUE OF DEBENTURES

During the FY21, the Company has raised money by issue and allotment of following debentures:

- Raised ₹ 400 Crores by issue and allotment of 4000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹ 10,00,000/- each.
- Raised ₹ 500 Crores by issue and allotment of 5000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹ 10,00,000/- each.
- Raised ₹ 450 Crores by issue and allotment of 4500 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹ 10,00,000/- each.
- Raised ₹ 550 Crores by issue and allotment of 5500 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹ 10,00,000/- each.

REDEMPTION OF DEBENTURES

During the Financial Year 2020-21, following Non-Convertible Debentures were duly redeemed on due date:

- Series 09, 5000 Unsecured Non-Convertible Debentures of ₹ 10,00,000/- each.
- Series 11, 4000 Unsecured Non-Convertible Debentures of ₹ 10,00,000/- each.
- Series 12, 5000 Unsecured Non-Convertible Debentures of ₹ 10,00,000/- each.

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

The Company, being a non-banking financial company registered with the RBI and engaged in the business of issuing credit cards, is exempt from complying with certain provisions of section 186 of the Companies Act, 2013. Other necessary details as required under the Section 186 of the Companies Act, 2013 are furnished in the financial statements of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Composition of the Board of Directors ("Board") is in terms of the Companies Act, 2013, the RBI Directions and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Board consists of Nine Directors namely Mr. Dinesh Kumar Khara, Chairman, Non-Executive Director (Nominee of SBI); Mr. Ashwini Kumar Tewari, Non-Executive Director (Nominee of SBI); Mr. Rama Mohan Rao Amara, Managing Director & CEO (Nominee of SBI); Mr. Mihir Narayan Prasad Mishra, Non-Executive Director (Nominee of SBI); Dr. Tejendra Mohan Bhasin, Independent Director; Mr. Rajendra Kumar Saraf, Independent Director; Mr. Dinesh Kumar Mehrotra, Independent Director; Ms. Anuradha Shripad Nadkarni, Independent Director and Mr. Shriniwas Yeshwant Joshi, Independent Director as on the date of the Report.

During the year under review Mr. Ashwini Kumar Tewari was appointed as Managing Director & CEO of the Company w.e.f. August 1, 2020 and Mr. Devendra Kumar was appointed as Non – Executive Director (Nominee of SBI) of the Company w.e.f. August 21, 2020.

Further, during the year under review the Board of Directors of the Company also appointed Mr. Shriniwas Yeshwant Joshi as an Additional (Independent) Director of the Company, pursuant to Section 161 of the Companies Act, 2013, effective December 4, 2020. He has been appointed as an Independent Director for a term of three consecutive years with effect from the said date, subject to the approval of members of the Company at the General Meeting (GM). Also, in terms of the referred Section, Mr. Shriniwas Yeshwant Joshi will hold office as a Director up to the date of the ensuing AGM. The Company has received a notice in writing proposing candidature of Mr. Joshi for appointment as a Director at the ensuing AGM. Appointment of Mr. Joshi as an Independent Director on the Board is recommended by the Nomination and Remuneration Committee. The Board recommends appointment of Mr. Shriniwas Yeshwant Joshi as an Independent Director of the Company.

Further, Mr. Rama Mohan Rao Amara was appointed as Managing Director & CEO (nominee of SBI) (DIN: 08951394) of the Company with effect from January 30, 2021 for a period of two years. Mr. Ashwini Kumar Tewari and Mr. Mihir Narayan Prasad Mishra were appointed as Non – Executive Director (Nominee of SBI) of the Company w.e.f. April 5, 2021 and June 18, 2021, respectively.

During the year under review Mr. Hardayal Prasad, the then Managing Director & CEO resigned from the directorship and CEO Position, owing to his Voluntary retirement from the State Bank of India and

Mr. Shree Prakash Singh, Non-Executive, Non-Independent Director (Nominee of SBI) resigned from the directorship of the Company consequent upon his superannuation from the State Bank of India, w.e.f. close of business hours on July 31, 2020.

Further, Mr. Rajnish Kumar the then Chairman of the Company also resigned from the directorship of the Company with effect from the close of business hours of October 6, 2020, owing to completion of his term as the Chairman of the State Bank of India.

Mr. Ashwini Kumar Tewari the then Managing Director & CEO of the Company resigned from the directorship and CEO Position of the Company with effect from the close of business hours of January 27, 2021, owing to his appointment as the Managing Director of State Bank of India.

Mr. Nilesh Shivji Vikamsey, Independent Director, resigned from the directorship of the Company with effect from November 5, 2020, due to personal reasons.

Mr. Devendra Kumar, Non-Executive Director (Nominee of SBI) resigned from the directorship of the Company with effect from close of business of June 8, 2021, consequent upon change in his responsibilities in the State Bank of India.

Further, CA Rover Holdings (CARH) vide its letter dated June 18, 2021 had informed the Board of Directors ("Board") of the Company that its shareholding in the Company had reduced to less than 10%. In terms of Article 33(ii)(b) of the Articles of Association of the Company, CARH's right to nominate a director on the Board of the Company, being an Investor Shareholder, was subject to its shareholding amounting to at least 10%. Accordingly, vide the said letter CARH, had also offered to the Board to withdraw the nomination made by it for Mr. Sunil Kaul. The Board of the Company had accepted the withdrawal of nomination by CARH.

Accordingly, Mr. Sunil Kaul (nominated by CARH) (holding DIN: 05102910), resigned from the Directorship of the Company w.e.f. June 18, 2021.

Your Directors place on record their sincere appreciation for the contribution made by Mr. Rajnish Kumar, Mr. Hardayal Prasad, Mr. Shree Prakash Singh, Mr. Nilesh Shivji Vikamsey, Mr. Devendra Kumar and Mr. Sunil Kaul during their tenure on the Board of the Company.

As on March 31, 2021, the Company had three Key Managerial Personnel namely Mr. Rama Mohan Rao Amara, MD and CEO, Mr. Nalin Negi, CFO and Ms. Payal Mittal Chhabra, Company Secretary. Company Secretary also act as Compliance Officer of the Company for the purposes of SEBI, Stock Exchange and other listing compliances.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company has been undertaking and participating in the socially important projects in the fields of health, education, Disaster Management (COVID relief), livelihood and skill enhancement, old age home/orphanage

and gender equality, ensuring environmental sustainability and ecological balance, etc. The Company has also framed a CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The contents of the CSR policy are disclosed on the website of the Company at www.sbicard.com. The annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format has been appended herewith as **Annexure 2**.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Company follows the fit and proper criteria as laid down by RBI Directions and the Nomination and Remuneration Policy of the Company framed under Section 178 of the Companies Act, 2013, SEBI Regulations and RBI Circular/Directions for appointment of Directors. Nomination and Remuneration Committee of the Board recommends for appointment of a Director based on the fit and proper criteria Policy and Nomination and Remuneration Policy of the Company. Further, the Nomination and Remuneration Committee is responsible to ensure 'fit and proper' status of proposed/ existing directors. The Nomination and Remuneration Policy of the Company along with the changes made therein is available on the website of the Company i.e. www.sbicard.com.

Apart from receiving sitting fees for attending Board and Committee meetings by the eligible Non-executive Directors of the Company and credit card transactions in the ordinary course of business, there are no pecuniary relationship of the Non-executive Directors with the Company.

Closing Balance as on March 31, 2021 of the credit cards issued to Directors of the Company was ₹ 0.02 Crores.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The Independent Directors on the Board of SBI Cards and Payment Services Limited have given declaration that they fulfill the criteria of independence specified in Section 149 of the Companies Act, 2013 and Regulation 25(8) of the SEBI (LODR) Regulations, 2015, the same has been relied upon by the Company.

AUDITORS AND COMMENTS ON AUDITORS REPORT

During the year under review, the office of the Comptroller and Auditor General of India (hereinafter referred to as "CAG") exercising the power conferred under section 139 of the Companies Act, 2013, appointed M/s. S. Ramanand Aiyar & Co., Chartered Accountants (Registration No. 000990N), as the Statutory Auditor of the Company for the financial year 2020-21. Statutory Audit was duly done by the referred firm. The Statutory Auditors' report is self-explanatory in nature and does not require any comments from Directors of the Company.

Also, Supplementary Audit of the Company was conducted by Principal Director of Audit Industry & Corporate Affairs, New Delhi in accordance with Section 143 of the Companies Act, 2013. The observations made by the Principal Director of Audit Industry & Corporate Affairs, New Delhi in his Audit Report for the Financial Year 2020-21 and Board explanation to such observations are stated herein below:

A. Cash Flow Statement

CAG observation:

Cash Flow from Investing Activities:

Capital expenditure on property, plant and equipment- ₹ 56.95 crore

The above amount includes an amount of ₹ 3.46 crore being amount due to capital creditors for purchase of capital goods. As it is a non-cash item, it should not have been considered while calculating net cash outflow from capital expenditure on property, plant and equipment. Inclusion of non-cash item has resulted in overstatement of Net cash used in investing activities by ₹ 3.46 crore and understatement of net cash generated/ (used) in operating activities by same amount.

Company's Response:

Since capital creditors are part of trade payables, Company has been capturing movement in trade payables under cash from operating activity through changes in working capital. However, to comply with CAG's observation and for better presentation of financial statements, from the next financial year, capital expenditure on Property Plant and equipment would be shown net off capital creditors under the head cash flow from Investing activities.

B. Comments on disclosure:

CAG observation:

- Company has updated the estimation method of the credit risk classification/ staging criteria between Stage 1, 2 and 3 (e.g. all borrower's linked accounts are grouped under highest delinquency stage and an account remains in stage 3 till entire over dues are cleared) during 2020-21 to recognize the potential risk, if any, in select segments. Impact due to change in estimation method has resulted in an increase in impairment loss by ₹ 91 crore. However, the Company has neither quantified the financial impact of ₹ 91 crore nor stated that estimating the impact is impracticable in future years which resulted in non-compliance to paras 39 and 40 of Ind AS 8 which stipulate that an entity shall disclose the nature and amount of a change in an accounting estimates that has an effect in the current period or is expected to have an effect in future periods. If the amount of the effect in the future period is not disclosed because estimating it is impracticable, an entity shall disclose that fact.

Company's Response:

To comply with Ind AS requirement and CAG's observation, necessary disclosure would be provided with respect to such events in future.

CAG observation:

- The Company has provided Expected Credit Loss (ECL) amounting to ₹ 331.71 crore for the Stage 1 loan. ECL has been calculated by multiplying the Probability of Default (PD), Loss given Default (LGD) and Exposure at Default (EAD). The Company disclosed vide note 37.2.2 (B)(c) that Credit Conversion Factor (CCF) has been applied while calculating EAD. As per the set formula, EAD for Stage 1 loan worked out to ₹ 22,328 crore. PD and LGD in respect of Retail-unsecured loan was estimated at 2.28 percent and 65.90 percent respectively. However, the Company has adjusted the impact of CCF in the PD which led to increase of PD to 2.47 percent. This fact has not been disclosed in the said Note. Further, 1.52 percentage adopted as conversion factor has also not been disclosed. Hence, the note is deficient.

Company's Response:

To comply with CAG's observation, going forward from the next financial year, while we will continue to consider Credit Conversion Factor (CCF) impact for Expected Credit Loss (ECL) calculations, Probability of Default (PD) will be shown as per base calculations and details of CCF factor and its application shall be appropriately disclosed as footnote below ECL calculations in the financial statements.

Further, Statutory Auditors of the Company, single or joint for the Financial Year 2021-22 will be appointed by the Comptroller and Auditor General of India.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s. Chandrasekaran Associates, Company Secretaries, as the Secretarial Auditor of the Company to carry out secretarial audit for the financial year 2020-21. The Secretarial Audit Report obtained from M/s. Chandrasekaran Associates; Company Secretaries is enclosed with this report as **Annexure 3**. The Secretarial Audit Report does not contain any qualification or reservations or adverse remarks.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors have not reported any incident of fraud to the Audit Committee.

FRAUD REPORTING

Certain instances of customer frauds on the Company, primarily relating to fraudulent usage of credit cards issued by the Company, have been reported during the FY 2020-21.

The total amount involved in these frauds was ₹ 0.98 Crores and the recovery against this amount (pertaining to current year as well as the previous years) was ₹ 1.11 Crores.

SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings have been complied with by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

While the business activity of the Company does not result in any material consumption of energy, still the Company is committed to continue its efforts towards the conservation of energy. Energy conservation and technology updation are a part of the ongoing processes in the Company. Management's Discussion and Analysis Report section covers the Technology aspect of the business in detail.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During FY 2020-21, the Company incurred foreign currency expense of an amount of ₹ 313.54 Crores on network, other service charges and other expenses (2019-20: ₹ 483.24 Crores)

The dividend remitted for the FY 2020-21 in foreign currency was ₹ NIL (2019-20: ₹ NIL).

The foreign exchange earnings during the FY 2020-21 were ₹ 292.72 Crores (2019-20: ₹ 385.17 Crores) Income in foreign currency represents Incentive Income from network partners.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies, processes and structure for ensuring the orderly and efficient conduct of its business with adequate and effective internal financial control across the organization, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Also, the Company has an internal audit system commensurate with the size of the Company and periodic audits of the internal functions and processes of the Company are ensured. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Company is not required to maintain cost records as stated under section 148 of the Companies Act, 2013.

The Company is in compliance with necessary FEMA provisions on downstream investment and has obtained certificate from Statutory Auditor in this regard.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

RISK MANAGEMENT AT SBI CARD

Company has in place a robust and comprehensive Risk Management framework enumerating risk based decision making and risk management processes encompassing existing risks, new risks that may have arisen, the likelihood and impact of risks and reporting significant changes adjusting to the risk priorities. Management's Discussion and Analysis Report section covers this aspect of the business in detail.

PARTICULARS OF EMPLOYEES

The Directors would like to place on record their sincere appreciation for the contributions made by employees of the Company at all levels. The ratio of the remuneration of each Director to the median employee's remuneration including other details and the list of top 10 employees in terms of remuneration drawn in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure 4**. Other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available on the website of the Company, at www.sbicard.com.

The Annual Report including the financial statements are being sent to the shareholders excluding the aforesaid information. Shareholders interested in obtaining this information may access the same from the Company's website. In accordance with Section 136 of the Companies Act, 2013, this information is available for inspection by shareholders through electronic mode.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public as defined in the Non-Banking Financial Companies (Reserve Bank of India) Directions, as amended to date.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. Its' an optimum mix of expertise (including financial expertise), leadership and professionalism.

EMPLOYEE STOCK OPTION SCHEME

Pursuant to the recommendation of the Board of Directors in their Meeting held on January 16, 2019, the Shareholders at the Extraordinary General Meeting held on February 22, 2019 had approved the SBI Card - Employees Stock Option Plan - 2019. Post-IPO of the Company, SBI Card - Employees Stock Option Scheme - 2019 was ratified by the Shareholders through postal Ballot on June 17, 2020

The objective of employee stock option plan is to reward employees to align individual performance with Company objectives and drive share-holders' value creation, create a culture of ownership among the executives, works towards successful Initial Public offering and employees to enhance their commitment to organization, motivate management to collaborate and attract and retain key talent, critical to organizations' success. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The brief details of the Employees Stock Option Scheme are detailed as below:

(a)	Total Options granted during the year ended March 31, 2021	131950									
	Total Options granted till the date of report	13,475,650									
(b)	Number of options vested:										
	➤ During the year ended March 31, 2021	2424170									
	➤ As on the date of the Annual report	2437365									
(c)	Options exercised during the year;	1760432									
(d)	The total number of shares arising as a result of exercise of option;	1760432									
(e)	Options lapsed;	187515									
(f)	The exercise price;	₹ 152.10 per equity share									
(g)	Variation of terms of options;	NA									
(h)	Money realized by exercise of options;	₹ 26.78 Crores									
(i)	Total number of options in force;	11,527,703 (including options vested but not exercised)									
(j)	Employee wise details of options granted to:-										
	(i) Key managerial personnel;	No options were granted to the KMP during the FY20 -21									
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	During the financial year ended March 31, 2021, options were granted to following employees:									
		<table> <tr> <th>Sl. No.</th><th>Name</th><th>Options granted</th></tr> <tr> <td>1</td><td>Mr. Piyush Balasaria</td><td>63700</td></tr> <tr> <td>2</td><td>Mr. Sajith Rajan</td><td>68250</td></tr> </table>	Sl. No.	Name	Options granted	1	Mr. Piyush Balasaria	63700	2	Mr. Sajith Rajan	68250
Sl. No.	Name	Options granted									
1	Mr. Piyush Balasaria	63700									
2	Mr. Sajith Rajan	68250									
	(iii) Identified employee who was granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	NIL									

Company is using fair value method to value its options. The detailed disclosures pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on website of the Company i.e. www.sbicard.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets

of the Company and for preventing and detecting fraud and other irregularities;

- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at www.sbicard.com.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement)

Regulations, 2015 describing the initiatives taken by Company from environmental, social and governance perspective, has been appended herewith as **Annexure 5** and is also displayed on the website of the Company i.e. www.sbicard.com.

CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the CEO and CFO of the Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2021.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on an annual basis and the latest Code is available on the website of the Company (www.sbicard.com). Pursuant to Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and Senior Management of the Company forms part of the Annual Report.

UPDATE ON CUSTOMER COMPLAINTS

The Company receives complaints both from Internal and External channels. Internal channels include various touch points within the organization i.e. in person by visiting SBI Card office/branch, by telephone, mail, fax, email, website, mobile app or on social media channels. External Channels include any customer approaching external bodies including Reserve Bank of India (RBI), Banking Ombudsman Office, Consumer Education & Protection Department (CEPD), Corporate Center of State Bank of India including complaints received from any external sources by them, Directorate of Public Grievances / Centralized Public Grievance Redress and Monitoring System (DOPG / CPGRAMS), National Consumer Helpline / Integrated Grievance Redressal Mechanism (NCH / INGRAM). Please note that the number of complaints reported by SBI Card in the Annual Reports for FY20 & FY21 comprise only of Net Internal Complaints and Gross Banking Ombudsman Complaints.

CORPORATE GOVERNANCE INCLUDING DETAILS PERTAINING TO BOARD MEETINGS, PERFORMANCE EVALUATION, COMMITTEE DETAILS, VIGIL MECHANISM, CREDIT RATING, ETC.

SBI Card has a strong and committed corporate governance framework, which encompasses policies, processes and people,

by directing, controlling and managing activities with objectivity, transparency and integrity.

SBI Card is committed to ensure fair and ethical business practices, transparent disclosures and reporting. The focus of the Company is on being compliant towards statutory requirements, regulations and guidelines and ethical conduct of business throughout the organization with primary objective of enhancing stakeholder's value while being a responsible corporate citizen. In Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with Certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance has been appended herewith as **Annexure 6** and forms part of this Annual Report.

Further the Corporate Governance Report which forms part of this Report also covers the following:

- Particulars of the Board Meetings held during the financial year under review.
- The details with respect to composition of the Committees of the Board and establishment of Vigil Mechanism.
- The manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made.
- Compliance with provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The credit ratings of the company as at the end of March 31, 2021.
- Name of the debenture trustees with full contact details.

ACKNOWLEDGEMENT

The Board of Directors wish to thank the Reserve Bank of India, Company's Bankers, customers, shareholders, employees and collaborators for their valuable assistance, support and co-operation.

For and on behalf of the Board

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

Date: July 23, 2021
Place: Mumbai

Annexure - 1 to the Board's Report

FORM NO. AOC-2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. no	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.
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Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. no	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including Transaction, value if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any (in ₹)
1	State Bank of India, Holding Company	- Finance charges - Advertisement, sales promotion (incentives) & Collection - Cost allocations and other arrangements - Borrowings (including Interest) - Fixed Deposit (including Interest) - Fees and Commission, Bank charges - Royalty Expenses - Loans & Advances - Contribution to Other Fund – NPS - Dividend Paid - Cash & Bank Balance	Ongoing	All the transactions are in ordinary course of business and are at arms' length. (The values of transactions are disclosed in notes to accounts)	Not Applicable as the Transactions are entered in the Ordinary Course of Business and at arms' length.	20,00,000/-

Note: The above disclosures on material transactions are based on threshold prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For and on behalf of the Board

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

Date: July 23, 2021
Place: Mumbai

Annexure - 2 to the Board's Report

Annual Report on CSR Activities for FY21

1 Brief outline on CSR policy of the company

The Company's CSR mission is to be a significant contributor in India's growth story, by undertaking innovative, technology driven and impactful CSR programs with underprivileged communities.

The Company's CSR vision is for an inclusive society where everybody has access to opportunities, financial security, and quality of life.

The Organization has outlined the following key focused area for CSR activities: -

(i) Skill Development , (ii) Education, (iii) Health, (iv) Environment

2 Composition of the CSR committee (as on March 31, 2021)

S I. no	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rama Mohan Rao Amara	Member, Executive Nominee Director	4	NA
2	Devendra Kumar	Member, Non-Executive Nominee Director	4	2
3	Sunil Kaul	Member, Non-Executive Nominee Director	4	4
4	Rajendra Kumar Saraf	Member, Non-Executive Independent Director	4	4

3 Web-link with information on Composition of CSR committee, CSR Policy and CSR projects approved by the board on the website of the company.

Composition of the current CSR committee : <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/composition-of-board-of-directors-and-committees.pdf>

CSR Policy: https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr_policy_sbicpsl.pdf

CSR Projects: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr-projects-undertaken-in-fy-2020-21.pdf>

4 Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

SBI Card has been conducting impact assessment to monitor and evaluate its strategic CSR projects. The Company takes note of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed, for which the impact assessment report is applicable in FY 2020-21.

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not applicable

S I. no	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	-	-

6 Average net profit of the company as per section 135(5). ₹ 1603.11 Crores

7	Details	Amount (₹ in Crores)
	(a) Two percent of average net profit of the company as per section 135(5)	32.06
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).	32.06

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
32.07	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ In Crores)	Amount spent in the current financial year (₹ In Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Name	CSR Registration number
				State	District							
1	Undertaken multiple projects with focus on inclusive education, improving healthcare infrastructure and awareness, skill development with focus on differently abled individuals, environment conservation and rural development.	Healthcare, Education, Skill development, Rural Development and environment (i), (ii), (iv) & (X)	Yes	PAN India		Apr 2020- June 2024	11.89	8.87	0	No	SBI FOUNDATION	CSR00001456
2	Promoting Mental Healthcare by Improving mental wellbeing to overcome mental issues such as suicidal tendency, alcohol and drug dependence, anxiety, stress, emotion control by providing treatment to patients suffering from mental health issues.	Healthcare (i)	No	Rajasthan	Udaipur	Mar 2021 - Sept 2021	0.95	0.95	0	No	RAJASTHAN MEDICARE RELIEF SOCIETY	NA
3	The project caters to underserved and neglected areas i.e., palliative care and end of life care support to terminally ill Cancer patients	Healthcare (i)	Yes	Telangana	Hyderabad	Jan 2021- Sep 2021	1.60	0.73	0	No	ROTARY CLUB OF BANJARA HILLS CHARITABLE TRUST	CSR00002050
4	Supporting 6 family-based care homes (4 in Greenfield, Faridabad and 2 at Bawana, New Delhi)	Childcare (iii)	Yes	"Delhi Haryana"	"North West Delhi Faridabad"	Dec 2020 - Nov 2021	0.89	0.47	0	No	SOS CHILDRENS VILLAGE OF INDIA	CSR00000692
5	Education and pre-vocational training of underprivileged students at Vidyapeeth school, Gurugram	Education (ii)	Yes	Haryana	Gurugram	Jan 2021- Dec 2021	0.35	0.17	0	No	LITERACY INDIA	CSR00000061

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ In Crores)	Amount spent in the current financial year (₹ In Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Registration number
6	Mobile Medical Unit (MMU) being implemented by Smile Foundation supports primary health care services to the underprivileged communities in the slums of Delhi, Gurugram, Chennai and Agra.	Healthcare (i)	Yes	Delhi Haryana Tamil Nadu Uttar Pradesh	Delhi Gurugram Chennai Agra	Dec 2020 - Nov 2021	1.78	0.80	0	No	SMILE FOUNDATION	CSR00001634
7	Improving Access to Primary Healthcare Services through Telemedicine, to strengthen infrastructure and processes at the sub center level of primary healthcare system level facilities to make them model health center. To widen the range of services at Subcenters through Telemedicine.	Healthcare (i)	No	Haryana	Nuh	Feb 2021- July 2021	0.27	0.21	0	No	SMILE FOUNDATION	CSR00001634
8	Support of medical equipment to SHKM Government Medical College (Nuh) and PGIMS (Rohtak).	Healthcare (i)	No	Haryana	Rohtak, Nuh	Feb 2021- Aug 2021	4.60	3.26	0	No	AMERICARES INDIA FOUNDATION	CSR00000791
9	To develop sustainable supply chain and strengthen segregation and collection of plastic waste. In addition to this, the project would recycle plastic waste for commercial use in automobile and construction sectors	Environment (iv)	Yes	Delhi Uttar Pradesh	East Delhi Gautam Buddh Nagar	Feb 2021- Jan 2022	2.86	1.70	0	No	INDIAN POLLUTION CONTROL ASSOCIATION	CSR00001162
10	Improving Performance of Government schools in Haryana through Training of Teachers and providing digital infrastructure	Education (ii)	No	Haryana	Kaithal, Karnal	Feb 2021 - Oct 2021	0.55	0.44	0	No	INTERNATIONAL ASSOCIATION FOR HUMAN VALUES	CSR00000683
11	Process and Recycle Horticulture and Wet Waste in Four Areas of New Delhi through State-Of-The-Art Waste Processing and Composting Units in Partnership with NDMC	Environment (iv)	Yes	Delhi	New Delhi	Feb 2021 - May 2022	1.19	0.48	0	No	INTERNATIONAL ASSOCIATION FOR HUMAN VALUES	CSR00000683
12	Music education to children with focus on life skills and mental health, primarily in the region of Delhi.	Healthcare (i)	Yes	Delhi	South Delhi South West Delhi South East Delhi Central Delhi New Delhi East Delhi North Delhi	Feb 2021 - Jan 2022	0.73	0.51	0	No	MANZIL MYSTICS	CSR00001739

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ In Crores)	Amount spent in the current financial year (₹ In Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Registration number
13	CSR Support to Mental Health Foundation for development of resilience in students of classes 6th-8th enrolled in NCR schools through an Audiovisual program based on bio-psycho and socio-cultural model of well-being and support for Mental Health E-Magazine "Mansik Swasthya Patrika"	Healthcare (i)	Yes	Delhi	South Delhi South West Delhi East Delhi North West Delhi	Mar 2021 - Mar 2022	0.69	0.21	0	No	MENTAL HEALTH FOUNDATION	NA
14	Mainstreaming Deaf youth through Skill Development and suitable Livelihoods	Skill Development (ii)	No	Uttar Pradesh	Gautam Buddh Nagar	Feb 2021 - Mar 2023	1.69	0.20	0	No	NOIDA DEAF SOCIETY	CSR00000396
15	Future Perfect initiative for Skill Development and Entrepreneurship. The program will improve the employability of India's underprivileged youth through English language and 21st century (employability) skills followed by placements	Skill Development (ii)	Yes	Pan India		Feb 2021 - Feb 2022	1.00	0.25	0	No	NUDGE LIFESKILLS FOUNDATION	CSR00001634
16	Project is to support the development and operation of the Hybrid School at Gurgaon, which will aid the provision of education to children of underprivileged background through the Hybrid model of schooling.	Education (ii)	Yes	Haryana	Gurugram	Feb 2021 - May 2022	1.78	0.43	0	No	LOTUS PETAL CHARITABLE FOUNDATION	CSR00001939
17	The project aims at bringing about a social behavioral change to sensitize women and adolescent girls on challenges associated with reproductive mental health, gender-based violence, assertiveness training, self-esteem, partner communication along with sexual reproductive health through community led approach and health care functionaries.	Healthcare (i)	Yes	Delhi	South West Delhi	Feb 2021 - Jan 2024	3.28	0.30	0	No	MAMTA HEALTH INSTITUTE FOR MOTHER AND CHILD	CSR00001978
18	The Project aims for Solid waste management to improve cleanliness and clean environment in Gurugram.	Environment (iv)	Yes	Haryana	Gurugram	Mar 2021 - Feb 2023	1.43	0.14	0	No	SAAHAS	CSR00000097

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ In Crores)	Amount spent in the current financial year (₹ In Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Registration number
19	The project is centered around imparting skill training (ii) and facilitating job placement of visually impaired youths. The project focuses on technology training, personality development and soft skills training for people with visual impairment and partially sighted youths. Further, the project also focusses on supporting education of school-going children with visual impairment.	Skill Development	Yes	Delhi	South West Delhi	Feb 2021 - Jan 2022	0.71	0.65	0	No	THE NATIONAL ASSOCIATION FOR THE BLIND	CSR00000523
20	The project is centered around enhancing learning outcomes by improving access to technology and empowering students across 11 schools of Delhi and Gurgaon.	Education (ii)	Yes	Delhi Haryana	West Delhi and North Delhi Gurugram	Feb 2021 - Feb 2022	1.55	1.21	0	No	YUVA UNSTOPPABLE	CSR00000473
21	Support provided to set up a Computer Operator Programming Assistant in the laboratory in Hathras (U.P).	Skill Development (ii)	No	Uttar Pradesh	Hathras	Sept 2020 - Mar 2022	0.23	0.23	0	No	NOORUL ULOOM EDUCATION TRUST	NA
22	Supporting the elderly diagnosed with mental health issues by provision of shelter and healthcare facilities, targeted for abandoned senior citizens and mentally disabled citizens.	Healthcare (i)	Yes	Haryana	Gurugram	Feb 2021 - Jan 2022	0.86	0.86	0	No	THE EARTH SAVIOURS FOUNDATION	CSR00002026
Total							40.86	23.07	0			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Production and distribution of cotton face masks, apron, head cap, head soap and COVID awareness pamphlets at Pan India level.	Disaster Management (xii)	Yes	Pan India		2.03	No	EKAL GRAMOTHAN FOUNDATION	CSR00000757
2	CSR Support to Plan International (India Chapter) for purchase of personal protection equipment kits and other protective equipment for providing support to healthcare staff deployed in Shaheed Hasan Khan Mewati Government Medical College, Nalhar (Nuh)	Disaster Management (xii)	No	Haryana	Nuh	0.75	No	PLAN INTERNATIONAL INDIA CHAPTER	CSR00001490

1	2	3	4	5		6	7	8	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
3	Supported Eighteen (18) Airvo heated humidified high flow nasal cannula systems and accessories	Disaster Management (xii)	No	Rajasthan	Udaipur	0.46	No	RAJASTHAN MEDICARE RELIEF SOCIETY	NA
4	Support of Covid testing kits for investigation and treatment of COVID Patients.	Disaster Management (xii)	Yes	Rajasthan	Jaipur	2.68	No	RAJASTHAN MEDICARE RELIEF SOCIETY MOTHER AND CHILD HEALTH INSTITUTE JPR	NA
5	Covid19 disaster relief by providing free meals twice a day to migrants, homeless shelters, daily wagers and other underprivileged beneficiaries in coordination with the local district administration.	Disaster Management (xii)	Yes	Delhi Gujarat Rajasthan Uttar Pradesh	Delhi Ahmedabad Jaipur Mathura	0.50	No	THE AKSHAYAPATRA FOUNDATION	CSR00000286
6	Support abandoned and destitute elderly and physically challenged in Delhi by providing dry ration support and basic hygiene kit.	Disaster Management (xii)	Yes	Delhi	South East Delhi South Delhi	0.49	No	SAINT HARDAYAL EDUCATIONAL AND ORPHANS WELFARE SOCIETY	CSR00000665
7	Supporting the stay and care of elderlies at the Guru Vishram Vridh Ashram (old age home) managed by NGO partner Saint Hardayal Education and Orphan Welfare Society (SHEOWS)	Elderly care (iii)	Yes	Delhi Uttar Pradesh	Delhi Amroha	1.18	No	SAINT HARDAYAL EDUCATIONAL AND ORPHANS WELFARE SOCIETY	CSR00000665
8	Distribution of dry ration and essential item kit to economically weaker section and PPE Kit to Healthcare professionals	Disaster Management (xii)	No	Uttar Pradesh	Agra	0.91	No	SMILE FOUNDATION	CSR00001634
Total						9.00			

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) (in ₹) 32.07 Crores
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	3206.22
(ii)	Total amount spent for the Financial Year	3206.61
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.39
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.39

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceeding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
Total				0			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). None

- (a) Date of creation or acquisition of the capital asset(s). NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

For and on behalf of the Board

Rama Mohan Rao Amara
MD & CEO
DIN:08951394

Rajendra Kumar Saraf
Chairman CSR Committee
DIN:02730755

Dinesh Kumar Khara
Chairman
DIN:06737041

Annexure - 3 to the Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,
The Members,
SBI CARDS AND PAYMENT SERVICES LIMITED
(Formerly known as SBI Cards and Payment Services Private Limited)
Unit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1, 2, 3, Netaji Subhash Place,
Wazirpur New Delhi-110034

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 ("Period under review") according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable during the period under review.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the period under review.
- (vi) The Management has confirmed and certified the following laws are being specifically applicable to the Company:
 - a) Reserve Bank of India Act, 1934 and Rules made thereunder;
 - b) Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Company had made an application in form MR-2 with the Ministry of Corporate Affairs ("Ministry"), to obtain the approval of Central Government for the appointment of Mr. Ashwini Kumar Tewari, as Managing Director & CEO of the Company with effect from August 01, 2020 in terms of section 196,197 read with Schedule V (specifically for the condition provided in clause (e), Part I of Schedule V) of the Act. Mr. Ashwini Kumar Tewari has resigned from the position of Managing Director & CEO w.e.f January 27, 2021. Thereafter for filling the vacancy caused in the office of Managing Director of the company, Mr. Rama Mohan Rao Amara, was appointed by the board, as Managing Director & CEO of the Company with effect from January 30, 2021 and made an application in form MR-2 with the Ministry, to obtain the approval of Central Government in terms of section 196,197 read with Schedule V (specifically for the condition provided in clause (e), Part I of Schedule V) of the Act. Application for Mr. Tewari was pending for approval before the Ministry as on the closure of financial year ended March 31, 2021. However, application for Mr. Rao was filed on April 22, 2021 and the same is also pending for approval before the Ministry as on the date of this report.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) and a system exists for seeking and

obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, following specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- (i) During the period under review, the Company has made allotment of 19,000 Non-Convertible Debentures of ₹ 1,000,000/- each to the selected group of investors on Private Placement basis aggregating to ₹ 1900 crores-.
- (ii) During the period under review, the Company has redeemed its Non-Convertible Debentures aggregating to ₹ 1400 crores.

**For Chandrasekaran Associates
Company Secretaries**

Dr. S Chandrasekaran

Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN: F001644C000448277

Date: June 11, 2021

Place: Delhi

Notes:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.
- (ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to FY21.

Annexure-A to Secretarial Audit report

To,
The Members,
SBI CARDS AND PAYMENT SERVICES LIMITED
(Formerly known as SBI Cards and Payment Services Private Limited)
Unit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1, 2, 3, Netaji Subhash Place,
Wazirpur New Delhi-110034

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

**For Chandrasekaran Associates
Company Secretaries**

Dr. S Chandrasekaran

Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN: F001644C000448277

Date: June 11, 2021

Place: Delhi

Annexure - 4 to the Board's Report

Particular of Employees

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of Employee	Designation and Nature of Duties	Relation with any Director/ CEO of the Company	Nature of Employment, whether contractual or otherwise and other Terms and conditions	Remuneration Per Annum (₹ Crores)	Qualification and Age	Experience (Years)	Date of Commencement of Employment	Last Employment
1	Mrs. Aparna Kuppaswamy	Executive Vice President & Chief Risk Officer	NA	Full Time Employee (FTE)	1.75	BSc Chem (H)+ Master of Finance and control, 50 Years	25	1-Apr-09	GE Money
2	Mr. Nalin Negi	Executive Vice President & Chief Financial Officer	NA	Full Time Employee (FTE)	1.70	CA+ICWA, 52 Years	27	1-May-12	GECSI
3	Mr. Girish Budhiraja	Executive Vice President & Chief Product and Marketing Officer	NA	Full Time Employee (FTE)	1.55	B.Tech from Indian School Of Mines, LLB from DU, PGDBM from IIM, Bangalore, 49 Years	26	22-Oct-12	American Express
4	Mr. Manish Dewan	Executive Vice President & Chief Sales Officer	NA	Full Time Employee (FTE)	1.67	BE Mechanical, MBA from IIM, 53 Years	29	1-Oct-11	GE Capital Business Process Management Services Private Limited
5	Mr. Pradeep K Khurana	Executive Vice President & Chief Information and Digital Officer	NA	Full Time Employee (FTE)	1.24	- Bachelor of Engineering (with Hons) - Post Graduate Diploma in Advanced Computing - GE Information Management Leadership Program (2 Years) - GE Experienced Information Management Program (1 Year) , 42 Years	20	1-Jan-12	GE – 11 years (GECIS, GE Corporate, GE Capital)
6	Mr. Richhpal Singh	Chief Operating Officer	NA	Full Time Employee (FTE)	1.30	BA, Economics, 62 Years	30+	11-Dec-17	JIO Payments Bank Ltd
7	Mrs. Rinku Sharma	Executive Vice President & Chief Compliance Officer	NA	Full Time Employee (FTE)	1.01	BSC (Hons) Chemistry, MBA (Marketing & Finance), 48 Years	25	1-Nov-12	GE Capital
8	Mr. Vishal Singh	Executive Vice President - Head, Banca Channel	NA	Full Time Employee (FTE)	1.29	PG Diploma from Institute of Integrated Learning in Management, 44 Years	21	16-Nov-04	ARCUS LTD.

S. No.	Name of Employee	Designation and Nature of Duties	Relation with any Director/ CEO of the Company	Nature of Employment, whether contractual or otherwise and other Terms and conditions	Remuneration Per Annum (₹ Crores)	Qualification and Age	Experience (Years)	Date of Commencement of Employment	Last Employment
9	Mr. Amit Batra	Executive Vice President & Head - Operations	NA	Full Time Employee (FTE)	1.38	IHM, Calcutta, 48 Years	28	1-Apr-08	GE
10	Mr. Monish Vohra	Executive Vice President & Head - Customer Services	NA	Full Time Employee (FTE)	1.24	Delhi College of Engineering, FMS Delhi, 50 Years	26	27-Jan-14	MetLife India Insurance Co. Ltd

Note:

1. Pursuant to amalgamation of SBI Business Process Management Services Private Limited (SBIBPMSL) with SBI Card, the employees of SBIBPMSL were transferred to the Company.
2. Remuneration shown above excludes perquisite on ESOP exercised during the FY21.
3. None of the employees listed above hold 2% or more of the paid-up share capital of the Company as at March 31, 2021.

For and on behalf of the Board

Date: July 23, 2021
Place: Mumbai

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

Particular of Employees

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) the ratio of the remuneration of MD & CEO to the median remuneration of the employees of the Company for the financial year; - MD & CEO remuneration to median remuneration of the employees as on March 31, 2021 – **11.98:1** (*MD & CEO remuneration is the aggregate remuneration paid to MD & CEOs in the FY21*)

The Company has paid sitting fees aggregating to ₹ 1.03 Crores to the Eligible Non-executive Directors for attending the meetings of the Board and/or Committees thereof.

- (ii)* the percentage increase in remuneration of MD & CEO, Chief Financial Officer, and Company Secretary: **NIL**

- (iii)* the percentage increase in the median remuneration of employees in the financial year: **4.67%**

- (iv) the number of permanent employees on the rolls of Company March 31, 2021 – **3869**

- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; - as stated above. No exception to be reported.

- (vi) affirmation that the remuneration is as per the remuneration policy of the Company. - **Yes**

Note: 1. Remuneration considered in this disclosure excludes perquisite on ESOP exercised during the FY21.

2.* Remuneration considered at point (ii) and (iii) excludes variable payout.

For and on behalf of the Board

Date: July 23, 2021
Place: Mumbai

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

Annexure - 5 to the Board's Report

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company	L65999DL1998PLC093849
2. Name of the Company	SBI Cards and Payment Services Limited
3. Registered address	Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India;
4. Website	www.sbicard.com
5. E-mail ID	investor.relations@sbicard.com;
6. Financial Year reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Credit Card Business (Division 64 and 66 Activities through credit cards- NIC Code)
8. List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	Credit Cards
9. Total number of locations where business activity is undertaken by the Company	There are total 20 National locations (as per S&E registration) on which business activity is undertaken by the company.
(a) Number of International Locations (Provide details of major 5)	
(b) Number of National Locations	
10. Markets served by the Company Local/State/ National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR)	940.53 Cr
2. Total Turnover (INR)	9713.58 Cr
3. Total profit after taxes (INR)	984.52 Cr
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	32.066 Cr representing 3.26% of the Profit after Tax

5. List of activities in which expenditure in 4 above has been incurred:

The major activities in which the above CSR expenditure has been incurred includes:

- (i) Livelihood and Skill Enhancement
- (ii) Education
- (iii) Health and Sanitation
- (iv) Old age homes/orphanage and gender equality
- (v) Ensuring environmental sustainability

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
No.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Not Applicable.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No.

SECTION D: BR INFORMATION

1 Details of Director/ Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies and b) Details of the BR Head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	08951394
2.	Name	Mr. Rama Mohan Rao Amara
3.	Designation	MD & CEO
4.	Telephone Number	+91 (124) 458 9803
5.	E-mail ID	Investor.relations@sbicard.com

2 Principle-wise (as per NVGs) BR Policy/ policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NGVs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7 Note 4	P8	P9
1	Do you have a policy/policies for..?	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / International standards? If yes, specify? (Note 1)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online (Refer Note)	Note 3	Note 2	Note 2	Note 3	Note 2	Note 3	-	Note 3	Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent Audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

Note 1: Policies have been formed in compliance of the applicable laws and the Company has adopted the best practices prevailing in the industry.

Note 2: Internal Document not accessible to the public

Note 3:**1. Principle 1:**

- a. Code of Conduct for the Company's Board of Directors and Senior Management Team: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-conduct-for-board-and-smt.pdf>
- b. Related Party Transactions Policy: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/rpt-policy.pdf>
- c. Corporate Governance Code: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/corporate-governance-code.pdf>
- d. Vigil Mechanism Policy: https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/vigil_mechanism_policy.pdf
- e. Fair Disclosure of UPSI: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-practices-and-procedure-for-fair-disclosure-of-UPSI.pdf>
- f. Policy for Determination of Materiality of Events/ Information and Disclosure: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/policy-for-determination-of-materiality-of-events-information-and-disclosure-thereof-to-the-stock-exchange.pdf>
- g. Fair Practice Code: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/footer/fair-practice-code/fair-practise-code.pdf>
- h. SBI Card has more policies conforming to this Principle. These policies are internal documents and not accessible to the public.

2. Principle 4, 6 and 8:

- a. Corporate Social Responsibility Policy: https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr_policy_sbicpsl.pdf

3. Principle 9:

- a. Grievance Redressal Policy: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/footer/fair-practice-code/customer-grievance-redressal-customer-liability-for-unauthorised-card-transaction-policy.pdf>

Note 4: The Company has not advocated/lobbied through any association.

b) If answer to Sr. No. 2 against any principle, is 'No', please explain why: Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the principles.	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself In a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next 1 year.	-	-	-	-	-	-	-	-	-
5.	Any other reason (please specify).	-	-	-	-	-	-	-	-	-

Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

In order to ensure that the Company adopts responsible business practices in line with its social, environmental and economic responsibilities, the Board of Directors of the Company has formulated Sustainability & Business Responsibility Policy. Further, to provide oversight and

ensure effective implementation of the policy and approve all strategic initiatives under the said policy, the Company also has a Sustainability & Business Responsibility Committee. The said Committee meets once in quarter or earlier to oversee overall environmental and social performance and steer our sustainability vision in the right direction.

Further, the Business Responsibility Performance of the Company is also reviewed by the Board of Directors Annually.

Besides this, the CSR Committee of Board reviews the CSR initiatives taken by the Company in every 3-6 months.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Post listing of the equity shares of the Company on March 16, 2020, the Company had published its first Business Responsibility Report which formed part of the Annual Report for FY20. The company is publishing its Business Responsibility Report annually as a part of its Annual Reports. The reports are available at <https://www.sbicard.com/en/who-we-are/annual-reports.page>.

Further, since Q2 of FY21, the Quarterly Investor Presentation also includes Sustainability performance of the Company. The said presentations can be accessed at <https://www.sbicard.com/en/who-we-are/business-presentations.page>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Code of Conduct which is part of the Compliance Policy of the Company covers the above aspects and the same is applicable to all employees, suppliers, contractors, third parties representing the Company and consultants of the Company.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During FY20-21 no complaints pertaining to ethics, bribery and corruption were received by the Company.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

SBI Card with its parent entity as State Bank of India, continually focusses on reaching out to the segments of the society that continually work towards serving the nation. The Company's customers come from various walks of life, such as Doctors, Paramilitary and Armed forces. Below are the special products for the above-mentioned segments:

- a. **Doctor's SBI Card:** This card was launched by SBI Card in association with Indian Medical Association. The card is

specifically created for medical professionals and offers a suite of rewarding features to Doctors for their personal and professional purchase needs. Indian Medical Association has lent their support to this credit card as a symbol of their belief in this SBI Card venture for the medical community.

- b. **Shaurya SBI Card/ Shaurya SBI Card Select:** Suite of cards launched to commemorate the Armed and paramilitary forces of the nation. The product has been a unique value proposition catering to the personnel of armed /paramilitary forces. Through the immense distribution network of State Bank of India, SBI Card endeavors to bring this card to the farthest corners of the country where our Armed and paramilitary forces are deployed.

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product (Optional)

Not Applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company being a NBFC is engaged in the Financial Services sector, therefore material purchase for operations is not significant except for paper and plastic. However, while procuring the electronic equipment such as computers, laptops, lighting devices, ACs etc, the Company ensures that energy efficiency standards are considered.

4. What percentage of the inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not applicable considering the nature of business of the Company.

5. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable considering the nature of business of the Company.

However, the Company has number of Micro, Small & Medium Enterprises (MSME) registered as Vendor for various goods and services and the Company is committed to promote participation of MSME in the Company.

6. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Not applicable since the Company is not a manufacturing Company.

Principle 3 (P3): Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees.

As on March 31, 2021, total number of employees was 3,869.

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.

As on March 31, 2021 the outsourced workforce of the Company was 37,599.

3. Please indicate the number of permanent women employees.

As on March 31, 2021 number of permanent women employees were 1,115.

4. Please indicate the number of permanent employees with disability.

As on March 31, 2021 number of permanent employees with disability were 2.

5. Do you have an employee association that is recognized by management?

There is no employee association.

6. What percentage of your permanent employees are members of this recognized employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, and sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company provides equal access to opportunities, fair treatment and is committed to the applicable labor and employment laws. The Company also refrains from any discrimination on the basis of caste, creed, gender or religion.

Number of Complaints on the above points are:

Sr. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of this financial year
	Child labor/ forced labor/ involuntary labor	0	0
	Sexual harassment	1	0
	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/ Temporary/ Contractual Employees
- Employees with disabilities

All levels of full-time employees across the organization and outsourced employees are imparted the essential skills, competency development, compliance, infosec, health & wellness trainings. Such trainings are provided to the employees by various ways such as classroom module (now virtual), web-based e-learning, drills etc. Further, the Company also create awareness among its employees, about such aspects through various Communication Channels. These trainings have been imparted during the FY 2021 as per schedule.

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes. The Company has identified its Internal and external key stakeholders, which includes Investors/Shareholders, Employees, Customers, Regulatory Bodies, and Community.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The CSR Committee of the Company develops the roadmap and action plan taking into consideration the expectations of different stakeholders including those which need support on multiple fronts. The Company mobilizes resources to implement various programs for upliftment of these stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

For details please refer Annexure 2 of the Board's Report.

Principle 5 (P5): Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Code of Conduct which is part of the Compliance Policy of the Company covers the above aspects and the same is applicable to all employees, suppliers, contractors, third parties representing the Company and consultants of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the FY21, no complaints pertaining to Human Rights were received by the Company. For status of other Complaints kindly refer Principle 1 & 3.

Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

It Covers only the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

The Company is committed to responsibly conduct its business. The business has a framework in place to effectively manage environment management to limit carbon footprint. There is constant endeavor to undertake innovative initiatives to protect the environment. The Company has contributed towards making a greener planet by enabling environment conserve natural resources.

By ways of Digitization initiatives and use of paperless communication like eKits, statement on e-mail and SMS, the Company has saved over 1.95 lakh trees in FY21.

The Company replaced all conventional lights and replaced it with LED lights, further installed sensors to Auto control on/off to optimize energy.

Digitization drive & installation of smart printers with 'Managed Print Service' have helped us reduce carbon footprint by limiting unwanted prints & saving papers. Installation of smart applications have also helped us hardcode double side printing of papers to optimize usage of papers.

The company developed Policy to limit business travels as much as possible and promoted virtual meetings through various platforms, thus reducing carbon footprint.

Installation of multipurpose color-coded waste bin to effectively manage wet, dry & plastic waste for recycling.

The Company installed Sensor based faucets to significantly reduce usage of water.

Periodic activity is being carried out at all offices on replacement & cleaning of AC coils & filters to conserve energy. Insulation of AC ducts as well as installation of heat resistant films on façade to preserve Colling and thus save energy.

As a process, all E-waste is collected, packed & sent to vendor for recycling initiative to limit carbon footprint.

Internal branding & communication through digital signage to save paper and thus conserve energy. Further, to the extent permitted, Company communicates with customers digitally i.e. via SMS and emails to reduce usage of paper.

Further, the Company has also taken initiatives on the abovementioned issues, details stated in Annexure 2 to the Board's Report.

3. Does the company identify and assess potential environmental risks?

The aspect outlined in this principle is not relevant to the Company given the nature of its business.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

A: The aspect outlined in this principle is not relevant to the Company given the nature of its business. However, the Company has taken multiple CSR initiatives in environment category which includes solid waste management, maintenance of public park and watershed management, processing and recycling horticulture and wet waste, strengthening of segregation and collection of plastic waste by setting up the dry waste collection Centre and setting up recycling facility for the low grade and noncommercial plastic waste.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

Yes. Please refer Point 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Not applicable

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Indian Banks' Association (IBA)
- Confederation of Indian Industry (CII)

In addition, we also associate with two more associations by way of participating in their meetings and various forums:

- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Federation of Indian Chambers of Commerce & Industry (FICCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company does not engage in policy advocacy or in lobbying through any association. However, time to time we work with the associations mentioned above relating to the issues related to the Industry and contribute our views in case the same are solicited.

Principle 8 (P8): Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company's CSR mission is to be a significant contributor in India's growth story, by undertaking innovative, technology driven and impactful CSR programs with underprivileged communities.

The Company's CSR vision is for an inclusive society where everybody has access to opportunities, financial security, and quality of life.

The Organization has outlined the following key focused area for CSR activities: -

- (i) Skill Development
- (ii) Education
- (iii) Health
- (iv) Environment

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes programmes/projects through NGOs/Implementing agencies such as SBI Foundation, SOS Children's Villages India, Smile Foundation, Lotus Petal Foundation, Noida Deaf Society etc.

3. Have you done any impact assessment of your initiative?

The Company periodically reviews the impact of various programmes/projects undertaken by the Company. It conducted social audit of 8 ongoing CSR projects to assess their impact.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

The Company has spent ₹ 32.066 Cr on various corporate social responsibility initiatives undertaken by the Company during FY21.

For more details please refer Annexure 2 to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Company ensures participation of Concerned community while undertaking a programme to ensure its sustainable impact.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Out of the Complaints received during the year, approximately 1% cases were pending as on the end of FY21.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Since we are into the business of issuance of Credit Card and activities which are incidental thereto, we would like to clarify and state that the information pertaining to such products are not on the product label per-se but at multiple customer touchpoints like website, application forms, welcome kits etc. which are in public domain. In terms of the guidelines laid by the Reserve Bank of India, the Company provides complete and relevant information about the cards at all stages and at all customer touchpoints. Our each interaction with the customer throughout their journey is clear and transparent. At the point of Sales, our representatives keep prospective customers well informed by sharing “Most Important Terms and Conditions” (MITC) along with product information as per regulatory requirements. Since we also believe in complete trust, fairness and transparency and also adhere to a Fair Practice Code which is also in public domain, the comprehensive understanding of card type and its features is given to the customer empowering him to make a choice.

SBI credit card applicants give their consent on the product information and the “Most Important Terms and Conditions” by signing the application forms. While they are being onboarded as a customer, we contact them to re-iterate all relevant details as specified above. Along with the SBI Credit Card, we send a Welcome Kit to the customers comprising of card related brochures, features information accompanied with “Most Important Terms and Conditions” (MITC) and cardholder agreement.

In addition, complete details of all our card variants are available on the website including product features, service charges and applicable fees. We continually create awareness on good practices and engage our customers through e-mails, SMS alerts and social media platforms like website, mobile app, Facebook, etc.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year?

In the ordinary course of business, we have seen that the customers at times file cases against the Company, including Consumer cases alleging inter alia deficiency of services, which are contested and decided accordingly on a case to case basis. Apart from this there is one civil appeal pending before the Hon'ble Supreme Court of India titled HSBC Ltd Vs Awaz & Ors., challenging the order passed by Hon'ble National Consumer Commission relating to interest charges levied on credit cards. The Company has been allowed to join as intervenor. The said matter is pending for final hearing/arguments. We would also like to confirm that no case has been filed nor pending against the Company before the Competition Commission of India.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company measures Customer Experience through internal Transactional CSAT process covering various touch points i.e Website, Mobile app, IVR, helpline & Service request closures. Customer feedback request is initiated on interactions over aforementioned channels basis logics built in system to measure customer experience level and consider customer inputs for driving process improvements.

The Company participates in an annual syndicated CX (Customer Experience) survey conducted by Forrester Research & Kantar, both professional and reputed research agencies. The objective of the survey is to measure, monitor and manage the customer experiences that are most likely to create and sustain loyalty. The CX survey measures experience and advocacy levels of customers across processes and touchpoints vis-à-vis competition. The insights of CX survey are used to create and implement an action plan, to improve processes and enhance the service quality of the Company.

For and on behalf of the Board

Date: July 23, 2021
Place: Mumbai

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

Annexure - 6 to the Board's Report

Corporate Governance Report

Company's Philosophy on Code of Corporate Governance:

The Corporate Governance Philosophy of the Company is to ensure fair and ethical business practice, transparent disclosures and reporting. Its focus is on statutory compliance, regulations and guidelines, and to promote ethical conduct of business throughout the organization with primary objective of enhancing stakeholders' value while being a responsible corporate citizen.

Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and create a built-in mechanism of verification and internal controls to ensure that the decision-making process, vested in the executive management, are used with due care and responsibility.

The Company is committed to attain the highest standards of Corporate Governance.

1. BOARD OF DIRECTORS:

The Board of Directors consists of Nine Directors as on March 31, 2021, of which One is Executive Director and eight are Non-Executive Directors (NED); out of eight NED, five are Independent Directors (IND). Fourteen Board Meetings were held during the twelve months period from April 1, 2020 to March 31, 2021 i.e., on April 21, 2020, May 8, 2020, June 6, 2020, July 15, 2020, July 20, 2020, August 21, 2020, October 1, 2020, October 22, 2020, November 25, 2020, December 19, 2020, January 18, 2021, January 21, 2021, January 30, 2021 and March 12, 2021. Attendance and other details as on March 31, 2021 are as given below alongwith the changes in the Board during the year under review till the date of the Report: -

S. no	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies			Directorship in other listed entity Indian Public (Category of Directorship)
					Directorships \$	Committee Memberships**	Committee Chairmanships**	
1	Mr. Dinesh Kumar Khara (DIN: 06737041)	Chairman, Non-Executive, Non-Independent Director (Nominee of SBI)	14	Yes	7	5	0	1. State Bank of India (Chairman) 2. SBI Life Insurance Company Limited (Chairman Non-Executive - Nominee Director)
2	Mr. Rama Mohan Rao Amara (DIN: 08951394)	Executive, Non-Independent Director (Nominee of SBI)	2	NA	-	0	0	--
3	Mr. Devendra Kumar (DIN: 08828056)	Non-Executive, Non-Independent Director (Nominee of SBI)	9	Yes	1	0	0	--
4	Mr. Sunil Kaul (DIN: 05102910)	Non-Executive, Non-Independent Director (Nominee of CARH)	14	Yes	1	1	0	1. PNB Housing Finance Limited (Non-Executive - Nominee Director)
5	Dr. Tejendra Mohan Bhasin (DIN: 03091429)	Non-Executive, Independent Director	14	Yes	4	5	1	1. Ruchi Soya Industries Limited (Non-Executive - Independent Director) 2. PNB Housing Finance Limited (Non-Executive - Independent Director) 3. PNB Gilts Limited (Non-Executive - Independent Director)
6	Mr. Rajendra Kumar Saraf (DIN: 02730755)	Non-Executive, Independent Director	14	Yes	2	1	0	--

S. no	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies			Directorship in other listed entity Indian Public (Category of Directorship)
					Directorships \$	Committee Memberships**	Committee Chairmanships**	
7	Mr. Dinesh Kumar Mehrotra (DIN: 00142711)	Non-Executive, Independent Director	14	Yes	5	6	0	1. VLS Finance Limited (Non-Executive - Independent Director), 2. Computer Age Management Services Limited (Non-Executive - Independent Director) 3. UTI Asset Management Company Limited (Non-Executive - Independent Director)
8	Ms. Anuradha Shripad Nadkarni (DIN: 05338647)	Non-Executive, Independent Director	14	Yes	-	0	0	--
9	Mr. Shriniwas Yeshwant Joshi (DIN: 05189697)	Non-Executive, Independent Director	5	NA	1	1	0	--

Note:

SBI- State Bank of India and CARH- CA Rover Holdings – equity investor

- Mr. Hardayal Prasad (DIN: 08024303), Managing Director & CEO and Mr. Shree Prakash Singh (DIN: 08026039), Non-Executive, Non-Independent Director (Nominee of SBI) were ceased to be the Directors of the Company w.e.f. close of business hours on July 31, 2020.
- Mr. Ashwini Kumar Tewari (DIN: 08797991) was appointed as Managing Director & CEO of the Company w.e.f. August 1, 2020. Further, Mr. Devendra Kumar (DIN: 08828056) was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. August 21, 2020.
- Mr. Rajnish Kumar (DIN: 05328267), Chairman, Non-Executive, Non-Independent Director (Nominee of SBI) ceased to be the director of the Company w.e.f. close of business hours of October 6, 2020.
- Mr. Nilesh Shivji Vikamsey (DIN: 00031213), Non-Executive, Independent Director ceased to be the director of the Company w.e.f. November 5, 2020, consequent upon his resignation from the directorship of the Company with effect from November 5, 2020, due to personal reasons. Mr. Nilesh Shivji Vikamsey had confirmed that there were no material reasons other than those provided above.
- Mr. Shriniwas Yeshwant Joshi (DIN: 05189697) was appointed as an Additional Independent director w.e.f. December 4, 2020.
- Mr. Ashwini Kumar Tewari, Managing Director & CEO, ceased to be the director of the Company w.e.f. January 27, 2021. Post his cessation as MD & CEO, Mr. Ashwini Kumar Tewari was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. April 5, 2021.
- Mr. Rama Mohan Rao Amara (DIN: 08951394) was appointed as Managing Director & CEO of the Company w.e.f. January 30, 2021.
- Mr. Devendra Kumar, Non-Executive, Non-Independent Director (Nominee of SBI) ceased to be the director of the Company w.e.f. close of business of June 8, 2021.
- Mr. Sunil Kaul (DIN: 05102910), Non-Executive, Non-Independent Director (Nominee of CARH) ceased to be the director of the Company w.e.f. June 18, 2021
- Mr. Mihir Narayan Prasad Mishra (DIN: 08321878) was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. June 18, 2021.

The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Further, the Independent Directorships held by the Directors are in accordance with the Listing Regulations.

\$ Excluding private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

** Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee pursuant to Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the committee details provided, every chairpersonship is also considered as a membership.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

There is no inter-se relationship between our Board members.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any. The Board is satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The number of Equity Shares of ₹ 10/- each (i.e. Shares) held by the Directors as on March 31, 2021 are: Mr. Rama Mohan Rao Amara – 70 Shares, Mr. Rajendra Kumar Saraf - 38 Shares and Mr. Devendra Kumar – 29 Shares. Further, Mr. Ashwini Kumar Tewari holds 40 Equity Shares of ₹ 10/- each of the Company.

None of the other directors holds any equity share in the Company. The Company does not have any outstanding convertible instruments.

Details of Skills/Expertise/Competencies possessed by the Directors who were part of the Board on March 31, 2021

The Company has identified the following as core skills/expertise/competencies required in the context of the Company's business and sector for it to function effectively. The skills/expertise/competencies are classified in following three Categories:

- 1. Industry Knowledge/Experience:** Industry Experience, Knowledge of sector, Knowledge of broad policy direction, understanding of government legislation/legislative process.
- 2. Technical Skills/Experience:** Appropriate skills, experience and knowledge in one or more fields of Finance, Banking, Law, Management, sales, marketing and business development, administration, research, technical operations, information technology, corporate strategy, international business, operations management or other disciplines related to the Company's business.
- 3. Governance Competencies:** Prior Director experience, Financial literacy, Compliance and Corporate Governance focus, strategic thinking/planning from a governance perspective.

A chart or a matrix setting out the skills / expertise / competence of the Board of Directors as on 31.3.2021 is as follows:

S. no	Name of the Director	Core skills / expertise / competencies		
		Industry Knowledge/ Experience	Technical Skills/ Experience	Governance Competencies
1	Mr. Dinesh Kumar Khara, <i>Non-Executive Chairman</i>	✓	✓	✓
2	Mr. Rama Mohan Rao Amara <i>Managing Director and CEO</i>	✓	✓	✓
3	Mr. Devendra Kumar <i>Non-Executive Director</i>	✓	✓	✓
4	Mr. Sunil Kaul <i>Non-Executive Director</i>	✓	✓	✓
5	Dr. Tejendra Mohan Bhasin <i>Independent Director</i>	✓	✓	✓
6	Mr. Rajendra Kumar Saraf <i>Independent Director</i>	✓	✓	✓
7	Mr. Dinesh Kumar Mehrotra <i>Independent Director</i>	✓	✓	✓
8	Ms. Anuradha Shripad Nadkarni <i>Independent Director</i>	✓	✓	✓
9	Mr. Shriniwas Yeshwant Joshi <i>Independent Director</i>	✓	✓	✓

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 26, 2021. Dr. Tejendra Mohan Bhasin was unanimously elected as Chairman of the said meeting. All the Independent Directors were present at the said meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/details-of-familiarization-programmes.pdf>.

REMUNERATION PAID TO DIRECTORS:

(i) Executive Directors: The details of remuneration paid in the financial year ended March 31, 2021 to the Executive Director is as follows:

- Mr. Hardayal Prasad, Managing Director & CEO (till July 31, 2020) - ₹ 0.35 Crores (inclusive of PLI for FY20 paid in FY21, amounting to ₹ 0.12 Crores).
- Mr. Ashwini Kumar Tewari, Managing Director & CEO (August 1, 2020 to January 27, 2021) - ₹ 0.30 Crores (no PLI for FY20 was paid in FY21).
- Mr. Rama Mohan Rao Amara, Managing Director & CEO (January 30, 2021) - ₹ 0.11 Crores (no PLI for FY20 was paid in FY21)

No Stock Options were granted by the Company to the above mentioned Executive Directors.

There are no service contracts entered into by our Directors with our Company which provide for benefits upon termination of employment. Further, the Managing Director & Chief Executive Officer of the Company is governed by the SBI Rules as well as resolutions passed by the Board of Directors and the Shareholders of the Company.

(ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹ 1.03 Crores to the Non-executive Directors for attending the meetings of the Board and/or Committees thereof.

Apart from receiving sitting fees for attending Board and Committee meetings by the eligible Non-executive Directors of the Company and credit card transactions in the ordinary course of business, there are no pecuniary relationship of the Non-executive Directors with the Company.

Closing Balance as on March 31, 2021 of the credit cards issued to Directors of the Company was ₹ 0.02 Crores.

COMMITTEES OF THE BOARD

The Board has delegated powers to various Committees. Each of the Board's Committee has been delegated with specific responsibilities/ matters as per the provisions of the Companies Act, 2013, SEBI LODR, RBI Directions/Guidelines and as per the business requirements. The minutes of every Committee meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee meetings are also placed before the Board. Further, the Terms of reference of the Committees are available on the website of the Company. The various committees, their roles and their members are;

Audit Committee:

Pursuant to the Companies Act, the Listing Regulations and the NBFC Regulations, the Company has constituted an Audit Committee. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and the NBFC Regulations. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act, the Listing Regulations and the NBFC Regulations.

As on March 31, 2021, the Committee consists of six Directors, out of which four are Non-executive Independent Directors and two are Non-Executive, Non-Independent Directors. All the members of the Committee are financially literate and have necessary accounting & financial management expertise/background. Mr. Shriniwas Yeshwant Joshi, Chairman of the Committee is a professional Chartered Accountant with strong financial analysis background.

Nine meetings of the Audit Committee were held during the financial year ended March 31, 2021. Dates of the meetings are: April 21, 2020, May 8, 2020, July 20, 2020, July 29, 2020, August 21, 2020, October 22, 2020, November 25, 2020, January 21, 2021 and March 9, 2021. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Shriniwas Yeshwant Joshi, Chairman*	2	2
2	Mr. Devendra Kumar* @	4	4
3	Dr. Tejendra Mohan Bhasin	9	9
4	Mr. Rajendra Kumar Saraf	9	9
5	Mr. Sunil Kaul@	9	9
6	Ms. Anuradha Shripad Nadkarni	9	9
7	Mr. Nilesh Shivji Vikamsey#	6	6
8	Mr. Shree Prakash Singh#	4	4

* Mr. Shriniwas Yeshwant Joshi and Mr. Devendra Kumar were inducted in the Committee w.e.f. December 4, 2020 and August 21, 2020, respectively. Mr. Shriniwas Yeshwant Joshi was appointed as Chairman of the Committee w.e.f. December 4, 2020.

#Mr. Nilesh Shivji Vikamsey and Mr. Shree Prakash Singh were ceased to be the Members of the Committee w.e.f. November 5, 2020 and close of business hours on July 31, 2020, respectively. Mr. Nilesh Shivji Vikamsey ceased to be the Chairman of the Committee w.e.f. November 5, 2020.

@Mr. Sunil Kaul and Mr. Devendra Kumar were ceased to be the Members of the Committee w.e.f. June 18, 2021 and close of business hours on June 8, 2021, respectively.

Note: w.e.f. June 18, 2021 Mr. Mihir Narayan Prasad Mishra was inducted in the Committee.

The Company Secretary acts as the Secretary of the Committee.

Nomination and Remuneration Committee

As on March 31, 2021, the Committee consists of six Directors, out of which three are Non-executive Independent Directors and three are Non-Executive, Non-Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and the NBFC Regulations.

Seven meetings of the Nomination and Remuneration Committee were held during the financial year ended March 31, 2021. Dates of the meetings are: May 8, 2020, July 15, 2020, July 18, 2020, October 21, 2020, January 21, 2021, January 30, 2021 and March 9, 2021. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Dr. Tejendra Mohan Bhasin, Chairman	7	7
2	Mr. Dinesh Kumar Khara#	7	4
3	Mr. Devendra Kumar* #	4	4
4	Mr. Sunil Kaul#	7	7
5	Mr. Rajendra Kumar Saraf	7	7
6	Mr. Shriniwas Yeshwant Joshi*	3	3
7	Mr. Nilesh Shivji Vikamsey@	4	3
8	Mr. Shree Prakash Singh@	3	3

@ Mr. Nilesh Shivji Vikamsey and Mr. Shree Prakash Singh were ceased to be the Members of the Committee w.e.f. November 5, 2020 and close of business hours on July 31, 2020, respectively.

**Mr. Shriniwas Yeshwant Joshi and Mr. Devendra Kumar were inducted in the Committee w.e.f. December 4, 2020 and August 21, 2020, respectively.*

#Mr. Sunil Kaul and Mr. Devendra Kumar were ceased to be the Members of the Committee w.e.f. June 18, 2021 and close of business hours on June 8, 2021, respectively. Mr. Dinesh Kumar Khara was ceased to be the Member of the Committee w.e.f. June 18, 2021.

Note: w.e.f. June 18, 2021 Mr. Mihir Narayan Prasad Mishra and Mr. Ashwini Kumar Tewari were inducted in the Committee.

Performance Evaluation

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with an objective to continuously improve Board's governance, your Company had engaged a reputed external consulting organization, which assisted in laying down parameters for performance evaluation of Directors, Chairman, Board Level Committees and Board as a whole and also assisted in facilitating the overall evaluation process. The parameters of evaluation and the overall process were approved by the Nomination and Remuneration Committee of the Company and is aligned with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Guidance Note on Board Evaluation. The Performance evaluation of the Board, each Director, Committees and Chairman for the financial year ending March 31, 2021 has been duly completed as required under law.

Further, in a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors,

performance of the Board as a whole and performance of the Chairman were evaluated. The Independent Directors had also expressed satisfaction with the overall performance of the Non-Independent Directors, Chairperson and the Board as a whole. The evaluation process validated the Board of Directors' confidence in the governance values of the Company, the synergy that exists amongst the Board of Directors and the collaboration between the Chairman, the Board and the Management.

Stakeholders' Relationship and Customer Experience Committee

As on March 31, 2021, the Committee consists of three Directors, out of which One is Non-executive Independent Director and two are Non-Executive, Non-Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. Further, the Board of Directors of the Company at its meeting held on June 18, 2021 had re-constituted the 'Stakeholders Relationship Committee' as 'Stakeholders Relationship and Customer Experience Committee'.

Two meetings of the Stakeholders' Relationship Committee were held during the financial year ended March 31, 2021. Dates of the meetings are: May 7, 2020 and November 25, 2020. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Rajendra Kumar Saraf, Chairman*	2	2
2	Mr. Devendra Kumar@	1	1
3	Mr. Sunil Kaul@	2	2
4	Mr. Shree Prakash Singh#	1	1

#Mr. Shree Prakash Singh ceased to be the Member of the Committee w.e.f. Close of business hours on July 31, 2020.

@Mr. Devendra Kumar inducted in the Committee w.e.f. August 21, 2020 and was ceased to be the Member of the Committee w.e.f. Close of business hours on June 8, 2021. Mr. Sunil Kaul ceased to be the Member of the Committee w.e.f. June 18, 2021.

*Mr. Rajendra Kumar Saraf ceased to be the Chairman of the Committee w.e.f. June 18, 2021.

Note: w.e.f. June 18, 2021 Mr. Rama Mohan Rao Amara, Mr. Mihir Narayan Prasad Mishra and Dr. Tejendra Mohan Bhasin were inducted in the Committee. Dr. Bhasin was appointed as the Chairman of the Committee w.e.f. from June 18, 2021.

(a) number of shareholders' complaints received during the Financial Year ended March 31, 2021: **1596**

(b) number of Complaints not solved to the satisfaction of shareholders: **Nil**

(c) number of pending complaints (as on 31.3.2021): **28**

(d) name and designation of compliance officer; **Ms. Payal Mittal Chhabra**
Company Secretary and Compliance Officer

Note: Number of Complaints pending as on 31.3.2021 mentioned above were subsequently resolved in the next quarter. Further, the number of Complaints referred above also includes queries, requests etc. received from the shareholders.

Corporate Social Responsibility Committee:

The Company has a 'Corporate Social Responsibility Committee' which comprises of four Directors out of which one is Independent Director, two are Non-Executive Nominee Directors and One is Executive Nominee Director, as on March 31, 2021. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013.

During the financial year ended March 31, 2021, Four Meetings of the Corporate Social Responsibility Committee were held. Date of the meetings are: May 7, 2020, August 21, 2020, November 25, 2020 and January 21, 2021. The names of the Members of the Committee and their attendance at the Meetings during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Rama Mohan Rao Amara*	NA	NA
2	Mr. Devendra Kumar^	2	2
3	Mr. Sunil Kaul#	4	4
4	Mr. Rajendra Kumar Saraf	4	4
5	Mr. Ashwini Kumar Tewari^	3	3
6	Mr. Hardayal Prasad@	1	1
7	Mr. Shree Prakash Singh@	1	1

@Mr. Shree Prakash Singh and Mr. Hardayal Prasad were ceased to be the Members of the Committee from Close of business hours on July 31, 2020.

^ Mr. Ashwini Kumar Tewari was inducted in the Committee w.e.f. August 1, 2020 and ceased to be the Member of the Committee w.e.f. January 27, 2021. Mr. Devendra Kumar was inducted in the Committee w.e.f. August 21, 2020 and ceased to be the Member of the Committee w.e.f. Close of business hours on June 8, 2021.

* Mr. Rama Mohan Rao Amara was inducted in the Committee w.e.f. January 30, 2021.

Mr. Sunil Kaul ceased to be the Member of the Committee w.e.f. June 18, 2021.

Note: Mr. Rajendra Kumar Saraf was appointed as the Chairman of the CSR Committee w.e.f. June 18, 2021. Further, Mr. Mihir Narayan Prasad Mishra and Mr. Dinesh Kumar Mehrotra were inducted in the Committee w.e.f. June 18, 2021 and June 28, 2021, respectively.

Risk Management Committee

The Company has a 'Risk Management Committee' which comprises of four directors out of which one is Independent Director, two are Non-Executive Nominee Directors and One is Executive Nominee Director, as on March 31, 2021. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Regulation 21 of the Listing Regulations and the NBFC Regulations.

During the financial year ended March 31, 2021, Seven Meetings of the Risk Management Committee were held. Date of the meetings are: May 7, 2020, July, 18 2020, October 21, 2020, November 25, 2020, January 14, 2021, January 21, 2021 and March 9, 2021. The names of the Members of the Committee and their attendance at the Meetings are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Rama Mohan Rao Amara*	1	1
2	Mr. Devendra Kumar#	5	5
3	Mr. Sunil Kaul^	7	7
4	Mr. Dinesh Kumar Mehrotra*	5	4
5	Mr. Ashwini Kumar Tewari#	4	4
6	Mr. Hardayal Prasad@	2	2
7	Mr. Shree Prakash Singh@	2	2

@ Mr. Shree Prakash Singh and Mr. Hardayal Prasad were ceased to be the Members of the Committee from Close of business hours on July 31, 2020.

#Mr. Ashwini Kumar Tewari was inducted in the Committee w.e.f. August 1, 2020 and ceased to be the Member of the Committee w.e.f. January 27, 2021. Mr. Devendra Kumar inducted in the Committee w.e.f. August 21, 2020 and was ceased to be the Member of the Committee w.e.f. Close of business hours on June 8, 2021.

*Mr. Dinesh Kumar Mehrotra, was inducted in the Committee w.e.f. July 20, 2020 and was appointed as the Chairman of the Committee w.e.f. June 18, 2021. Mr. Rama Mohan Rao Amara, was inducted in the Committee w.e.f. January 30, 2021.

^ Mr. Sunil Kaul was ceased to be the Member of the Committee w.e.f. June 18, 2021.

Note: Ms. Anuradha Shripad Nadkarni was inducted in the Committee w.e.f. June 28, 2021.

Mr. Mihir Narayan Prasad Mishra was inducted in the Committee w.e.f. June 18, 2021.

Executive Committee

With a view of achieving speedier decision making on corporate card proposals in order to ensure business growth, the Board of Directors had constituted a Management Level Executive Committee. Thereafter the Board of Directors of the Company at its meeting held on June 18, 2021 had reconstituted the Executive Committee as a Board Level Committee. As on the date of the Report, the Committee consists of four Directors, out of which two are Non-executive Independent Directors and One is Non-Executive, Non-Independent Director and One is Executive Director. The composition and the 'Terms of Reference' of the Committee is also available on the website of the Company at www.sbicard.com.

The composition of the Committee is as follows:

Sl. No.	Name of the Member	Position
1	Mr. Ashwini Kumar Tewari	Chairman, Non-executive Nominee Director
2	Mr. Dinesh Kumar Mehrotra	Member, Independent Director
3	Mr. Rama Mohan Rao Amara	Member, Executive Nominee Director
4	Ms. Anuradha Shripad Nadkarni	Member, Independent Director

IT Strategy Committee

The Board of Directors of the Company had constituted a management level IT Strategy Committee to oversee management's establishment of appropriate systems that include policies and procedures to ensure that IT operational risks in the Company are effectively controlled and to review and approve appropriate IT investments that were required in the Company before recommending the same to the Board for approval. Thereafter, the Board of Directors of the Company at its meeting held on June 18, 2021 had reconstituted the IT Strategy Committee as a Board Level Committee. The composition and the 'Terms of Reference' of the Committee is also available on the website of the Company at www.sbicard.com. As on the date of this report the Committee consists of following members.

The composition of the Committee is as follows:

Sl. No.	Name of the Member	Position
1	Mr. Rajendra Kumar Saraf	Chairman, Independent Director
2	Dr. Tejendra Mohan Bhasin	Member, Independent Director
3	Mr. Rama Mohan Rao Amara	Member, Executive Nominee Director
4	Mr. Richhpal Singh	Member, Chief Operating Officer
5	Mr. Pradeep Khurana	Member, Chief Information & Digital Officer
6	Mr. Nalin Negi	Member, Chief Financial Officer
7	Mr. Dhananjay Khanna	Member, Chief Information Security Officer
8	Mr. Harvansh Singh Sagar	Member, Chief Technology Officer

ANNUAL GENERAL MEETINGS

The date and time of the Annual General Meetings held during last three years and the special resolution(s) passed there at, are as follows:

Date	Venue	Time	Special Resolution(s) Passed
September 28, 2020	Meeting was conducted through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') pursuant to the relevant MCA/SEBI Circulars. Deemed Venue of the meeting: Registered Office of the Company i.e. Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi – 110034	11.00 A.M.	Approval of Article 33(ii) (b) and (c) and Article 37(ii) (b) of the Articles of Association
September 27, 2019	Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034,	11.00 A.M.	Initial Public Offering ("IPO") of the Company, comprising of combination of a fresh issue and an offer for sale of equity shares by the existing shareholders
September 28, 2018	SBI Card, Board Room, 2nd Floor, DLF Infinity Tower B, Gurgaon - 122002	11.00 A.M.	None

POSTAL BALLOT

During the year under review, two Postal Ballots were conducted by the Company for seeking the approvals of the Members. The details of the Postal Ballots conducted are mentioned below:

Postal Ballot 1:

Date of Postal Ballot Notice : May 8, 2020

Voting period : May 19, 2020 (from 10.00 A.M.) to June 17, 2020 (till 5.00 P.M.)

Date of Declaration of Results : June 18, 2020

Voting Pattern:

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
1	To consider and approve the Material Related Party Transactions	Ordinary Resolution	44226292	36586788	82.73	7639504	17.27
2	To ratify the 'SBI Cards - Employee Stock Option Plan 2019'	Special Resolution	846351692	834753852	98.63	11597840	1.37

Postal Ballot 2:

Date of Postal Ballot Notice : March 1, 2021

Voting period : March 10, 2021 (from 10.00 A.M.) to April 8, 2021 (till 5.00 P.M.)

Date of Declaration of Results : April 9, 2021

Voting Pattern:

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
1	Appointment of Shri Rama Mohan Rao Amara as Managing Director and CEO of the Company	Ordinary Resolution	869819657	869742753	99.99	76904	0.01

For both of the abovementioned Postal Ballots Mr. Vineet K Chaudhary (Certificate of Practice no. 4548) Managing Partner of M/s VKC & Associates, Company Secretaries, or failing him Mr. Mohit K. Dixit (Certificate of Practice no. 17827), Partner of M/s VKC & Associates, Company Secretaries, were appointed as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner

The postal ballots were conducted as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules thereunder and the Circulars issued by the Ministry of Corporate Affairs in this regard.

Further, there is no immediate proposal for passing any resolution through postal ballot.

MEANS OF COMMUNICATION:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which

promotes management-shareholder relations. Your Company believes that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. Accordingly, the Company disseminates information on its operations and initiatives on a regular basis.

The quarterly, half yearly and annual results of the Company are published in leading English and Hindi newspapers such as Times of India, Economic Times and Navbharat Times. The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website at www.sbicard.com.

Further, all price sensitive information and matters that are material to the Stakeholders including Press Releases and Presentations made to institutional investors or to the analysts, if any, are disclosed to the respective Stock Exchanges where the securities of the Company are listed and are also displayed on the Company's website at www.sbicard.com.

From time to time the Company also sends reminders to the shareholders to claim their unclaimed shares and unpaid dividend.

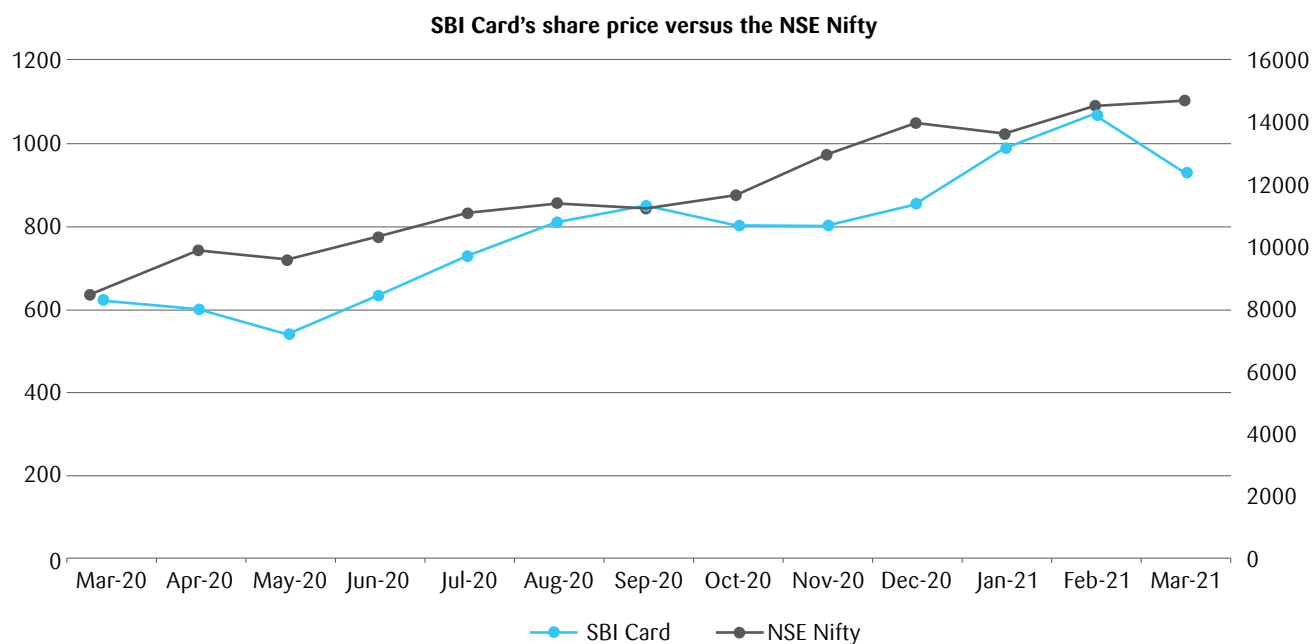
GENERAL SHAREHOLDER INFORMATION

Annual General Meeting - Date, Time and Venue	Thursday, August 26, 2021 at 11.00 a.m through video /other permissible audio-visual means.
Financial Year	Deemed Venue for Meeting: Registered Office: Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India; 01.04.2020 to 31.03.2021
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	- The Equity Shares of the Company are listed on the following Stock Exchanges: (i) BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 - The Non-Convertible Debentures of the Company are listed on BSE.
Stock Code;	The annual listing fee for the FY21 have been paid to both the aforesaid Stock Exchanges. The securities of the Company are not suspended from trading. BSE - 543066 NSE - SBICARD ISIN - INE018E01016

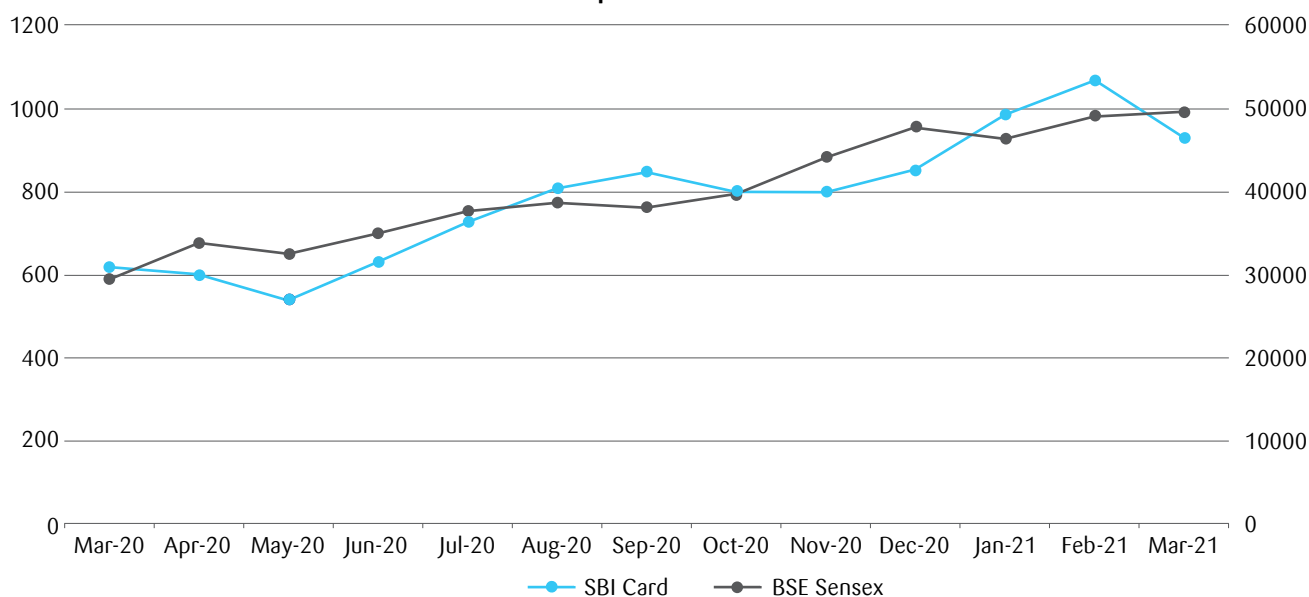
STOCK MARKET PRICE DATA

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2020	625.9	501.1	624	501
May 2020	587.85	495.25	586	495
June 2020	695.3	542.05	695.5	544
July 2020	798	626.15	798.45	626.35
August 2020	848.45	724.1	848.7	720.9
September 2020	867.5	773.55	868	774.05
October 2020	918.6	762.7	918.75	766.1
November 2020	863.7	770.75	863.95	770.15
December 2020	862.45	795	864	795
January 2021	1040	847.95	1040	843
February 2021	1149	976.3	1137.45	974.65
March 2021	1139.3	907.8	1139	906.35

SBI Cards and Payment Services Ltd.'s (SBI Card's) Share Performance v/s BSE Sensex and NSE Nifty



SBI Card's share price versus the BSE Sensex



REGISTRAR AND TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company's Registrar and Transfer Agent for Equity Shares is the Link Intime India Private Limited ("Link Intime"). All share transfers and related operations are conducted by Link Intime. The Registrar and Transfer Agent for Debt Securities issued by the Company is Zuari Finserv Limited.

FOR EQUITY:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai – 400 083
Maharashtra, India
Telephone: +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

FOR DEBT:

Zuari Finserv Limited
Corporate One, 1st Floor, 5 Commercial Centre, Jasola,
New Delhi – 110025, India
Telephone: 011-41697900,
Facsimile: 011-40638679
Email: rta@adventz.zuarimoney.com
Website: www.zuarimoney.com

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021 [Face Value of ₹ 10/- each];

Sr. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	1065067	99.4963	278575210	2.9619
2	501 to 1000	2779	0.2596	20396860	0.2169
3	1001 to 2000	1124	0.105	15867160	0.1687
4	2001 to 3000	402	0.0376	10065450	0.107
5	3001 to 4000	173	0.0162	6075350	0.0646
6	4001 to 5000	151	0.0141	7043320	0.0749
7	5001 to 10000	241	0.0225	17316120	0.1841
8	10001 to above	522	0.0488	9049915090	96.2219
TOTAL :		1070459	100	9405254560	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY;

Trading in the Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2021, all the Equity Shares were held in dematerialized form except one equity share.

OUTSTANDING GDRS/ADRS/WARRANTS/ OPTIONS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: Total number of ESOPs in force as on 31.3.2021 - 11,527,703 (including options vested but not exercised).

PLANT LOCATIONS: NIL

ADDRESS FOR CORRESPONDENCE FOR SHARE TRANSFER AND RELATED MATTERS

Ms. Payal Mittal Chhabra

Company Secretary and Compliance Officer

2nd Floor, Tower-B, Infinity Towers, DLF Cyber City, Block 2
Building 3, DLF Phase 2, Gurugram, Haryana 122 002, India
Telephone: +91 124 458 9803
E-mail: investor.relations@sbiocard.com

Link Intime India Private Limited (Registrar & Share Transfer Agent)

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli
(West), Mumbai – 400 083, Maharashtra, India
Contact Person: Mr. Ashok Shetty
Telephone: +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

NAME OF THE DEBENTURE TRUSTEES WITH FULL CONTACT DETAILS:

Axis Trustee Services Limited

Registered Office: Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400025

Corporate Office: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar west, Mumbai – 400 028

Contact: 022-62300451 Fax: 022-62300700

Contact Person: Mr. Anil Grover, General Manager, Operations Head

Email: Debenturetrustee@axistrustee.in

Website: www.axistrustee.com

SEBI Registration No.: IN000000494

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The credit ratings of the company as at the end of March 31, 2021 are as below:

Instrument	Rating	Rating Agency	Comments
Debentures/Bonds	AAA/Stable	CRISIL & ICRA	This is highest level of ratings and Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.
Short Term Ratings	A1+	CRISIL & ICRA	
(Bank Lines/Commercial Paper)			
			Such instruments carry lowest credit risk.

During the financial Year ended March 31, 2021, there were no revisions in the Credit Rating obtained by the Company.

OTHER DISCLOSURES:

- 1. Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: None

Suitable disclosures as required by Ind AS 24 – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/rpt-policy.pdf>

- 2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no cases of non-compliance by the Company of any matter related to capital markets during the last three years.

- 3. Vigil Mechanism/Whistle Blower Policy:**

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a Vigil Mechanism for Directors and Employees to provide a mechanism which provides adequate safeguards to employees and Directors from any victimization on raising of concerns of any unethical practice/non-compliance/irregularity observed.

The details of establishment of such mechanism have been disclosed on the website of the Company i.e. www.sbicard.com. Further, It is affirmed that no personnel has been denied access to the Audit Committee.

- 4. Prevention of Sexual Harassment of Women at Workplace:**

Your Company is sensitive to women employees at workplace. SBI Card has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. This Policy is applicable to all SBI Card employees, including other persons who have dealings with the Company and operate from SBI Card's workplaces, provided however that one of the party is a SBI Card employee.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints on sexual harassment under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned below:

- a. number of complaints filed during the financial year - 1
- b. number of complaints disposed of during the financial year - 1
- c. number of complaints pending as on end of the financial year:- Nil

The above case was investigated by ICC (Internal Complaints Committee) members and is closed.

- 5. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities;**

The Company enters into derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank.

During the year ended March 31, 2021, the Company has designated certain foreign exchange forward contracts as cash flow hedges the movement in spot rates to mitigate the risk of foreign exchange exposure on underlying foreign currency exposures. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting and any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

- 6. Details of utilization of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32 (7A):**

During the financial year, the Company has not raised any funds through preferential allotment or Qualified Institutions Placement.

- 7.** The Company has received a certificate dated June 11, 2021 from Dr. S Chandrasekaran, (FCS 1644 CP No. 715) Senior Partner, M/s. Chandrasekaran Associates, Company Secretaries, certifying that none of the Directors on the Board of the Company as on the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. The Copy of the said certificate is annexed to this report.

- 8. Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable, since the Company does not have any subsidiaries.

- 9. There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended March 31, 2021.**

10. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: During the financial year ended March 31, 2021, the Company has paid total fees for various services including statutory audit, amounting to ₹ 0.49 Crores to the Statutory Auditor, namely - M/s. S. Ramanand Aiyar & Co., Chartered Accountants (Registration No. 000990N). No fees was paid by the Company to any entity in the network firm/network entity of which the Statutory Auditor is a part. Further, the Company does not have any subsidiaries.

11. This Corporate Governance Report of the Company for the financial year ended March 31, 2021 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

12. The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable.

13. Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations-

a) Mr. Dinesh Kumar Khara is the Chairman of the Company. He is a Non- Executive Director nominated by the State Bank of India;

b) Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website at www.sbicard.com and are also submitted to the Stock Exchanges.

Further, the Company prepare presentation on financial performance on quarterly basis for its investors/analysts and submit the copy of the same with stock exchanges for investors information and the same were also made available on the Company's official website.

c) Company has submitted a declaration with the stock exchanges that the Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for year ended March 31, 2021 with unmodified opinion.

d) The Company has separate Internal Audit Department which periodically submit its report directly to the Audit Committee of the Company.

14. Information in terms of Schedule V(F) of the Listing Regulations:

Details of unclaimed suspense Account provided by our Registrar and Transfer Agent are given below:

Sr. No	Description	No. of shareholder	No. of shares*
1	Aggregate number of shareholders and the outstanding shares lying unclaimed as on April 1, 2020	23	503
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	17	389
3	Number of shareholders to whom shares were transferred from suspense account during the year	17	389
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2021	6	114

*Voting rights on the shares outstanding in the unclaimed suspense Account remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of the Board

Date: July 23, 2021
Place: Mumbai

Dinesh Kumar Khara
CHAIRMAN
DIN: 06737041

DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the members of

SBI Cards and Payment Services Limited

Sub: Affirmation of Compliance with Code of Conduct for the Company's Board of Directors and Senior Management Team

I hereby declare that all the Board members and Senior Management Personnel as on March 31, 2021, have affirmed compliance with the Code of Conduct for the Company's Board of Directors and Senior Management Team.

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Unit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1, 2, 3, Netaji Subhash Place,
Wazirpur New Delhi-110034

We have examined all relevant records of SBI Cards and Payment Services Limited ("the Company") for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Chandrasekaran Associates
Company Secretaries**

**Dr. S. Chandrasekaran
Senior Partner**

Membership No. - 1644
Certificate of Practice No - 715
UDIN: F001644C000699715

Date: July 29, 2021
Place: Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

SBI CARDS AND PAYMENT SERVICES LIMITED

(Formerly known as SBI Cards and Payment Services Private Limited)

Unit 401 & 402, 4th Floor, Aggarwal Millennium

Tower E 1, 2, 3, Netaji Subhash Place,

Wazirpur, New Delhi-110034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) and having CIN L65999DL1998PLC093849 and having registered office at Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi-110034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr._No	Name of Director	DIN	Original Date of appointment in Company
1	Dinesh Kumar Khara	06737041	01/11/2016
2	Rama Mohan Rao Amara	08951394	30/01/2021
3	Devendra Kumar	08828056	21/08/2020
4	Sunil Kaul	05102910	15/12/2017
5	Tejendra Mohan Bhasin	03091429	28/06/2019
6	Shriniwas Yeshwant Joshi	05189697	04/12/2020
7	Rajendra Kumar Saraf	02730755	14/08/2019
8	Dinesh Kumar Mehrotra	00142711	14/11/2019
9	Anuradha Shripad Nadkarni	05338647	14/11/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

Dr. S Chandrasekaran
Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN: F001644C000448431

Date: June 11, 2021

Place: Delhi

Note:

- i. Due to restricted movement amid COVID-19 pandemic, we have verified the disclosures and declarations received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

Independent Auditor's Report

To the Members of SBI Cards and Payment Services Limited

(Formerly known as SBI Cards and Payment Services Private Limited)

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, 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 (hereinafter referred to as the "financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the

Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to note 3.1 to the financial statements. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S r. No.	Key Audit Matters	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of Impairment of financial assets (Expected Credit Loss) in view of adoption of Ind AS 109 "Financial Instruments" In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost. For recognition of impairment loss on Loans to customers, where no significant increase in credit risk has been observed, such assets are classified in "Stage 1", loans that are considered to have significant increase in credit risk are considered to be in "Stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "Stage 3". Credit risk is measured using Probability of Default (PD), Exposure of Default (EAD), Loss Given Default (LGD).	Principal Audit Procedures Our audit procedures relating to the allowance for credit losses included the following, among others: • Compliance of the company's accounting policies in relation to impairment allowance with Ind AS 109 was assessed. • We evaluated the appropriateness of the ECL model chosen, assessed the reasonableness of the assumptions and estimates and completeness of information used in the estimation of Probability of Default and Loss Given Default.

S r . No.	Key Audit Matters	Auditor's Response
	Further, for corporate portfolio, Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis. The current ECL model does not cater to future economic deterioration expected due to COVID-19 fall out and is not forward looking as it is based on past historical data. However, additional management overlay has been provided on stress segments portfolio of loan and advances, duly approved by the Board of Directors. Considering the degree of estimation involved in the model and computation of impairment loss allowance along with the significance of the amount and its impact on the financial statements of the company, this area has been considered as a Key Audit Matter.	- Portfolio categorization into appropriate stages (Stage 1, Stage 2 and Stage 3) for purposes of measurement of ECL was analysed on the basis of their past-due status. - In case of specific provision against corporate advances, the relevance of trigger events and amount of additional provision was reviewed on case-to-case basis. - Reviewed of additional management overlay, particularly in response to COVID- 19 pandemic situation, by critically evaluating the stress segments that have been identified by management and approved by Board of Directors through overlay. We also tested management's workings supporting the overlay quantum. - Assessed the Disclosures in the financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation. Refer Note 37.2.2 to the Financial Statements
2	Derecognition of Financial Assets on account of sale of financial assets (loans and advances) to Asset Reconstruction Company (ARC) During the financial year, the Company has entered into a transaction for sale of financial assets (loans and advances) of Rs. 79.88 Crores, (Net of Impairment loss allowance of Rs. 152.93 Crores) to an ARC for a consideration of Rs.18.43 Crores and has thereby incurred a loss of Rs.61.45 Crores. In view of the significance of the amount and its impact on the financial statements of the Company, this area has been considered as a Key Audit Matter.	Principal Audit Procedures Our audit procedures included the following, among others: - Reviewed the Company's collection policy and accounting policy on derecognition of Financial Assets in relation to sale of financial assets. - Reviewed and compliance of guidelines of circulars issued by Reserve Bank of India (RBI), to be followed by the Company while selling their financial assets to ARC. - Reviewed Independent legal advice obtained in this regard. - Reviewed and evaluated internal valuation procedures to be followed. - Assessed the Disclosures (including requirements of RBI) in the financial statements in respect of the said transaction. Refer Note 52 to the Financial Statements

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company'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, as a whole, are free from material misstatements, 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 it 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 exercised 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 financial controls 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "1", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent as applicable.
2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in terms of sub section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in Annexure "2".
3. 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as at March 31, 2021 and taken

on record by the Board of Directors, none of the directors is disqualified as at March 31, 2021 from being appointed as director in terms section 164(2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure "3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note 45 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. Ramanand Aiyar & Co. Chartered Accountants
Firm's Registration Number: 000990N

Puneet Jain Partner
Membership No. 520928
UDIN : 21520928AAAAAN4894

Place: New Delhi
Date: April 26, 2021

Annexure “1” to Independent Auditors’ Report

(Referred to in our report of even date)

- i) In respect of Company’s fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified, once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records, Company, is not having any immovable property. Thus paragraph 3(i)(c) of the Order is not applicable to the company.
- ii) The Company is a NBFC and primarily rendering credit card services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable to the Company.
- iii) The Company has granted unsecured loans in the form of credit cards to eight directors and twelve Companies who are parties covered in the register maintained under section 189 of the Companies Act, 2013.
- In our opinion, the terms and conditions of the grant of such loans are prima facie, not prejudicial to the Company’s interest.
 - In the case of loans granted in the form of credit card to the persons listed in the register maintained under section 189 of the Act, the borrowers have been regular in the repayment of the principal and interest as stipulated.
 - There are no overdue amounts in respect of the loan granted to parties listed in register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company in terms of provision of clause b of proviso to section 185(1) is exempted from section 185(1) of the Companies Act, 2013. All necessary approvals for the transaction done under section 186 have been taken.
- v) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Rules framed there under.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- Amounts deducted/ accrued in the books of account in respect of the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income tax, Goods and Service Tax, Customs duty, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- There are no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31 2021 for a period of more than six months from the date they became payable.
- There are no dues in respect of Income Tax, Service Tax, Sales tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the Dues	Amount (Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Service Tax	1. Demand of service tax on unbilled revenue in case of associated enterprises	10.02	FY 2007-08 to FY 2011-12	Customs, Excise and Service tax Appellate Tribunal, New Delhi
	2. Demand of Service tax on difference between the gross amounts appearing in income tax return vs the service tax return			

Name of the Statute	Nature of the Dues	Amount (Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Service Tax	1. Service tax liability on reverse charge basis for payments made to service providers situated outside India. 2. On alleged wrongful availment of CENVAT credit in respect of call center services.	1.40*	FY 2003-04 to FY 2007-08	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Service Tax demand on Incentive Income	0.57	F.Y. 2007-08 to 2008-09	Customs, Excise and Service tax Appellate Tribunal, New Delhi
Service Tax	Service Tax demand on Incentive Income	0.30	F.Y. 2009-10	Customs, Excise and Service tax Appellate Tribunal, New Delhi
Service Tax	Denial of CENVAT credit in proportion of income derecognized and denial of Cenvat credit on certain input services	22.31	F.Y. 2009-10	Customs, Excise and Service tax Appellate Tribunal, New Delhi
Service Tax	Denial of Cenvat credit in proportion of income derecognized and denial of Cenvat credit on certain input services	6.54*	F.Y. 2010-11 to 2011-12	Customs, Excise and Service tax Appellate Tribunal, New Delhi
Service Tax	Demand of CENVAT Credit of Service tax availed on group medical insurance and group life insurance services of employees and family members	0.21*	FY 2008-09 to 2010-11	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Demand of Service tax in respect of Mastercard charges due to Service tax not deposited on grossed up basis	12.39*	FY 2012-13 to 2017-18	Principal commissioner of GST and Central Excise
Income Tax Act, 1961	Disallowances of Advertisement	0.34	Assessment Year 2008-09	Commissioner of Income tax (Appeal)
Income Tax Act, 1961	Transfer pricing adjustment and other disallowances	5.11	Assessment Year 2012-13	Income Tax Appellate Tribunal (ITAT)
Employees State Insurance Act, 1948	Failure to pay ESI Contribution on payment made to various contractors	2.53 *	FY 2014-15	E.S.I. Court, Gurgaon
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Failure to pay difference of EPF Contribution on payment made to employees of the Company	4.55	FY 2014-15 to 2018-2019	Regional PF Commissioner-I, Employees Provident Fund Organization, Gurgaon
TOTAL		66.27		

*Against the above liability amount (includes Interest and Penalty), Rs.2.12 Crores has been deposited.

- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a Financial Institution, Bank, Government, or dues to debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year. However, certain instances of customer frauds on the Company have been reported during the year. As informed, these primarily relate to fraudulent usage of credit cards issued by the Company. During the financial year 2020-21, the total amount involved in these frauds was Rs.0.98 Crore and the recovery against this amount (pertaining to current year as well as the previous years) is Rs. 1.11 Crore.

- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45 IA of the RBI Act, 1934.

For S. Ramanand Aiyar & Co. Chartered Accountants
Firm's Registration Number: 000990N

Puneet Jain

Partner
Membership No. 520928
UDIN : 21520928AAAAAN4894

Place: New Delhi
Date: April 26, 2021

Annexure “2” to Independent Auditors’ Report

(Referred to in our report of even date)

Report on direction and Sub- directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act 2013 on accounts of SBI Cards and Payment Service Limited (Formerly known as SBI Cards and Payment Services Private Limited) for the year ended March 31, 2021.

Annexure – I

Directions for the year 2020-21

	Particulars	Compliance of Directions
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has IT systems in place for recording/ accounting of transactions. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us, we have not come across any instance having significant implications on the integrity of accounts.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	There are no such cases in the current financial year.
III	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company has received claim amounting to Rs.73.26 Crores from Central Government under the “Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan account (1.3.2020 to 31.8.2020)” issued by Department of Financial Services (DFS) Ref: F No.2/12/2020-BOA.I dated October 23, 2020. The amount has been properly accounted for / utilised as per terms and conditions mentioned in the above said Scheme.
IV	Whether the security control for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Control Dated 18 February 2021.	The RBI directions on Digital Payment Security Controls dated 18th February 2021, will come into effect six months from the day they are placed on the official website of the Reserve Bank of India (RBI). The Company has constituted a project implementation team for the implementation purposes and the requirements contained in the directions are under implementation.
V	RBI provided a window (vide circular dated 6 August 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid -19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI circular?	The Company has made a policy based on the circular on Resolution Framework for COVID-19-related Stress, issued by RBI on August, 06 2020 (RBI/2020-21/16 DOR. No. BP. BC /3 /21.04.048/2020-21). During the year, 290,884 accounts amounting to Rs. 2668.03 Crores where resolution plan has been implemented under the above said policy. The Company has complied with the said RBI circular.

Annexure – II

Sub-Directions under section 143(5) of Companies Act 2013 for the year ended March 31, 2021.

On the basis of the books of accounts of the Company, the reply to questions and /or information required is supplied as under: -

1. Investments	
Whether the titles of ownership in respect of CGS/SGS/ Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	The investments of the Company as on March 31, 2021 are as follows: 1. 1001 shares Invested in SBI Foundation, allotted on January 2017. These shares are in physical form and the amount of investment is in agreement with amount shown in the Company's books of account. 2. 112,996 shares invested in Online PSB Loans Limited (formerly known as Capita World Platform Pvt. Ltd) in July 2018. These shares are in demat form and the investment is in agreement with Company's books of account. 3. During the year, the Company has invested in Government securities and T-Bill. These securities are in demat form with Bank of Baroda. As on March 31, 2021, Government Security having face value of Rs. 305.00 Crores and T-Bill having face value of Rs. 630.00 Crores have been invested and are in agreement with Company's books of account. 4. During the year, the Company has Investments in liquid schemes of Mutual Funds for a short duration. These are purchased/sold in physical form and is supported by statement from CAMS/Karvy. The units and amount are in agreement with the data disclosed in Company's books of account.
2. Loan	
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact.	The Company offers restructuring of the outstanding advances in equitable monthly instalments to customers, who have shown willingness to pay; but are unable to make the required payment on account of financial stress. All such advances are classified as unsecured and are treated as part of Non-Performing Assets which are classified as stage 3 assets. As per the Company's policy, adequate provision is created on such assets as per ECL computation against the total outstanding of such advances. As on March 31, 2021, total outstanding of such restructured advances stands at Rs.14.42 Crores against which a provision of Rs.9.50 crores has been made in the books of account.

Annexure “3” to Independent Auditors’ Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) (“the Company”) as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“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 Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 judgment, 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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting 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 Company; (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 company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Ramanand Aiyar & Co. Chartered Accountants
Firm’s Registration Number: 000990N

Puneet Jain

Partner
Membership No. 520928
UDIN : 21520928AAAAAN4894

Place: New Delhi
Date: April 26, 2021

Balance Sheet

as at March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	5	643.20	515.91
(b) Bank balance other than (a) above	6	74.90	161.45
(c) Derivative financial instruments	7	0.10	-
(d) Trade receivables	8	56.82	54.45
(e) Loans	9	23,459.14	22,811.64
(f) Investment	10	957.56	1.46
(g) Other financial assets	11	221.57	223.09
Total financial assets		25,413.29	23,768.00
2 Non- financial assets			
(a) Current tax assets (net)	21	21.69	9.55
(b) Deferred tax assets (net)	12	395.09	275.13
(c) Property plant and equipment	13	56.46	63.85
(d) Capital work in progress	13	0.49	11.17
(e) Intangible assets	13	89.66	77.78
(f) Intangible assets under development	13	9.58	12.49
(g) Right-of-use assets	13	161.98	169.28
(h) Other non financial assets	14	864.62	919.46
Total non-financial assets		1,599.57	1,538.71
Total Assets (1+2)		27,012.86	25,306.71
LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Derivative financial instruments	15	-	0.43
(b) Payables	16		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		748.81	721.03
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11.34	7.81
(c) Debt securities	17	5,932.93	5,799.28
(d) Borrowings (other than Debt Securities) & lease liabilities	18	10,836.78	10,474.62
(e) Subordinated liabilities	19	1,298.33	1,298.85
(f) Other financial liabilities	20	702.84	467.37
Total financial liabilities		19,531.03	18,769.39
2 Non- financial liabilities			
(a) Provisions	22	542.22	602.63
(b) Other non financial liabilities	23	637.58	593.47
Total non financial liabilities		1,179.80	1,196.10
Total liabilities (1+2)		20,710.83	19,965.49
3 Equity			
(a) Equity share capital	24	940.53	938.96
(b) Other equity	25	5,361.50	4,402.26
Total equity		6,302.03	5,341.22
Total liabilities and equity (1+2+3)		27,012.86	25,306.71

See accompanying notes to the financial statements

1 to 61

As per our report of even date attached
For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain
Partner
Membership No. : 520928

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Nalin Negi
Chief Financial Officer

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Payal Mittal Chhabra
Company Secretary

Place: New Delhi
Date : April 26, 2021

Place: Gurugram / Mumbai
Date : April 26, 2021

Statement of Profit and Loss

for the year ended March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

Particulars	Notes No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Revenue from operations			
(i) Interest Income		4,927.67	4,841.30
(ii) Income from fees and services		3,907.67	3,978.66
(iii) Service Charges		134.18	117.82
(iv) Business development incentive income		299.18	327.28
(v) Insurance commission income		8.25	11.34
(vi) Net gain on fair value changes	26	0.53	-
Total revenue from operations		9,277.48	9,276.40
2 Other income	27	436.10	475.89
3 Total income (1+2)		9,713.58	9,752.29
4 Expenses			
(i) Finance costs	28	1,043.40	1,300.93
(ii) Net loss on derecognition of financial instruments under amortised cost category	52	61.45	-
(iii) Impairment losses & bad debts	29	2,638.55	1,940.25
(iv) Employee benefits expenses	30	491.58	468.38
(v) Depreciation, amortisation and impairment	31	123.26	103.80
(vi) Operating and other expenses	32	3,999.54	4,188.83
(vii) CSR expenses	33	32.07	19.92
(viii) Net loss on fair value changes	26	-	0.54
Total expenses		8,389.85	8,022.65
5 Profit before tax (3-4)		1,323.73	1,729.64
6 Tax expense:	34		
Current tax charge / (credit)		474.25	591.79
Current tax charge / (credit) - previous year		(10.77)	3.81
Deferred tax charge / (credit)		(134.03)	(153.18)
Deferred tax charge / (credit) - previous year		9.76	42.40
Total tax expenses		339.21	484.82
7 Profit after tax for the year (5-6)		984.52	1,244.82
8 Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		7.42	(4.01)
- Tax impact on above		(1.87)	1.01
- Gain/(loss) on Investment in Equity		9.74	-
- Tax impact on above		(2.45)	-
Subtotal (A)		12.84	(3.00)
B. Items that will be reclassified to profit or loss			
- Gain/(loss) on forward contracts in hedging relationship		-	(0.22)
- Tax impact on above		-	0.08
Subtotal (B)		-	(0.14)
Other comprehensive income (A+B)		12.84	(3.14)
9 Total comprehensive income for the year (7+8)		997.36	1,241.68
10 Earnings per equity share (for continuing operation):	35		
(1) Basic		10.48	13.35
(2) Diluted		10.38	13.21
See accompanying notes to the financial statements	1 to 61		

As per our report of even date attached
For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain
Partner
Membership No. : 520928

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Nalin Negi
Chief Financial Officer

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

Payal Mittal Chhabra
Company Secretary

Place: New Delhi
Date : April 26, 2021

Place: Gurugram / Mumbai
Date : April 26, 2021

Statement of Changes in Equity

(Figure in Rupees Crores, unless otherwise stated)

A. Equity Share Capital

	Number of shares	Amount
Balance as at April 01, 2020	93,89,56,794	938.96
Changes in equity share capital during the year	15,68,662	1.57
Balance as at March 31, 2021	94,05,25,456	940.53
Balance as at April 01, 2019	83,72,22,224	837.22
Changes in equity share capital during the year	10,17,34,570	101.73
Balance as at March 31, 2020	93,89,56,794	938.96

B. Other Equity

Particulars	Reserve and Surplus						OCI		Shares pending allotment	Total
	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium reserve	Retained earnings	Share options outstanding account	Equity Investment		
Balance as at April 01, 2020	3.40	814.95	12.99	(71.51)	904.74	2,719.51	18.18	-	-	4,402.26
Addition	-	-	-	-	22.68	984.52	30.18	-	-	1,037.38
Other comprehensive income, net of income taxes	-	-	-	-	-	5.55	-	7.29	-	12.84
Transferred from Retained Earning @ 20%	-	196.90	-	-	-	(196.90)	-	-	-	-
Interim equity dividend for FY 2019-20	-	-	-	-	-	(93.90)	-	-	-	(93.90)
Transferred to general reserve	-	-	0.09	-	-	-	(0.09)	-	-	-
Transferred to securities premium reserve	-	-	-	-	7.77	-	(7.77)	-	-	-
Share application money pending allotment	-	-	-	-	-	-	-	-	2.92	2.92

Statement of Changes in Equity

(Figure in Rupees Crores, unless otherwise stated)

B. Other Equity (Contd..)

Particulars	Reserve and Surplus						OCI		Shares pending allotment	Total	
	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium reserve	Retained earnings	Share options outstanding account	Equity Investment			Effective Portion of Cash flow hedges
Balance as at March 31, 2021	3.40	1,011.85	13.08	(71.51)	935.19	3,418.78	40.50	7.29	-	2.92	5,361.50
Balance as at April 01, 2019	3.40	565.99	12.99	(71.51)	417.78	1,726.65	-	-	0.14	95.11	2,750.55
Addition	-	-	-	-	486.96	1,244.82	18.18	-	-	-	1,749.96
Other comprehensive income, net of income taxes	-	-	-	-	-	(3.00)	-	-	-	-	(3.00)
Transferred from Retained Earning @ 20%	-	248.96	-	-	-	(248.96)	-	-	-	-	-
Interim equity dividend	-	-	-	-	-	-	-	-	-	-	-
Transferred to Profit and Loss	-	-	-	-	-	-	-	-	(0.14)	-	(0.14)
Shares allotment pursuant to scheme of amalgamation	-	-	-	-	-	-	-	-	-	(95.11)	(95.11)
Balance as at March 31, 2020	3.40	814.95	12.99	(71.51)	904.74	2,719.51	18.18	-	-	-	4,402.26

As per our report of even date attached For and on behalf of the Board of Directors of
S. Ramanand Aiyar & Co.
 Chartered Accountants
 Firm Registration No. :000990N

Puneet Jain
 Partner
 Membership No. : 520928

Place: New Delhi
 Date : April 26, 2021

Rama Mohan Rao Amara
 Managing Director & CEO
 DIN: 08951394

Place: Gurugram / Mumbai
 Date : April 26, 2021

Shrinivas Yeshwant Joshi
 Director
 DIN: 05189697

Nalin Negi
 Chief Financial Officer

Payal Mittal Chhabra
 Company Secretary

Cash Flow Statement

for the year ended March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax for the year	1,323.73	1,729.64
Adjustments for :		
Depreciation and amortisation expense	123.26	103.80
Liabilities written back	(8.87)	(163.67)
Impairment losses & bad debts	2,638.55	1,940.25
Net loss on derecognition of financial instruments under amortised cost category	61.45	-
Net impact of assets derecognize pursuant to adoption of Ind AS 116	-	0.52
Other interest income	(22.91)	(3.87)
Cash inflow from interest income	16.65	4.67
Employee stock options	30.18	18.18
Finance cost	1,043.40	1,300.93
Cash outflow towards finance cost	(1,096.30)	(1,207.68)
Unrealised foreign exchange (Gain)/loss (net)	(0.11)	1.16
Loss/ (Profit) on sale of property, plant & equipment	0.18	0.24
Profit on sale on investments	(0.18)	(0.66)
Fair valuation of derivatives	(0.53)	0.54
Operating profit before working capital changes	4,108.50	3,724.05
Adjustment for changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash & cash equivalent	86.55	(118.18)
Trade receivables	(2.55)	94.37
Other financial assets	2.68	116.77
Other non financial assets	62.49	(165.34)
Loans	(3,347.15)	(6,840.30)
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	235.47	(347.55)
Other non financial liabilities	44.11	21.38
Provisions	(46.99)	71.14
Trade payables	32.04	62.14
Cash from/ (used) in operations before taxes	1,175.15	(3,381.52)
Direct taxes paid (net of refunds)	(482.83)	(681.41)
Net cash generated/ (used) in operating activities	692.32	(4,062.93)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(56.95)	(77.92)
Proceeds from sale of property, plant and equipment	0.09	0.09
Investment purchased	(1,404.57)	(1,600.00)
Investment sold	464.65	1,600.66
Net cash used in investing activities (B)	(996.78)	(77.17)

Cash Flow Statement

for the year ended March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities		
Proceeds from issue of share capital (including security premium)	27.17	493.58
Proceeds from debt securities	6,448.90	20,840.74
Repayment of debt securities	(6,262.78)	(19,293.17)
Borrowings (other than debt securities)	312.29	1,932.30
Proceeds from subordinated liabilities	-	100.00
Repayment of subordinated liabilities	-	(50.00)
Interim dividend paid (Including dividend distribution tax)	(93.83)	(100.94)
Net cash (used) / generated in financing activities (C)	431.75	3,922.51
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	127.29	(217.59)
Cash and cash equivalents as at the beginning of the year	515.91	733.50
Cash and cash equivalents as at the end of the year	643.20	515.91
	127.29	(217.59)

Note:

1. The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Ind AS 7, Statement of Cash Flows, as per Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015.

2. Cash and cash equivalents include: *

	Amount (In ₹)	Amount (In ₹)
Cash in hand	-	-
Balance with scheduled banks on		
- Current accounts	14.12	183.51
- Funds in transit (Lying in nodal account of intermediary/payment gateway aggregator)	522.49	332.40
- Deposit with maturity less than 3 months	106.59	-
Cash and cash equivalents at the end of the year	643.20	515.91

* Refer note 5

As per our report of even date attached
For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain
Partner
Membership No. : 520928

Place: New Delhi
Date : April 26, 2021

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Nalin Negi
Chief Financial Officer

Place: Gurugram / Mumbai
Date : April 26, 2021

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Payal Mittal Chhabra
Company Secretary

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

1. Company overview

SBI Cards and Payment Services Limited, formerly known as SBI Cards and Payment Services Private Limited, ("the Company" or "SBI Card") was incorporated on May 15, 1998 and is engaged in the business of issuing credit cards to consumers in India. The Company's registered office is at Netaji Subhash Place, Wazirpur, New Delhi – 110034 and its principal place of business is at DLF Infinity Towers, Gurugram, Haryana, 122002 and is domiciled in India. The Company was incorporated as a joint venture between State Bank of India and GE Capital Mauritius Overseas Investment. On December 15, 2017, GE Capital Mauritius Overseas Investments sold its entire stake (40%) in the Company to State Bank of India (14%) and CA Rover Holdings (26%).

The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45 IA of the RBI Act, 1934. Accordingly, all provisions of the Reserve Bank Act 1934 and all directions, guidelines or instructions of the RBI that have been issued from time to time and are in force and as applicable to a Non-Banking Financial Company are applicable to the company.

The Company also acts as corporate insurance agent for selling insurance policies to credit card customers. The Company has been granted license on March 01, 2012 by the Insurance Regulatory & Development Authority (IRDA) under the Insurance Regulatory & Development Authority (Insurance brokers) regulations, 2002 to act as a corporate insurance agent, valid up to March 31, 2022.

During the year ended March 31, 2020, the Company was converted to Public Limited from Private Limited and Registrar of Companies has issued fresh certificate of incorporation dated August 20, 2019. Further on March 12, 2020 fresh equity shares were allotted pursuant to Initial Public Offer (IPO) and Company was listed with effect from March 16, 2020 on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On April 26, 2021, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Compliance with IND-AS's

2.1. Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the

historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. at the end of each reporting period, as explained in the accounting policies below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Basis of preparation of financial statements

3.1. Use of estimates

The preparation of financial statements in conformity with the financial reporting framework applicable to the Company requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for expected credit loss and estimated useful life of Tangible Assets. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any changes in estimates are recognised prospectively. Refer Note 4.16 for critical estimates and judgements applied in preparation of financial statements.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Estimation of uncertainties relating to the pandemic from COVID-19

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in Indian financial markets and decrease in local economic activities. The slowdown during the year has led to a decrease in the use of credit cards by customers and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions thereagainst. The extent to which the COVID-19 pandemic, including the current "second

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

wave” that has significantly increased the number of cases in India, will continue to impact the Company’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company based on current estimates have created additional management overlay on Expected Credit Loss (ECL) on loan balances. Refer credit risk section under note 37.2.2 for further details. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements.

3.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest Crores (up to two decimals), except as stated otherwise.

3.3. Business Combinations

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against capital reserve, general reserve and balance with retained earnings in given sequence.
- The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.

4. Significant Accounting Policies

4.1. Revenue recognition

The Company’s operating revenues are comprised principally of service revenues such as Interest income on financial assets i.e. loans advanced, membership fee earned, transaction revenue earned on interchange including target incentives offered by network partners. Other fee and charges include cheque bounce charge, late fees, over limit fees etc. The Company also earns income from investments 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. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, value added taxes.

4.1.1. Interest income

Interest income includes interest income on dues from credit card holders and on EMI based advances.

Interest income and expense for all financial instruments, excluding those classified as held for trading or designated at fair value are recognised in ‘Interest income’ and ‘Finance expense’ in the statement of profit and loss using the effective interest rate method (EIR). The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR.

4.1.2. Income from fees and services

The Company sells credit card memberships to card holders, income earned from the provision of membership services is recognised as revenue over the membership period consisting of 12 months at fair value of the consideration net of expected reversals/ cancellations.

Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for a portion of the costs incurred for providing services that

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

4.1.3. Service Charges

The Company enters into contracts with co-brand partners and other service providers for marketing, sales and promotional activities. The income is recognised in the same period in which related performance is done as per the terms of the business arrangements.

Income from business process management services is recognised when (or as) the company satisfies performance obligation by transferring promised services to the customer.

4.1.4. Business Development Incentive

The Company enters into long-term contracts with network partners for various programs designed to build payments volume, increase product acceptance. Revenue recognition is based on estimated performance and the terms of the business arrangements. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

4.1.5. Insurance Commission Income

The Company acts as corporate insurance agent for selling insurance policies to credit card customers and the income arising therefrom is recognised in the same period in which related transactions occurs or services rendered at fair value of consideration net off expected reversals/cancellations.

4.1.6. Other Income

Income from Investments and Fixed Deposits

Dividend income is recognised when the right to receive the dividend is established.

Income from Fixed Deposit are recognised on accrual basis.

Interest on Investment are recognised using the effective interest rate [EIR] method.

Excess of sale price over purchase price of mutual fund units is recognised as income at the time of sale.

Unidentified receipts & Stale cheques

The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of

complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on balance sheet date. Further, the unresolved unidentified receipts aged more than three years are also written back as income on balance sheet date.

The liability for stale cheques aged for more than three years is written back as income.

Recovery from bad debts

Recovery from bad debts written off is recognised as income based on actual realisations from customers. Any recovery over and above the actual write-off is accounted for as miscellaneous income.

4.2. Expenditure

Expenses are recognised on accrual basis. Expenses incurred on behalf of other companies, for sharing personnel, etc. are allocated to them at cost and reduced from respective expense classifications. Similarly, expense allocation received from other companies is included within respective expense classifications.

4.3. Borrowing cost

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Any expenditure which is directly attributable to borrowing is capitalized and amortised over the life of borrowing loan. Borrowing cost also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

4.4. Property, Plant and Equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or

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(Figure in Rupees Crores, unless otherwise stated)

when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised. The assets are fully depreciated over the life and residual value of the assets is considered as NIL, for the purpose of depreciation computation.

Capital work- in- progress includes cost of property, plant and equipment under installation / development as at the balance sheet date.

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.

Depreciation on property, plant and equipment is provided on straight line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Description	Useful Life
Furniture and Fixture	10
Office equipment	5
Computers and Computer Equipment	3
Owned Vehicles	8
Computer server	6

Improvements of leasehold property are depreciated over the period of the lease term or useful life, whichever is shorter.

Assets acquired under lease are depreciated over the lease term or useful life, whichever is shorter.

4.5. Intangible assets

Separately acquired intangible assets: Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets comprise purchase of software, recognised at cost and amortised at the rate of 20%-50%, which represents the period over which the Company expects to derive the economic benefits from the use of the asset.

4.6. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. Company also regularly assesses collectability of dues and creates appropriate impairment allowance based on internal provision matrix. Impairment losses including impairment on inventories are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.7. Financial Instruments

Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Recognition

(I) Non -derivative financial instruments

Financial Assets

Financial assets are carried at amortized cost using Effective Interest rate method (EIR):

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at fair value through profit or loss (FVTPL).

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated for financial assets having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/ loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial

assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company 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 Company has transferred the rights to receive cash flows from the financial assets, or
- the Company has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/or infrequent transaction of sale of portfolio which doesn't affect the business model during of the Company.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure;

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

For recognition of impairment loss on Loans to customers, where no significant increase in credit risk has been observed, such assets are classified in "Stage 1" and a 12 months ECL is recognised. Loans that are considered to have significant increase in credit risk are considered to be in "Stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "Stage 3". Lifetime ECL is recognised for stage 2 and stage 3 Loans. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Further, for corporate portfolio, Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis. If in subsequent period, credit quality of the corporate loan improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL. For further details refer to note 37.2.2

For other financial assets, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of receivables. The provision matrix is based on its historically observed default rates and management judgement/ estimates over the expected life of receivable.

Write off policy:

Loans are written off when the Company has no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). A write off constitutes a derecognition event.

Company estimates such write off to get triggered on accounts which are overdue for 191 days or more from payment due date. Further, for certain commercial accounts carrying specific provision, where the likelihood of recovery of the outstanding is remote, Company may trigger an early charge off on a case to case basis management judgement. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method (EIR)

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(II) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counterparty to the Company's foreign currency forward contracts is generally a bank. The Company has derivative financial instruments which are not designated as hedges.

Any derivative that is not designated as hedge is categorized as a financial asset or financial liability, at fair value through profit or loss account.

Hedging

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on booked exposures. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Cash flow hedge

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Company designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. The forward points of the currency forward contracts are

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

therefore excluded from the hedge designation. The designated forward element is amortized in profit or loss account over a systematic basis. The change in forward element of the contract that relates to the hedge item is recognised in other comprehensive income in the cost of hedging reserve within equity. Amounts accumulated in other comprehensive income is reclassified to profit or loss in the period in which the hedged item hits profit or loss.

When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

Offsetting of financial instruments:

Financials 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, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement:

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 37

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

4.8. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of an identified asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset classes primarily consist of Computer server and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payment that depends on index or a rate, and amount to be paid under residual value guarantees. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the Company uses incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

4.9. Income-tax expense

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

4.10. Foreign currency

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Company's financial statements are presented in Indian rupee which is also the Company's functional and presentation currency.

Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the Balance sheet date.

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability.

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing liabilities. Derivative contracts being financial instruments not designated in a hedging relationship are recognised at fair value with changes being recognised in profit & loss account.

4.11. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related services are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with SBI Life insurance Company limited. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. the Company recognizes the following

changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income
- Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability 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 profit or loss in subsequent periods."

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Long Service Award

The Company's long service award is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

Compensated Absences

Accumulated leaves which is expected to be utilised within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharge by the year end. Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized based on undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method.

The Company has a policy on compensated absences which is by way of accumulating compensated absences arising during the tenure of the service is calculated by taking into consideration of availment of leave. Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized based on undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method.

National pension scheme (NPS)

The Company makes contributions to National Pension System (NPS), for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to NPS. The contributions payable to NPS by the Company are at rates specified in the rules of the schemes.

Employee stock Option Plan

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant in accordance with Ind AS 102.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity

instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

4.12. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity share outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares)

4.13. Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

4.14. Provision for reward points redemption

The Company has a reward point's program which allows card members to earn points based on spends through the cards that can be redeemed for cash, gift vouchers and retail merchandise. The Company makes payments to its reward partners when card members redeem their points and creates provisions to cover the cost of future reward redemptions. The liability for reward points outstanding as at the year-end and expected to be redeemed in the future is estimated based on an actuarial valuation.

4.15. Cash and Cash Equivalent

Cash and cash equivalents comprise cash balances on hand, cash balances in bank, funds in transit lying in nodal account of intermediaries/payment gateway aggregators and highly liquid investments with maturity period of three months or less from date of investment

4.16. Critical accounting judgements and key sources of estimation uncertainty

- (I) Revenue Recognition: Application of the various accounting principles in Ind AS 115 related to the measurement and recognition of revenue requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. The Company consider various factors in estimating transaction volumes and estimated marketing activities target fulfilment, expected behavioural life of card etc.
- (II) Business development incentive: Estimation of business development incentives relies on forecasts of payments volume, card issuance etc. Performance is estimated using, transactional information - historical and projected information and involves certain degree of future estimation.
- (III) Card life: Estimation of card life relies on behavioural life trend established basis past customer behaviour / observed life cycle
- (IV) Differences between actual results and our estimates are adjusted in the period of actual performance
- (V) Management is required to assess the probability of loss and amount of such loss with respect to legal proceedings, if any, in preparing of financial statements
- (VI) Property, Plant and equipment: The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The lives are based on historical experience with similar

assets as well as anticipation of future events, which may impact their life, such as change in technology.

(VII) Impairment of financial assets: A number of significant judgements are also required in applying the accounting requirements for measuring ECL such as;

- Establishing groups of similar financial assets for the purposes of measuring ECL (Portfolio segmentation)
- Defining default
- Determining criteria for significant increase in credit risk.
- Choosing appropriate models and assumptions for measurement of ECL.
- Use of significant judgement in estimating future economic scenario to calculate management overlay over base ECL model.

(VIII) Fair value measurements and valuation processes

- In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.
- Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 38
- All assets and liabilities for which fair value is measured in the financial statements are categorised 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.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- (IX) Cost of reward points: The cost of reward point includes the cost of future reward redemption which is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.
- (X) Defined Benefit Plans (Gratuity): The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using 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, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (XI) Lease: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4.17. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

1. Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
2. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
3. Specified format for disclosure of shareholding of promoters.
4. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
5. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
6. Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

7. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

5. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks (of the nature of cash and cash equivalents)		
Current Accounts *	14.12	183.51
Funds in transit (lying in nodal account of intermediaries/payment gateway aggregators)	522.49	332.40
Deposits (under Lien) with maturity less than 3 months	106.59	-
Total	643.20	515.91

*Current Account balance for the year ended March 31, 2021 includes ₹ 2.02 Crores held in Escrow account to meet IPO expenses (for year ended March 31, 2020 ₹ 138.58 Crores).

6. Bank balance other than (5) above

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits (under Lien) with original maturity for more than 3 months but less than 12 months	5.78	102.60
Earmarked balances with bank*	69.12	58.85
TOTAL	74.90	161.45

(*) Earmarked balances represents non moving balances of customers for more than six months, unidentified receipts, unpaid dividend and unpaid exgratia credited to inactive customers kept in a separate bank account.

7. Derivative Financial Instruments (Assets)

Particulars	As at March 31, 2021	As at March 31, 2020
Part I		
(i) Currency Derivatives		
- Spot and forwards	0.10	-
Total	0.10	-
Part II		
(i) Cash Flow hedging		
- Currency derivatives	0.10	-
Total	0.10	-

Refer note no. 37

8. Trade receivable

Particulars	As at March 31, 2021	As at March 31, 2020
To be realised within twelve months after reporting date:		
Receivables considered good - Unsecured	56.82	54.45
Receivables which have significant increase in Credit Risk	0.34	0.16
Less:- Impairment loss allowance	(0.34)	(0.16)
Total	56.82	54.45

The average credit period on sale of services is 30-60 days. No interest is charged on trade receivables from the date of the invoice.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

9. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortized Cost		
(A)		
Other- Loans & advances to customers		
To be realised within twelve months after reporting date	21,442.54	21,618.01
To be realised after twelve months after reporting date	3,671.29	2,522.59
Total (A)- Gross	25,113.83	24,140.60
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (A)- Net	23,459.14	22,811.64
(B)		
(i) Secured by lien on fixed deposits and financial guarantees	316.25	306.38
(ii) Unsecured	24,797.58	23,834.22
Total (B)- Gross	25,113.83	24,140.60
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (B)- Net	23,459.14	22,811.64
(C) Loans in India		
(i) Public sector	4.92	1.54
(ii) Others	25,108.91	24,139.06
Total (C)- Gross	25,113.83	24,140.60
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (C)- Net	23,459.14	22,811.64

Refer note no. 37

10. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
At Amortized Cost		
Investment to be realised within twelve months after the reporting date		
Investment in Government Securities	623.25	-
Investment to be realised after twelve months after the reporting date		
Investment in Government Securities	323.11	-
Equity instruments	-	-
At Fair Value through Other Comprehensive Income		
Investment to be realised after twelve months after the reporting date		
Equity instruments	11.20	1.46
Total	957.56	1.46
(B) Investment in India	957.56	1.46
Total	957.56	1.46

The balances held as Investment as at March 31, 2021 are as follows:

Particulars	Face Value	Units	Amount
Investment in Government Securities (Current)			
364DTB26082021	100	5,00,000.00	4.93
182DTB20052021	100	1,15,00,000.00	114.50
364DTB19082021	100	2,80,00,000.00	276.43
364DTB20052021	100	1,65,00,000.00	164.28
364DTB27012022	100	65,00,000.00	63.11
		6,30,00,000.00	623.25

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

10. Investments (Contd..)

The balances held as Investment as at March 31, 2021 are as follows: (Contd..)

Particulars	Face Value	Units	Amount
Investment in Government Securities (Non-Current)			
7.32% GS2024	100	80,00,000.00	87.16
6.18% GS2024	100	1,25,00,000.00	133.59
5.22% GS2025	100	1,00,00,000.00	102.36
Total		3,05,00,000.00	323.11
Equity instruments (Amortised Cost)			
SBI Foundation	10	1,001.00	-
Total		1,001.00	-
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	1,12,996.00	11.20
Total		1,12,996.00	11.20

The balances held as Investment as at March 31, 2020 are as follows:

Particulars	Face Value	Units	Amount
Equity instruments (Amortised Cost)			
SBI Foundation	10	1,001.00	-
Total		1,001.00	-
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	1,12,996.00	1.46
Total		1,12,996.00	1.46

During the year ended March 31, 2021, the company has purchased and sold the units of Mutual Funds, the details of which are as follows :

Fund Name	Units	Purchase Amount	Sale Amount
Aditya Birla Liquid Fund	45,47,067	150.00	150.06
AXIS Liquid Fund	4,38,803	100.00	100.06
ICICI Liquid Fund	32,90,269	100.00	100.06
Total	82,76,141	350.00	350.18

During the year ended March 31, 2020, the company has purchased and sold the units of Mutual Funds, the details of which are as follows :

Particulars	Units	Purchase Amount	Sale Amount
Aditya Birla Liquid Fund	1,82,07,654	565.00	565.27
Axis Liquid Fund	17,37,612	375.00	375.20
HDFC Liquid Fund	5,13,047	195.00	195.06
ICICI Liquid Fund	47,67,524	135.00	135.05
Nippon India Liquid Fund	5,63,846	270.00	270.06
SBI Liquid Fund	1,97,024	60.00	60.02
Total	2,59,86,707	1,600.00	1,600.66

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

11. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
To be realised within twelve months after reporting date:		
Notice pay receivables from employees- which have significant increase in Credit Risk	0.48	1.17
Contract Asset*		
Receivables considered good - Unsecured	97.79	83.73
Security deposits		
Unsecured, considered good	8.01	17.02
Others which have significant increase in Credit Risk	1.43	1.66
Bank deposits		
Deposits (under lien for guarantees)	0.11	7.58
Other recoverable - Considered good	8.81	4.34
Other recoverable which have significant increase in Credit Risk	-	0.86
Less : - Impairment loss allowance	(1.91)	(3.69)
Sub total	114.72	112.67
To be realised after twelve months after reporting date:		
Contract Asset*		
Receivables considered good - Unsecured	85.36	95.23
Security deposits		
Unsecured, considered good	19.60	11.61
Bank deposits		
Deposits (under lien for guarantees)	1.89	3.58
Sub total	106.85	110.42
Total	221.57	223.09

* Refer note 36

12. Deferred Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
To be adjusted after twelve months after reporting date:		
- Deferred tax asset	395.09	275.13
Total	395.09	275.13

For the period ended March 31, 2021

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	0.74	2.43	-	0.02	3.18
Membership & Processing fee	95.97	6.83	-	-	102.80
Provision for expenses	29.46	6.74	-	(13.76)	22.44
Staff benefits and statutory dues	6.70	8.71	(1.87)	3.47	17.01
Fair valuation of derivatives	0.01	(0.05)	-	-	(0.04)
Fair valuation of Investment through OCI	-	-	(2.45)	-	(2.45)
Amortisation of card acquisition cost	(189.32)	21.64	-	-	(167.68)
Provision for doubtful debts & ECL	332.85	87.30	-	0.51	420.66
Defined benefit obligation	0.13	(0.13)	-	-	(0.00)
Debt Issue expenses	(1.40)	0.30	-	-	(1.10)
Income on investment	-	0.26	-	-	0.26
Total	275.13	134.03	(4.32)	(9.76)	395.09

There is no unrecognised deductible temporary differences.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

12. Deferred Tax Assets (Net) (Contd..)

For the year ended March 31, 2020

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	(1.39)	1.74	-	0.40	0.74
Membership & Processing fee	104.05	21.04	-	(29.11)	95.97
Provision for expenses	26.99	8.28	-	(5.82)	29.46
Staff benefits and statutory dues	7.96	(1.78)	1.01	(0.49)	6.70
Fair valuation of derivatives	(0.08)	0.01	0.08	-	0.01
Amortisation of card acquisition cost	(202.89)	(43.18)	-	56.76	(189.32)
Provision for doubtful debts & ECL	229.88	167.46	-	(64.49)	332.85
Defined benefit obligation	0.23	(0.04)	-	(0.07)	0.13
Debt Issue expenses	(1.49)	(0.33)	-	0.42	(1.40)
Total	163.26	153.18	1.09	(42.40)	275.13

There is no unrecognised deductible temporary differences.

13. Property, plant and equipment, Intangible assets & Right of use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment		
A. Carrying amounts of:		
Furniture & Fixture	2.74	2.98
Office equipment	5.34	5.67
Owned Vehicles	-	0.06
Computers including server (owned)	26.63	32.16
Leasehold improvements	21.75	22.98
Total	56.46	63.85
B. Capital work in progress		
Capital work in progress	0.49	11.17
Total	0.49	11.17
Intangible Assets		
A. Carrying value of other intangible assets		
Computer software	89.66	77.78
Total	89.66	77.78
B. Intangible Assets under development		
Intangible assets under development	9.58	12.49
Total	9.58	12.49
Right-of-use Assets		
Computer server on lease	103.79	82.97
Building	58.19	86.31
Total	161.98	169.28
Total	318.17	334.57

Notes Forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

13. Property, plant and equipment, Intangible assets & Right of use assets (Contd..)

13.1 Property Plant and Equipments-Cost

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2019	2.74	7.26	0.08	48.55	81.63	24.92	11.29	176.47	4.34
Additions	1.26	2.41	-	19.64	-	9.68	-	32.99	19.60
Reclassified on account of adoption of Ind AS116	-	-	-	-	(81.63)	-	-	(81.63)	-
Derogonise pursuant to adoption of Ind AS 116	-	-	-	-	-	-	(11.29)	(11.29)	-
Deletions	(0.45)	(0.12)	-	(0.23)	-	-	-	(0.80)	(12.77)
Balance at March 31, 2020	3.55	9.55	0.08	67.96	-	34.60	-	115.74	11.17

Property Plant and Equipments-Accumulated Depreciation

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2019	0.38	2.24	-	17.61	15.22	5.78	3.62	44.85	-
Depreciation during the period	0.35	1.73	0.02	18.42	-	5.84	-	26.36	-
Reclassified on account of adoption of Ind AS116	-	-	-	-	(15.22)	-	-	(15.22)	-
Derogonise pursuant to adoption of Ind AS 116	-	-	-	-	-	-	(3.62)	(3.62)	-
Eliminated on disposals of assets	(0.16)	(0.09)	-	(0.23)	-	-	-	(0.48)	-
Balance at March 31, 2020	0.57	3.88	0.02	35.80	-	11.62	-	51.89	-
Net book value as on March 31, 2020	2.98	5.67	0.06	32.16	-	22.98	-	63.85	11.17

Notes Forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

13. Property, plant and equipment, Intangible assets & Right of use assets (Contd..)

13.1 Property Plant and Equipments-Cost (Contd..)

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	3.55	9.55	0.08	67.96	-	34.60	-	115.74	11.17
Additions	0.18	1.78	-	13.66	-	7.35	-	22.97	1.08
Deletions	(0.06)	(0.03)	(0.08)	(0.10)	-	(0.56)	-	(0.83)	(11.76)
Balance at March 31, 2021	3.67	11.30	-	81.52	-	41.39	-	137.88	0.49

Property Plant and Equipments-Accumulated Depreciation

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	0.57	3.88	0.02	35.80	-	11.62	-	51.89	-
Depreciation during the period	0.37	2.09	0.01	19.19	-	8.43	-	30.09	-
Eliminated on disposals of assets	(0.01)	(0.01)	(0.03)	(0.10)	-	(0.41)	-	(0.56)	-
Balance at March 31, 2021	0.93	5.96	-	54.89	-	19.64	-	81.42	-
Net book value as on March 31, 2021	2.74	5.34	-	26.63	-	21.75	-	56.46	0.49

There has been no impairment losses recognised during the year. The entire property, plant & equipments of the company (present and future) has been given as Collateral Security with a first charge right to consortium bankers.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

13. Property, plant and equipment, Intangible assets & Right of use assets (Contd..)

13.2 Intangible Assets

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 1, 2019	87.93	15.83
Additions	41.41	11.92
Deletions	-	(15.26)
Balance at March 31, 2020	129.34	12.49
Accumulated amortisation and impairment		
Balance at April 1, 2019	23.33	-
Amortisation charge for the year	28.23	-
Deletions/adjustments	-	-
Balance at March 31, 2020	51.56	-
Net book value as on March 31, 2020	77.78	12.49

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 1, 2020	129.34	12.49
Additions	47.77	17.11
Deletions	-	(20.02)
Balance at March 31, 2021	177.11	9.58
Accumulated amortisation and impairment		
Balance at April 1, 2020	51.56	-
Amortisation charge for the year	35.89	-
Deletions/adjustments	-	-
Balance at March 31, 2021	87.45	-
Net book value as on March 31, 2021	89.66	9.58

13.3 Right-of-Use assets

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2019(Refer note 4.8)	-	100.21	100.21
Reclassified on account of adoption of Ind AS116	81.63	-	81.63
Additions	37.06	15.14	52.20
Disposals/adjustments *	-	(0.35)	(0.35)
Balance at March 31, 2020	118.69	115.00	233.69
Accumulated depreciation and impairment			
Balance at April 1, 2019	-	-	-
Reclassified/Creation on account of adoption of Ind AS116	15.22	-	15.22
Depreciation during the year	20.50	28.71	49.21
Disposals/adjustments	-	(0.02)	(0.02)
Balance at March 31, 2020	35.72	28.69	64.41
Net book value as on March 31, 2020	82.97	86.31	169.28

* It includes adjustment amounting to ₹ 0.20 Crore on account of change in future rental payments for lease locations

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

13. Property, plant and equipment, Intangible assets & Right of use assets (Contd..)

13.3 Right-of-Use assets (Contd...)

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2020	118.69	115.00	233.69
Reclassified on account of adoption of Ind AS116	-	-	-
Additions	46.83	5.95	52.78
Disposals/adjustments *	-	(5.01)	(5.01)
Balance at March 31, 2021	165.52	115.94	281.46
Accumulated depreciation and impairment			
Balance at April 1, 2020	35.72	28.69	64.41
Reclassified/Creation on account of adoption of Ind AS116	-	-	-
Depreciation during the year	26.01	31.27	57.28
Disposals/adjustments	-	(2.21)	(2.21)
Balance at March 31, 2021	61.73	57.75	119.48
Net book value as on March 31, 2021	103.79	58.19	161.98

14. Other non financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
To be realised within twelve months after reporting date:		
Service tax / GST recoverable		
Unsecured, considered good	92.76	74.04
Unsecured, considered doubtful	-	113.70
Prepaid expenses	29.96	40.07
Unamortised Card acquisition cost	83.22	102.57
Other advances		
Unsecured, considered good	39.20	23.95
Unsecured, considered doubtful	0.04	0.50
Sub Total - Gross	245.18	354.83
Less : - Impairment loss allowance	(0.04)	(114.20)
Sub Total - Net (A)	245.14	240.63
To be realised after twelve months after reporting date:		
Service tax / GST recoverable		
Unsecured, considered doubtful	113.70	-
Prepaid expenses	5.66	5.59
Unamortised Card acquisition cost	583.04	649.65
Advance income tax (net of provision)	30.78	23.59
Sub Total - Gross	733.18	678.83
Less : - Impairment loss allowance*	(113.70)	-
Sub Total - Net (B)	619.48	678.83
Total Net (A+B)	864.62	919.46

* Refer note 49 & 50

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

15. Derivative financial instruments (liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Part I		
(i) Currency Derivatives		
Spot and forwards	-	0.43
Total	-	0.43
Part I (a)		
(i) Cash Flow hedging		
Currency derivatives	-	0.43
Total	-	0.43

16. Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within twelve months after reporting date:		
(I) Trade payables*		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	748.81	721.03
Total (A)	748.81	721.03
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) total outstanding dues to employees	0.83	0.76
(b) total outstanding dues to capital creditors	10.51	7.05
Total (B)	11.34	7.81
Total (A+B)	760.15	728.84

(*) Average credit period is 30 to 120 days from the date of services rendered and no interest is due on outstanding balances as at reporting date. The company has financial risk management policies in place to ensure that all payables are paid within the pre agreed credit terms

16.1 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related to trade payables as at the end of the period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

17. Debt Securities

At amortized cost

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) From Others		
Unsecured		
(i) Commercial paper		
- To be settled within twelve months after reporting date;	2,212.14	2,541.97
(ii) Debentures		
- To be settled within twelve months after reporting date;	185.79	1,476.94
- To be settled after twelve months after reporting date;	3,535.00	1,780.37
Total (A)	5,932.93	5,799.28
(B)		
Debt Securities in India	5,932.93	5,799.28
Total (B)	5,932.93	5,799.28

17.1 Details of non-convertible debentures (NCD)

Particulars	As at March 31, 2021	As at March 31, 2020
6.00% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Dec'25)	450.00	-
7.40% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'25)	300.00	300.00
5.90% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'24)	550.00	-
5.75% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Nov'23)	500.00	-
6.85% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'23)	400.00	-
7.50% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Mar'23)	300.00	300.00
7.60% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'23)	410.00	410.00
8.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Aug'22)	175.00	175.00
9.15% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'22)	450.00	450.00
8.10% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'21)	110.00	110.00
9.5% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Oct'20)	-	500.00
7.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Aug'20)	-	500.00
8.90% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'20)	-	400.00
Total	3,645.00	3,145.00
Interest accrued and impact of EIR	75.79	112.31
Total	3,720.79	3,257.31

18. Borrowings (other than debt securities) & lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
A		
At amortized cost		
(a) From Bank (Related Party)		
Secured Loans (Refer note 18.1 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	8,134.93	8,398.03
(b) From Bank (other than Related Party)		
Secured Loans (Refer note 18.1 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	2,528.59	1,899.86

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

18. Borrowings (other than debt securities) & lease liabilities (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020
(c) Lease liabilities		
Unsecured		
- To be settled within twelve months after reporting date;	57.34	49.26
- To be settled after twelve months after reporting date;	115.92	127.47
Total (A)	10,836.78	10,474.62
(B)		
Borrowings in India	10,836.78	10,474.62
Total (B)	10,836.78	10,474.62

Note 18.1 Secured by

Primary Security	Collateral Security	Repayment terms	Guaranteed by
First Charge on entire current assets of the company (present and future) including Hypothecation of Receivables.	First Charge on entire property, plant & equipments of the company (present and future).	Within 12 months	NA

Details of Default
Nil

As on date of Balance sheet, Company has not defaulted on any interest and repayment of borrowings

19. Subordinated Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
Unsecured non-convertible debentures		
- Redeemable within twelve months after reporting date; and	148.33	-
- Redeemable after twelve months after reporting date;	1,150.00	1,298.85
Total (A)	1,298.33	1,298.85
(B)		
Subordinated liabilities In India	1,298.33	1,298.85
Total (B)	1,298.33	1,298.85

19.1 Details of non-convertible debentures

Particulars	As at March 31, 2021	As at March 31, 2020
8.99% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'29)	100.00	100.00
9.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jan'29)	250.00	250.00
8.10% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Oct'23)	200.00	200.00
8.30% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'23)	500.00	500.00
9.65% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Apr'22)	100.00	100.00
9.00% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Nov'21)	100.00	100.00
Total	1,250.00	1,250.00
Interest accrued and impact of EIR	48.33	48.85
Total	1,298.33	1,298.85

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

Net Debt reconciliation for the year ended March 31, 2021

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest /amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial Papers	2,541.97	(313.88)	(15.95)	-	-	2,212.14
Debentures	3,257.31	500.00	(36.52)	-	-	3,720.79
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	10,297.89	365.54	0.08	-	-	10,663.52
Foreign currency working capital loans	-	-	-	-	-	-
Lease liabilities	176.73	(53.25)	-	-	49.78	173.26
Subordinated Liabilities						
Debentures	1,298.85	-	(0.52)	-	-	1,298.33
Total	17,572.75	498.42	(52.91)	-	49.78	18,068.04

Net Debt reconciliation for the year ended March 31, 2020

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest /amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial Papers	2,119.84	362.57	59.55	-	-	2,541.97
Debentures	1,959.47	1,185.00	112.83	-	-	3,257.31
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	6,880.65	3,376.23	41.01	-	-	10,297.89
Foreign currency working capital loans	1,316.87	(1,400.00)	-	83.13	-	-
Lease liabilities	75.74	(43.94)	-	-	144.93	176.73
Subordinated Liabilities						
Debentures	1,196.80	50.00	52.05	-	-	1,298.85
Total	13,549.38	3,529.87	265.44	83.13	144.93	17,572.75

20. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within twelve month after reporting period:		
Unpaid dividends	0.07	-
Payable to Network Partners	464.72	240.15
Excess amount from Card holders	228.54	204.64
Other liabilities	9.51	22.58
Total	702.84	467.37

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

21. Current tax liabilities/assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax asset(net)		
To be settled within twelve months after reporting date:		
Advance income tax (net of provision)	21.69	9.55
Total	21.69	9.55

22. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for compensated absence	3.64	3.33
- Provision for gratuity	0.81	3.63
- Provision for long service awards	1.45	1.30
- Provision for bonus & Incentive Payable	40.97	48.83
Sub Total (A)	46.87	57.09
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for compensated absence	13.30	11.79
- Provision for long service awards	7.38	6.54
Sub Total (B)	20.68	18.33
Others		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for reward points redemption *	277.35	286.18
- Provision for expenses-	50.44	116.57
- Provision for expenses- Related party	37.25	4.77
Sub Total (C)	365.04	407.52
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for reward points redemption *	109.63	119.69
Sub Total (D)	109.63	119.69
Total (A+B+C+D)	542.22	602.63

*Refer note 39

23. Other non financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities to be settled within twelve months after reporting date:		
Revenue received in advance- Unamortised membership fees	365.84	332.43
Statutory liabilities	247.21	248.04
Fees received in advance	24.53	13.00
Total	637.58	593.47

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

24. Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Capital				
Equity shares of ₹ 10 each	1,50,00,00,000	1,500.00	1,50,00,00,000	1,500.00
	1,50,00,00,000	1,500.00	1,50,00,00,000	1,500.00
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each	94,05,25,456	940.53	93,89,56,794	938.96
TOTAL	94,05,25,456	940.53	93,89,56,794	938.96

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Reconciliation of the number of shares				
Balance as at the beginning of the year	93,89,56,794	938.96	83,72,22,224	837.22
Movements*	15,68,662	1.57	10,17,34,570	101.73
Balance as at the end of the year	94,05,25,456	940.53	93,89,56,794	938.96

* During the year ended March 31, 2021, 1,568,662 Equity shares of ₹ 10 each has been allotted under ESOP scheme.

* During the year ended March 31, 2020 the Company,

- has issued additional 95,112,054 shares pursuant to amalgamation of SBIBPMSL vide Hon'able NCLT order dated June 4, 2019 aggregating to ₹ 95.11 Crores; and
- has issued fresh equity shares of 6,622,516 shares through Initial Public Offer at ₹ 10 each aggregating to ₹ 6.62 Crores

(ii) Rights, preferences and restriction attached to shares

The company has only one class of equity share having par value of ₹ 10 per share. Each holder of the equity share is entitled to one vote per share. In the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

(iii) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	%	Number of Shares	%	Number of Shares
Holding Company				
Shares held by State Bank of India *	69.39%	65,26,33,992	69.51%	65,26,33,992
Shares held by CA Rover Holdings	11.61%	10,91,73,488	15.89%	14,91,73,488

* As at March 31, 2021 and March 31, 2020 one share is held by nominee individual shareholders of which State Bank is the beneficial owner

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

25. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve (refer note 25.1 below)	3.40	3.40
Statutory reserve (refer note 25.2 below)	1,011.85	814.95
General reserve (refer note 25.3 below)	13.08	12.99
Capital reserve (on account of amalgamation) (refer note 25.4 below)	(71.51)	(71.51)
Securities Premium reserve (refer note 25.5 below)	935.19	904.74
Retained earnings (refer note 25.6 below)	3,418.78	2,719.51
Share options outstanding account (refer note 25.7 below)	40.50	18.18
Cash flow hedging reserve (refer note 25.8 below)	-	-
Share application money pending allotment (refer note 25.9 below)	2.92	-
Equity investment through OCI (refer note 25.10 below)	7.29	-
TOTAL	5,361.50	4,402.26

25.1 Capital redemption reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3.40	3.40
Balance as at the end of the year	3.40	3.40

25.2 Statutory reserve

(Under Section 45-IC of the Reserve Bank of India Act, 1934)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	814.95	565.99
Add: Transferred from Retained Earning @ 20%*	196.90	248.96
Balance as at the end of the year	1,011.85	814.95

25.3 General reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	12.99	12.99
Add: Amount transferred from Share options outstanding account*	0.09	-
Balance as at the end of the year	13.08	12.99

*Refer note 25.7

25.4 Capital reserve (on account of amalgamation)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(71.51)	(71.51)
Balance as at the end of the year	(71.51)	(71.51)

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

25. Other equity (Contd..)

25.5 Securities premium reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	904.74	417.78
Add: During the period *	22.68	486.96
Add: Transfer from share options outstanding account	7.77	-
Balance as at the end of the year	935.19	904.74

* During the year ended March 31, 2021, addition during the year represents securities premium received on account of ESOP ₹ 22.30 Crores and adjustment of Company's share of IPO related expenses for ₹ 0.38 Crores (Period ended March 31, 2020 addition represents premium received from IPO (net of employee discount) ₹ 492.70 Crores reduced by the Company's share of IPO related expenses of ₹ 5.74 Crores.

25.6 Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	2,719.51	1,726.65
Add: Profit for the period	984.52	1,244.82
Less: Interim equity dividend	(93.90)	-
Add: Transfer From Other Comprehensive Income	5.55	(3.00)
Less: Transfer to Statutory reserve (section 45-IC of the Reserve Bank of India Act, 1934)	(196.90)	(248.96)
Balance as at the end of the year	3,418.78	2,719.51

25.7 Share options outstanding account

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	18.18	-
Add: During the Period	30.18	18.18
Less: Transfer on allotment of shares to employees pursuant to ESOP scheme	(7.77)	-
Less: Transfer to general reserve	(0.09)	-
Balance as at the end of the year	40.50	18.18

25.8 Cash flow hedge reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	0.14
Add: During the period	-	(0.22)
Add: Deferred tax adjustment	-	0.08
Balance as at the end of the year	-	-

25.9 Shares application money pending allotment

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	95.11
Add: Shares application money pending allotment pursuant to ESOP	2.92	-
Less: Shares allotment pursuant to scheme of amalgamation	-	(95.11)
Balance as at the end of the year	2.92	-

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

25. Other equity (Contd..)

25.10 Equity investment through OCI

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	-
Add: Fair valuation through OCI	9.74	-
Add: Deferred tax adjustment	(2.45)	-
Balance as at the end of the year	7.29	-

26. Net gain / (loss) on fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain/loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	0.53	(0.54)
Total	0.53	(0.54)
Fair value changes:		
- Realised	0.43	(10.35)
- Unrealised	0.10	9.81
Total	0.53	(0.54)

27. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad debts recovered	397.94	303.45
Profit on sale of Investment	0.18	0.66
Other interest income	10.58	3.87
Interest income from investments	12.33	-
Liabilities/Provisions written back	8.87	163.67
Miscellaneous income	6.20	3.80
Net gain on foreign currency transactions	-	0.44
Total	436.10	475.89

28. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) At Amortised cost		
Interest expense on lease liability	14.05	15.78
Interest on borrowings	475.20	560.83
Interest on debt securities	379.52	550.70
Interest on subordinated liabilities	108.71	110.58
Total (A)	977.48	1,237.89
(B) Financial instruments designated as hedging instruments		
Cost of Hedging	65.92	63.04
Total (B)	65.92	63.04
Total (A+B)	1,043.40	1,300.93

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

29. Impairment losses & bad debts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On loans	2,638.20	1,937.39
On Others		
- financial assets	0.35	1.79
- Non-financial assets	-	1.07
Total	2,638.55	1,940.25

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad debt written-off	2,159.54	1,226.00
Impairment loss for other assets	0.35	1.79
Impairment loss for other non-financial assets	-	1.07
Impairment loss for Loans [Stage 1,2 and 3 assets]	478.66	711.39
Total	2,638.55	1,940.25

30. Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	426.85	401.55
Contribution to provident fund and other funds	27.65	25.88
Share Based Payments to employees	30.18	18.18
Staff welfare expenses	6.90	22.77
Total	491.58	468.38

31. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	30.09	26.36
Amortisation on intangible assets	35.89	28.23
Depreciation on right to use assets	57.28	49.21
Total	123.26	103.80

32. Operating and other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of plastic cards & embossing	38.17	40.97
Short-term lease expense	31.99	31.11
Variable lease expenses	140.95	97.29
Travelling and conveyance	3.08	18.15
Telephone, fax and postage	51.39	57.39
Card transaction charges	356.70	387.58
Advertisement	97.30	94.39
Sales Promotion	1,382.86	1,494.37
Insurance expense	19.24	14.25
Professional & Consulting fees	134.52	165.68

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

32. Operating and other expenses (Contd..)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fees and Commission expense	606.73	657.15
Rates and taxes	11.71	3.86
Collection charges	357.73	195.05
Repairs and maintenance	26.27	23.64
Auditor's remuneration	0.49	0.53
Power and fuel	4.43	5.42
Printing, stationery and office supplies	47.86	43.53
Royalty Expenses	19.69	24.90
Reward points redemption	405.10	562.28
Surcharge Waiver to Customer	35.42	41.06
Donation	-	2.64
Data processing charges	224.45	227.07
Net loss on foreign currency transactions	2.92	-
Loss on sale of property, plant & equipment	0.18	0.24
Other Expenses	0.36	0.28
Total	3,999.54	4,188.83

33. CSR Expenses

Pursuant to section 135 of the Companies Act, 2013 the Company is required to spend ₹ 32.06 Crore during the Financial Year 2020-21 calculated as per Section 198 of the Companies Act 2013.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CSR Expenses	32.07	19.92
Total	32.07	19.92

Particulars	As at March 31, 2021		As at March 31, 2020	
	Paid in cash	Yet to be paid in cash	Paid in cash	Yet to be paid in cash
(i) Construction/Acquisition of Assets	12.31	-	6.26	-
(ii) On purposes other than (i) above	19.76	-	13.66	-
Total	32.07	-	19.92	-

34. Tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current period	474.25	591.79
In respect of prior year	(10.77)	3.81
	463.48	595.60
Deferred tax		
In respect of the current period	(134.03)	(153.18)
In respect of prior year	9.76	42.40
Total income tax expense recognised in the current period	339.21	484.82

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

34. Tax expense (Contd..)

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax from continuing operations	1,323.73	1,729.64
Income tax expense calculated at 25.168%	333.16	435.31
Corporate social responsibility / Others	7.06	3.30
Total	340.22	438.61
Adjustments recognised in the current year in relation to the current tax / deferred tax of prior years	(1.01)	46.21
Income tax expense recognised in profit or loss	339.21	484.82

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-	-
Total current tax recognised in other comprehensive income	-	-
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	-	-
Total	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(1.87)	1.01
Gain/(loss) on Investment in Equity	(2.45)	-
Remeasurement of fair value of derivative	-	0.08
Total deferred tax recognised in other comprehensive income	(4.32)	1.09
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(4.32)	1.01
Items that may be reclassified to profit or loss	-	0.08
Total	(4.32)	1.09

35. Earnings/ (loss) per equity share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Net Profit After Tax	984.52	1,244.82
b. Weighted average of number of equity shares used in computing basic per share (in Crores)	93.97	93.27
c. Weighted average of number of equity shares used in computing diluted earnings per share (in Crores) *	94.86	94.20
d. Basic earning per share (a/b)	10.48	13.35
e. Diluted earning per share (a/c)	10.38	13.21

* Includes effect of dilution on account of Employee Stock Option, for the year ended March 31, 2021.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

36. Impact of application of Ind AS 115 Revenue from Contracts with Customers

The Company derives revenue from a variety of services contracts with customers which are governed by Ind AS 115 such as interchange income, membership fee, business development incentive income and other fees such as ATM fees, late payment etc. Below table shows the revenue from contracts with customers.

Revenue from Services	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from fees and services	3,907.67	3,978.66
Service Charges	134.18	117.82
Business development incentive income	299.18	327.28
Insurance commission income	8.25	11.34
Total Revenue	4,349.28	4,435.10

The Company's accounting policies for its revenue streams are disclosed in detail under Note 4 above.

For Critical accounting estimates, refer note 4.16 to the financial statements.

Disaggregation of Revenue

Disaggregation of revenue is not required as the Company's primary business is to provide credit card facility and loans which is governed by Ind AS 109. Company's revenue from provision of services arising from contracts entered with customers to provide interchange services, business development services, membership services and other fees is not concentrated to specific customer/segment. Management reviews the revenue of the Company on the information available as disclosed in Statement of Profit and Loss.

Transaction price allocated to the remaining performance obligations

The Company applies practical expedient in Ind AS 115 and does not disclose information about remaining performance obligations wherein the Company has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date.

The Company's remaining performance periods for its incentive arrangements with network partners contracts with customers for its payment network services are typically long-term in nature (typically ranging from 3-5 years). Consideration is variable based upon the number of transactions processed and volume activity on the cards. At March 31, 2021, the estimated aggregate consideration allocated to unsatisfied performance obligations for these other value-added services is ₹ 85.36 Crores which is expected to be recognised through financial year 2022, previous period was ₹ 95.23 Crores

Receivables from contracts with customers and contract balances

The following table provides information about receivables, contract assets, contract cost and contract liabilities from contract with customers

Other unbilled receivables and contract assets are presented net of impairment in note 11 of the Balance sheet.

The below table discloses balances in receivables and unbilled receivables.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivable *	56.82	54.45
Contract asset **	183.15	178.96
Total-Gross	239.97	233.41
To be realised within 12 months from reporting date	154.61	138.18
To be realised after 12 months from reporting date	85.36	95.23

* Refer note 8 to the financial statement

** Refer note 11 to the financial statement

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

36. Impact of application of Ind AS 115 Revenue from Contracts with Customers (Contd..)

The Company might satisfy a performance obligation before it receives the consideration in which case the Company recognises a contract asset or receivable, depending on whether something other than the passage of time is required before the consideration is due. Contract asset gets converted to receivables within a time period of 6 months.

Contract Assets

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Below table shows the movement of unbilled revenue.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	178.96	134.83
Movement during the year	4.19	44.13
Closing balance	183.15	178.96
To be realised within 12 months from reporting date	97.79	83.73
To be realised after 12 months from reporting date	85.36	95.23

Contract costs

The contract cost primarily relates to:

- Cost of acquiring a customer is the incremental cost of obtaining contract with customer, which is recognised in the profit and loss statement over the behavioural life of the customer.
- Sales promotion expenses which are directly related to selling card membership to new customers. This cost is deferred over the membership period consisting of 12 months.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	752.21	580.63
Capitalised during the year	321.12	584.10
Amortised during the year	(407.07)	(412.50)
Closing balance	666.25	752.21
To be realised within 12 months from reporting date	83.22	102.57
To be realised after 12 months from reporting date	583.04	649.65

The unamortised contract costs are disclosed in note 14 to financial statements.

Contract liabilities - Revenue received in advance

The Company sells credit card memberships to card holders, income earned from the provision of membership services is recognised as revenue over the membership period consisting of 12 months at fair value of the consideration net of expected reversals/ cancellations.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	332.43	262.66
Received during the year	749.65	693.09
Amortised during the year	(716.24)	(623.32)
Closing balance	365.84	332.43
To be realised within 12 months from reporting date	365.84	332.43
To be realised after 12 months from reporting date	-	-

Contract liabilities are disclosed in note 23 to financial statements

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments

Capital Management

Capital risk is the risk that the Company has insufficient capital resources to meet the minimum regulatory requirements to support its credit rating and to support its growth and strategic options. The Company's capital plans are deployed with the objective of maintaining capital that is adequate in quantity and quality to support the Company's risk profile, regulatory and business needs. Management/ALCO is responsible for ensuring the effective management of capital risk. Capital risk is measured and monitored using limits set out in relation to the capital and leverage, all of which are calculated in accordance with relevant regulatory requirements.

Tier 1 capital consists of Equity share capital, Reserve & Surplus (netted off Intangibles).

Tier 2 capital consists of Provision for Standard Assets & Subordinated debts as per extant RBI Prudential norms for NBFCs.

Details of Tier 1 capital are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Tier I Capital	5130.36	4,223.62

Details of Tier 2 capital are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Tier II Capital	957.45	1,127.16

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15 % of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Board of Director's regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR).

Key capital Ratios

Capital Risk Adjusted Ratio (CRAR) maintained and monitored by Company is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR – Tier I Capital	20.86%	17.70%
CRAR – Tier II Capital	3.89%	4.72%
Total CRAR	24.75%	22.43%

Company makes all efforts to comply with the above requirements. Further, Company has complied with all externally imposed capital requirements and internal and external stress testing requirements.

Also, the management of the Company monitors its dividend pay-out. Dividend distribution policy of the Company focuses on the factors including but not limited to future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.1.1. Financial instruments by category and fair value measurements

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	643.20	-	-	-	643.20	643.20
Bank Balance other than (a) above (Refer Note 6)	74.90	-	-	-	74.90	74.90
Derivative Asset (Refer Note 7)	-	0.10	-	-	0.10	0.10
Trade Receivable (Refer Note 8)	56.82	-	-	-	56.82	56.82
Loans (Refer Note 9)	23,459.14	-	-	-	23,459.14	23,156.06
Investments (Refer Note 10)	946.36	-	11.20	-	957.56	952.44
Other Financial assets (Refer Note 11)						
Contract Asset	183.15	-	-	-	183.15	172.07
Fixed Deposits	2.00	-	-	-	2.00	1.89
Security deposits & others	36.42	-	-	-	36.42	33.31
Total	25,401.99	0.10	11.20	-	25,413.29	25,090.79
Liabilities:						
Derivative Liabilities (Refer Note 15)	-	-	-	-	-	-
Trade payables (Refer Note 16)	748.81	-	-	-	748.81	748.81
Other payables (Refer Note 16)	11.34	-	-	-	11.34	11.34
Debt Securities (Refer Note 17)	5,932.93	-	-	-	5,932.93	5,983.44
Borrowings (Other than Debt Securities) & lease liabilities (Refer Note 18)	10,836.78	-	-	-	10,836.78	10,836.78
Subordinated Liabilities (Refer Note 19)	1,298.33	-	-	-	1,298.33	1,375.42
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	464.72	-	-	-	464.72	464.72
Excess amount from Card holders	228.54	-	-	-	228.54	228.54
Other liabilities	9.58	-	-	-	9.58	9.58
Total	19,531.03	-	-	-	19,531.03	19,658.63

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.1.1. Financial instruments by category and fair value measurements

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	515.91	-	-	-	515.91	515.91
Bank Balance other than (a) above (Refer Note 6)	161.45	-	-	-	161.45	161.45
Derivative Asset (Refer Note 7)	-	-	-	-	-	-
Trade Receivable (Refer Note 8)	54.45	-	-	-	54.45	54.45
Loans (Refer Note 9)	22,811.64	-	-	-	22,811.64	22,560.35
Investments (Refer Note 10)	-	-	1.46	-	1.46	1.46
Other Financial assets (Refer Note 11)						
Contract Asset	178.96	-	-	-	178.96	165.45
Fixed Deposits	11.16	-	-	-	11.16	10.99
Security deposits & others	32.97	-	-	-	32.97	30.72
Total	23,766.54	-	1.46	-	23,768.00	23,500.78
Liabilities:						
Derivative Liabilities (Refer Note 15)	-	0.43	-	-	0.43	0.43
Trade payables (Refer Note 16)	721.03	-	-	-	721.03	721.03
Other payables (Refer Note 16)	7.81	-	-	-	7.81	7.81
Debt Securities (Refer Note 17)	5,799.28	-	-	-	5,799.28	5,775.52
Borrowings (Other than Debt Securities) & lease liabilities (Refer Note 18)	10,474.62	-	-	-	10,474.62	10,474.62
Subordinated Liabilities (Refer Note 19)	1,298.85	-	-	-	1,298.85	1,261.82
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	240.15	-	-	-	240.15	240.15
Excess amount from Card holders	204.64	-	-	-	204.64	204.64
Other liabilities	22.58	-	-	-	22.58	22.58
Total	18,768.96	0.43	-	-	18,769.39	18,708.60

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.1.1. Financial instruments by category and fair value measurements (Contd..)

Hierarchy of Fair value measurements

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A. Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

Financial Asset/ (Financial Liabilities)	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Foreign currency forward contracts not designated in hedge accounting relationships (Refer foreign currency risk management related disclosures given below)	0.10	(0.43)	Level 2	Future cash flows are estimated based on forward exchange rates from observable forward exchange rate at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties
Investments in equity instruments at FVTOCI *	11.20	1.46	Level 3	Equity valuation is updated as per latest valuation (using discounted cash flow method) report of July, 2020. We have not observed any material variation in business performance till date.
	3.5% equity investment in Online PSB Loans Ltd (formerly known as Capitaworld platform Private Limited). Company is a fintech startup engaged in the business of providing Smart & Digital lending platform and market place	3.5% equity investment in Online PSB Loans Ltd (formerly known as Capitaworld platform Private Limited). Company is a fintech startup engaged in the business of providing Smart & Digital lending platform and market place		

*These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI, instead of reflecting changes in fair value immediately in profit or loss.

B. Fair value of the Company's financial assets and liabilities that are not measured at fair value:

Fair value of the Company's financial assets and liabilities that are not measured at fair value as on March 31, 2021 are:

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting period/year using		
			Level 1	Level 2	Level 3
Assets:					
Loans	23,459.14	23,156.06	-	-	23,156.06
Investments	946.36	941.24	941.24	-	0.00
Other Financial assets					
Contract Asset	183.15	172.07	-	-	172.07
Fixed Deposits	2.00	1.89	-	-	1.89

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.1.1. Financial instruments by category and fair value measurements (Contd..)

B. Fair value of the Company's financial assets and liabilities that are not measured at fair value: (Contd..)

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting period/year using		
			Level 1	Level 2	Level 3
Security deposits & others	36.42	33.31	-	-	33.31
Total	24,627.07	24,304.57	941.24	-	23,363.33
Liabilities:					
Debt Securities	5,932.93	5,983.44	3,585.51	-	2,397.93
Subordinated Liabilities	1,298.33	1,375.42	399.67	-	975.76
Total	7,231.26	7,358.86	3,985.17	-	3,373.69

Fair value of the Company's financial assets and liabilities that are not measured at fair value as on March 31, 2020 are:

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting period/year using		
			Level 1	Level 2	Level 3
Assets:					
Loans	22,811.64	22,560.35	-	-	22,560.35
Other Financial assets					
Contract Asset	178.96	165.45	-	-	165.45
Fixed Deposits	11.16	10.99	-	-	10.99
Security deposits & others	32.97	30.72	-	-	30.72
Total	23,034.73	22,767.51	-	-	22,767.51
Liabilities:					
Debt Securities	5,799.28	5,775.52	1,646.97	-	4,128.55
Subordinated Liabilities	1,298.85	1,261.82	363.68	-	898.14
Total	7,098.13	7,037.34	2,010.65	-	5,026.69

Except as detailed in the table above, the management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

C. Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares irrevocably as at FVTOCI as at March 31, 2021	Unlisted shares irrevocably as at FVTOCI as at March 31, 2020
Opening balance	1.46	1.46
Total gains or losses:		
in profit or loss	-	-
in other comprehensive income	9.74	-
Purchases/Issues/Acquisitions	-	-
Disposals/ settlements	-	-
Transfers out of level 3	-	-
Closing balance	11.20	1.46

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2. Financial risk management

Financial risk factors

The Company has exposure to the following types of risks from financial instruments:

- Market risks;
- Credit risk; and
- Liquidity risk;

The Company has put in place a mechanism to ensure that the risks are monitored carefully and managed efficiently. The Company seeks to minimize the effects of these risks by using asset liability matching strategies and use of derivative financial instruments. The Company's risk management policies are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Enterprise Risk Management Committee (ERMC) which is responsible for approving and monitoring company risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

37.2.1. Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

The Company uses a wide range of qualitative and quantitative tools to manage and monitor various types of market risks it is exposed to. Quantitative analysis such as net income sensitivities, stress tests etc. are used to monitor and manage company's market risk appetite.

A. Interest risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair value of financial instruments because of changes in market interest rates.

The Company does not have any floating rate loans. However, the Company is exposed to interest rate risk on borrowings which are short term (upto 12 months) in nature and are open to repricing risk at the time of reborrowing. Repricing risk is the risk of changes in interest rate charged at the time a financial instrument is matured and reborrowed.

Description	As at March 31, 2021	As at March 31, 2020
Assets (upto one year)	6,406.66	5,549.95
Liabilities (upto one year)	13,267.12	14,247.22
Mismatch	(6,860.46)	(8,697.26)

Interest rate sensitivity analysis

50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.1. Market risk (Contd..)

A. Interest risk (Contd..)

The below table presents the impact on Profit / (Loss) before tax for 50 basis point increase or decrease in interest rate on Company's short-term interest rates liabilities and assets which are open to repricing risk (assuming all other variables are held constant):

Decription	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
50 bps Shock Impact- One year Profits	(34.30)	34.30	(43.49)	43.49

The above sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. The Company's sensitivity to interest rate has increased on a year to year basis primarily due to business growth and correspondingly increase in borrowings.

B. Foreign Currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency resulting in exposures to foreign exchange rate fluctuations.

The carrying amount of company's foreign currency asset and liability are as follows:

Particulars	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Others	62.73	56.22	73.11	51.15
Total	62.73	56.22	73.11	51.15

Foreign currency sensitivity analysis:

The below table presents the impact on profit or loss [+ Gain / (-) Loss] before tax for 5% change in foreign currency exchange rate against INR:

Foreign currency sensitivity analysis impact (Net basis)	As at March 31, 2021	As at March 31, 2020
Currency depreciating by 5%	0.52	(0.25)
Currency Appreciating by 5%	(0.52)	0.25

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation for a 5% change in foreign currency rates. Sensitivity analysis given above is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting periods does not reflect the exposure during the years.

Foreign currency risk monitoring and management

The Company's currency risk management policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the management. Parameters like hedging ratio, un- hedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management. Exchange rate exposures are managed within approved parameters using forward foreign exchange contracts. Foreign currency exposure under borrowings is fully hedged at the time of taking the loan itself.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.1. Market risk (Contd..)

B. Foreign Currency risk (Contd..)

Derivative financial instruments

The Company enters into derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. As on reporting date March 31, 2021 and March 31, 2020, company do not have any foreign currency borrowing outstanding.

Contracts included in hedge relationship

During the year Company has designated certain foreign exchange forward contracts as cash flow hedges the movement in spot rates to mitigate the risk of foreign exchange exposure on underlying foreign currency exposures. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting and any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	0.14
Gain/(loss) recognised in other comprehensive income during the year	-	(0.22)
Amount reclassified to profit or loss during the year	-	-
Tax impact on above	-	0.08
Balance at the end of the year	-	-

Contracts not designated under hedge relationship

Cash flow hedging	Action	Currency	Amount	Exchange rate	As at March 31, 2021	As at March 31, 2020
Financial Asset (6 Months-12 months)	Sell	USD	\$0.35	73.50	25.73	-
Financial Asset (< 6 Months)	Sell	USD	\$0.30	75.39	-	22.62

Unhedged Position of the Company is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency	Amount	Currency	Amount
Financial Liability	\$0.85	62.73	\$0.75	56.22
Financial Asset	\$0.64	47.38	\$0.38	28.53

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd.)

37.2.2. Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers fail to fulfil their contractual obligations to the Company. The credit risk management team reports to Chief risk officer. The Chief Risk Officer meets with the Risk Management Committee of Board of Directors (RMCB) independently every quarter.

Credit risk arises mainly from loans and advances to retail and corporate customers arising on account of facilitating credit card loans to customers. The Company also has exposure to credit risk arising from other financial assets such as cash and cash equivalents, other financial assets including fixed deposits with banks, other receivables from contracts with customers and contract assets etc.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

A. Credit risk management approach

Managing credit risk is the most important part of total risk management exercise. The Company's credit risk sub-function headed by Chief Risk Officer (CRO) is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, and robust risk policies and control frameworks, implementing and continually re-evaluating our risk appetite and ensuring there is adequate monitoring of credit risks, their costs and their mitigation.

The basic credit risk management would cover two key areas, viz., (a) customer selection & (b) customer management. These are governed by Board Approved Credit Policy and Collections Policy which is reviewed on a regular basis.

(a) Customer Selection

Key criterion for customer selection is in accordance with Board Approved Credit Policy, which defines, inter alia, type of customers, category, market segment, income criterion, KYC requirement, documentation etc. The Policy also spells out details of credit appraisal process, delegation structure. The customer selection process aims to ensure quality portfolio and lower delinquency.

(i) Retail Customer Selection process

All the fulfilled applications undergo a number of checks which include internal dedupe checks, fraud dedupe check through a fraud detection software for national and local fraud matches. The cases also undergo scrutiny of KYC and income documents where all the approvable cases get screened by internal fraud prevention team for probable fraud alerts. The organization also works on system sampling through rules driven triggers that are based on market knowledge, fraud trends and other portfolio levels indicators.

For retails customers Credit limit is derived based on credit assessment of the individual based on bureau, income documents provided by the applicant and basis the overall risk profiling along with internal credit assessments process. The applications go through the application scorecards for approval. Multiple scorecards tailor made to different customer segments have been implemented which take into consideration; an applicant's demographic, financial details along with credit worthiness assessment derived through the relationships & performance with the competitors.

Organization has worked on strengthening the credit decision process with pre-qualification of the probable customers and scientific selection based on liability score model developed internally for appropriate customer selection and targeting. We have made multiple interventions throughout the year to strengthen the acquisition quality. This has led to improvement in approval rates in the current financial year. The changes include discontinuation of programs, revision in MCP, scorecard level changes etc.

Credit limit assignment is a function of income capacity and risk assessment done for the individual applicant. Risk assessment is done based on internal scorecards that are based on applicant bureau history, application profile and demographic variables.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

(II) Unsecured Corporate customer selection process

- For all unsecured corporate card exposures, SBI Card conducts a detailed subjective assessment based on information taken from the corporate, bureau reports, third party credit assessment agencies like rating agencies and any publicly available information.
- To accurately assess the credit profile of a corporate, SBI Card assesses the detailed financials, stock price performance (if listed) trends over the recent past. While the most critical indicators are detailed in the annexure along with the benchmarks approved by the board, many other performance indicators are presented in our credit proposals. These also vary slightly depending on the industry of operation of the corporate (for e.g., for manufacturing companies, working capital cycle and cash flow is assessed in detail; for companies in the service industry profitability margins and customer profile is studied in detail).
- In general, we evaluate the business risks associated with the corporate and its industry, its financial profile, liquidity situation and financial flexibility (in case of any perceived liquidity stress). We assess the trend over the years of various financial indicators like net revenue movement, profitability margins, interest cover, debt-to-equity, current ratio, working capital cycle, cash flow assessment etc. A peer comparison is also made between the corporate and other reputed companies from the same industry.
- Further, we assess the credit history indicators as determined by independent 3rd party agencies – external rating, bureau reporting, RBI negative list and asset classification letters from bankers. If the corporate has availed SBI credit facilities relationship, we also receive the details highlighting the type of facilities, payment track record, SB rating etc.
- If the credit profile of the corporate is deemed acceptable, and the corporate meets all the regulatory guidelines, the proposal is put before the approving authority (as per the delegation authority approved by the Board of Directors).

(III) Secured Corporate customer selection process

SBI Card allows exposure to corporates against liquid securities (e.g. Fixed Deposit & Bank Guarantee). For all secured corporate card exposures, SBI Card checks the bureau reports and a slightly shorter proposal is put before the approving authority (as per the delegation authority approved by the Board of Directors). The security is validated before any cards are issued.

(b) Customer Management

Customer management is carried out through Account Management System, which includes:

- Fraud detection
- Portfolio quality review
- Credit line increase
- Cross sell on cards
- Behavior scorecard;
- Collection score card etc.

The Company deploys right tools & contemporary technology to ensure the same. The Company has deployed practices/analytics such as the following to monitor and mitigate credit risk apart from accepting collaterals (for secured category of loan products)

Delinquency metrics have been developed and constantly evaluated & portfolio interventions leading to better quality of incoming new accounts

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Strong collection practices driving consistent improvements in collection metrics & leveraging the latest credit bureau information to improve recoveries from older pools

Strong use of analytics in measuring and monitoring credit risk are used such as;

- Scorecards assessing default risk & payment propensity
- Predictive Business Analytics Models Viz. Debt Estimation, Line Assignment, Profitability based models
- Loss Forecasting Models

Portfolio Risk Management encapsulates the full spectrum of the customer lifecycle once the customer's account is onboarded on system. Building on the information captured at the time of sourcing, credit-intelligence enriching activities are undertaken to create a customer's profile around propensity to spend-pay-revolve-cross sell, delinquency, debt burden, spend affinity etc. The profiles are further matured in due course of time with customer's credit behavior- both onus (within the bank) and off us (with competitors from Credit Bureaus).

(I) Portfolio Risk Management Tools

Portfolio Risk Management leverages a host of information available on customer's behavior, both internal (account performance) and external (credit bureau information). These data points are collected at various stages of the customer lifecycle- active, inactive, predelinquency, early-delinquency, severe delinquency and post write-off. The usage of these data points is as below:

- **Predictive Modeling:** This is one of the strongest tools available for risk management where statistical scorecards are developed to predict customer's behavior.
- **Bureau data:** Bureau data is a very rich source to create a holistic credit profile of the customer and is refreshed on a quarterly basis. Industry data covers number of trades (by type of trade- PL, Card, mortgage etc.), balances, delinquency history on each trade etc.
- **Bureau event triggers:** Event based triggers can be set to alert a specific activity by the customer with competition banks which is reported to credit bureaus. For example, an inquiry for a personal loan in bureau can be a trigger to offer a Loan on card internally
- **Spend Indicators:** Spends data offers a rich insight into customer's differential risk profile when every other parameter (scores, payment ratio, spend ratio) is constant.

A sudden and drastic shift from stable consumption based spend (utilities, groceries, fuel etc.) to aspirational spend (jewelry, apparel, gaming) can indicate future deterioration of risk grade.

- **Income estimator model:** For income-based sourcing, an inflation adjusted indexation is done to derive the current income based on past income docs. For nonincome-based segment, income estimation models have been built to derive the income based on onus and bureau variables. The income derived from this model is used to calculate the debt burden ratio which is used as a non-score parameter for portfolio actions.

(II) Portfolio Management activities

Multiple portfolio management activities are undertaken based on the Risk Management tools described above. These activities and programs heavily leverage the bureau information in addition to onus data

a) Portfolio Segmentation and Management

Using scorecards and other account behavior metrics, portfolio is segmented into Grow, Keep and Liquidate for non-delinquent portfolio. These segments offer a better risk grading compared to individual scorecards since it has an overlay of non-score parameters. The idea is to take positive credit expansion

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

action on the Grow segment (Prime credit grade), monitor and take calibrated positive actions on the Keep segment (Semi-prime credit grade) and take negative actions on the Liquidate segment (Sub-prime credit grade). The positive and negative actions have been described later in the document.

For delinquent portfolio similar score and non-score-based segmentations are created which then are allocated to collections as per defined collections and recovery strategies. In the current scenario we have created more granular microsegments and taken a number of portfolio actions on higher risk segments. The actions are in the nature of credit limit reductions, authorisation blocks, as well as declining potentially higher risk transactions.

b) Cross-Sell & authorization

Credit expanding activities are taken on the portfolio based on portfolio segments which include loan on card, limit increase, balance transfer and card upgrades. Cross-sell is targeted towards Prime and Semi-Prime segments and aims to grow the good asset and bring in low risk revenues. In addition to permanent increase in exposure, temporary increase in exposure is also taken by means of risk based over limit authorization to allow customer convenience and generate fee-based revenue.

c) Account Management

Detailed policies and processes are created for end to end management of the account by means of a comprehensive services policy. It covers security checks at call center/website, account modification activities (address/contact detail change), customer-initiated requests (balance refund, loan requests), account reinstatement, card renewals, supplementary card, billing cycle change, reversal of charges, bureau reporting, dispute/fraud chargeback among others. The primary objective is to respond to queries in a timely and accurate manner and resolve disputes expediently. Technology is heavily leveraged here wherein bulk of the policies and processes are automated with self-service channels for customers. Processes have been created to simplify the customer journey for fulfilment of customer requests. It is also ensured that all account management policies adhere to regulatory guidelines with respect to KYC norms, customer consent etc.

d) Collections and Recoveries

Strategies have been created for repayment at various stages which starts when customer has missed the payment due date. Further segments have been created using the collections scorecards and other variables and the output is passed on to the collections team for on tele calling /field activities. The frequency, mode and verbiage of communication is decided based on the segmentations.

e) Fraud Control

Checks have been built into the account management policy to prevent unauthorized access or takeover of customer account. In addition to that, a robust strategy has been created around transaction fraud covering:

- Decline/alert Rules based on Volume-velocity-variety
- Daily dispute review to identify fraud pattern and merchant
- Daily new merchant review to block fraudulent merchants before they gain momentum

A feedback loop is also created for the sourcing policy to discontinue segments which show considerable and persistent delinquencies. The portfolio review across these metrics is not just with the Company but also with the industry by means of reports or custom analysis from network (Visa/Mastercard/Rupay) or bureau.

(III) Key levers and actions

When it comes to taking actions on portfolio based on the portfolio indicators there are multiple levers of change depending on the desired outcome. These primarily are credit limit reductions, over limit strategies, cross-sell offers, account blocking etc.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Collection Approach

Customers who fail to pay their dues by the stipulated payment due date, at various stages of delinquency, come under the purview of collections & recovery strategies, as is decided by risk and/or collections team from time to time. Company uses various measures for collection of dues including tele-calling, field visits, written reminders, SMS, legal recourse etc. as is permitted by the approved strategy. Collection of dues will follow definitive treatment hierarchy (viz. total amount payment, minimum amount payment, bucket outstanding payment followed by financial hardship tools) and will involve laid down procedures, duly approved. Collection team may segregate treatment of accounts based on effectiveness of collections, cost implications & productivity benefit as well as the stage of delinquency. Accounts may also get allocated to external agencies, duly empaneled, depending on the severity, vintage of delinquency or any other related parameters.

SBI Card may block the customer's account, in the event payment is not received within stipulated payment due date, as communicated through statements & SMS. The account block, in such cases, may be temporary or permanent depending on delinquency stage, default potential, payment history. Accounts charged off post 191 days from payment due date are classified as Recovery Pool / Post charge-off bucket. Alternate Dispute Resolution channels like Arbitration, Conciliation, Bilingual Legal Notice, Privilege Police Complaint and

Lok Adalat recourse taken depending upon risk profile. Also, Quasi-legal, legal action under Sec 138 of Negotiable Instruments Act.

Also, the collaterals in the case of secured retail and corporate loans given are Fixed Deposit (FD) or Bank Guarantee (BG) from banks and hence, there is no significant/minimal credit risk associated for secured pool of loans which constitutes generally 1% - 2 % of the total credit exposure.

Stress testing on portfolio would be carried out periodically and results are regularly reported to RMCB and necessarily follow up action is taken. The review of portfolio analysis & trends, including recovery rates, is carried out at monthly intervals at the Executive Risk Management Committee of the Company.

Managing customer life cycle is a functional priority of the credit risk function. However, the Company may still continue to recover amounts legally and contractually owed.

Prohibited Practices

Tele callers / Recovery agents are prohibited in conducting the following acts but not limited to:

- Engaging in any conduct or practices that harass, threat, oppress or abuse any person in connection with the collection of a debt.
- Using false, deceptive or misleading representations or practices in collection of any debt.
- Refrain from action that could damage the integrity and reputation of SBI Card.
- Threatening or using violence to harm an individual's body, reputation or property.
- Using obscene gestures and abusive language (either orally or in writing).

B. Credit risk analysis

This section analyses Company's credit risk split as follows;

- (a) **Exposure to credit risk** - Analysis of overall exposure to credit risk before and after credit risk mitigation.
- (b) **Credit quality analysis** - Analysis of overall loan portfolio by credit quality.
- (c) **Impairment** - Analysis of non-performing / impaired loans.
- (d) **Credit risk mitigation** - Analysis of collaterals held by client segment and collateral type.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

(a) Exposure to credit risk

Maximum exposure to credit risk before and after credit risk mitigation (explained in detail in point (D)) is given below;W

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and bank balances	718.10	677.36
Derivative Financial Instruments	0.10	-
Trade Receivables	56.82	54.45
Loans	23,459.14	22,811.64
Investment	957.56	1.46
Other Financial Assets	221.57	223.09
Total	25,413.29	23,768.00

Loans to customer includes loans secured by lien on Fixed deposits and Bank Guarantee held with third party banks. Secured loans account for 1.35% .as at March 31, 2021, 1.34% as at March 31, 2020 of total loans.

Notes:

- Loans to customers which accounts for 92.3% of total exposure to credit risk, as at March 31, 2021, is segregated based on risk characteristics of the population to manage credit quality and measure impairment.
- Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
- Investment are valued at Fair value as on balance sheet date and effect has been routed through Other Comprehensive Income to be in line with Ind AS guideline
- Derivative instruments taken by the Company are from the same party (Parent company - Refer Note 16) from whom the Company has taken the underlying loan. Hence, default risk from counterparty is also being a financial institution with high credit rating is limited.
- Company follows simplified approach for recognition of impairment loss allowance on trade receivables/other financial assets wherein Company uses a provision matrix to determine the impairment loss allowance on the portfolio of receivables.

Credit concentration risk

Credit concentration risk may arise from a single large exposure to a counterparty Credit concentration risk may arise from a single large exposure to a counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated.

Large exposure concentration risk is managed through concentration limits set by a counterparty or a group of connected counterparties based on control and economic dependence criteria

For concentrations that are material at a Company level, breaches and potential breaches are monitored by the respective governance committees and reported to the Risk Committee and CRO.

The Company follows the prescribed Regulatory Prudential Norms:

- Single Borrower Exposure limit - 15% of net owned funds of SBI Cards & Payments Services Ltd.
- Group Borrower Exposure limit - 25% of net owned funds of SBI Cards & Payments Services Ltd

In addition, there is also an internal capping on the single borrower exposure at ₹ 200 Cr.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Single Borrower and Group Borrower exposure as on:

Particulars	Single Borrower exposure	Group Borrower exposure
March 31, 2021	1.66%	2.70%
March 31, 2020	2.80%	4.62%

The following tables gives credit risk / exposure concentration by client segment

Concentration by client portfolio segment

The following table sets out an analysis of risk concentration of loans to customers split by client segment

Portfolio segment	As at March 31, 2021	As at March 31, 2020
Corporate - Secured	25.26	29.14
Corporate - Unsecured	40.92	115.19
Retail - Secured	290.99	277.24
Retail - Unsecured	24,756.66	23,719.03
Total	25,113.83	24,140.60

(b) Credit quality analysis

Credit grading

The Company classifies credit exposure basis risk characteristics into high/medium/low risk. The Company has in place a credit risk grading model (Internal rating model) which is supplemented by external data such as credit bureau scoring information, financials statements and payment history that reflects its estimates of probabilities of defaults of individual counterparties and it applies blocks(soft/hard) on accounts based on activity pattern of the borrower.

A breakdown of loans by credit quality is given below.

By Portfolio Segment

Credit risk classification/ Staging	As at March 31, 2021	As at March 31, 2020
Strong (Stage 1)	20,720.59	19,063.35
Satisfactory (Stage 2)	3,138.96	4,592.87
High Risk (Stage 3)	1,254.28	484.39
Total	25,113.83	24,140.60

Impact of year on year increase is on account of portfolio growth.

Approach followed:

Stage 1	Includes borrowers that have not had a significant increase in credit risk since initial recognition or have low credit risk at the reporting date. 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset.
Stage 2	Includes borrowers that have not had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the card.
Stage 3	Includes borrowers that have objective evidence of impairment at the reporting that. Lifetime ECL is calc

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Credit quality by client segment

An overall breakdown of loan portfolio by client segment is provided below differentiating between performing and non-performing loan book,

The Company segregates its credit risk exposure from loans & advances to customers as Stage 1 (Good), Stage 2 (Increased credit risk), Stage 3 (Impaired loans). The staging is done based on criteria specified in Ind AS 109 and other qualitative factors.

(c) Impairment

Collective measurement model (Retail and Corporate)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with the change in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to likelihood of defaults occurring, of the associated loss ratios, collaterals and coverage ratio etc.

The Company measures credit risk using Probability of Default (PD), Exposure of Default (EAD), Loss Given Default (LGD). Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition.

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage1'
- If a significant increase in credit risk (SICR) is identified the financial instrument moves to 'Stage 2',
- If the financial instrument is credit-impaired, the financial instrument moves to 'Stage3' category.

The Company defines default or significant increase in credit risk (SICR) based on the following quantitative and qualitative criteria.

Definition of Default

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates that the borrower is in significant difficulty wherein a 'hard block' is applied on accounts and is blocked for further activity on meeting the following criteria;

- Arrangement to Pay
- Settlement
- Cardholder is deceased
- Restructured

Further, for any instrument to be upgraded from Stage 3, the entire overdue balance must be cleared.

Definition of Significant increase in credit risk (SICR)

Quantitative criteria

The borrower is 30-90 past due on its contractual payments.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Qualitative criteria

When borrowers are classified as “high risk” or when the account is tagged as “over-limit” i.e. when borrowers are expected to/approach their credit limit it is considered as indicator of increased credit risk.

The default definition has been applied consistently to model the PD, LGD and EAD for measurement of ECL.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

ECL is measured on either a 12 month or lifetime basis depending on whether there is an increase in SICR since initial recognition. ECL is the discounted product of PD, LGD and EAD.

Estimation for retail accounts

PD

Month on month (MOM) default rates were calculated for all vintages.

Post calculating Mom default rates, cumulative yearly PDs being calculated till lifetime.

- For Stage 1 accounts 1- year marginal PD were calculated.
- For Stage 2 accounts - Lifetime PDs were calculated
- For Stage 3 accounts a 100% PD was taken

LGD

All discounted recoveries net of collection costs is calculated segment wise against exposures to arrive at loss estimates. Discount rate being considered is the average yield rate across segments. LGD is floored at 0% and capped at 100%

EAD

Segment wise EAD is calculated using the below formula.

$EAD = \text{Balance Outstanding} + CCF * (\text{Credit Limit} - \text{Balance Outstanding})$, where CCF is proportion of unutilized credit limit which is expected to be utilized till the time of default. CCF is applicable only for stage 1 accounts, as stage 2 and stage 3 accounts cannot utilize the unused credit limit. $CCF \% = \text{Utilisation (t+12)} - \text{Utilisation (t)}$ i.e. change of utilization rates over next 1 year, its being floored at 0%

Segment wise PD and LGD as at March 31, 2021, rates arrived at for all stages is given below

Portfolio Segment	PD			LGD		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.92%	2.88%	100.00%	57.92%	57.92%	57.92%
Retail - Secured	3.53%	8.14%	100.00%	9.19%	9.19%	9.19%
Retail - Unsecured	2.47%	6.15%	100.00%	65.90%	65.90%	65.90%

The Company revisits the inputs, assumptions used in measurement of ECL whenever there is a significant change, at least every quarter.

• Individual Measurement (Corporate)

The Company's credit risk function segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

Specific reserve may be created in following scenarios: -

- Rating of the corporate is downgraded significantly.
- Public news of default or fraud by the corporate or any group company with any lender.
- Adverse reporting in bureau with respect to the corporate or promoters (overdues with other lenders)
- Adverse public information on corporate or associated group.
- Significant Overdues of the corporate or group companies with SBI Card or SBI.
- If corporate exposure is backed by security, and there is a deterioration in the value of the underlying security.

Impairment allowance for these exposures are reviewed and accounted on a case by case basis. Below table states different scenarios and effect of the same on point in time provision.

Classification	Trigger point's	Provision
Stage 2	Rating of the corporate downgraded by 2 notches but still investment grade or, Early warning triggers or, Overdue amount reported in bureau > INR 50K (but not NPA or 90+)	1. PD determination basis external rating 2. LGD will be as applicable for the quarter 3. EAD will be point in time outstanding of the corporate
Stage 3	Rating of the corporate downgraded by 3 notches or current rating falls below investment grade or, NPA with SBI Card, any other group Company > INR 1 lakh	1. PD will be 100% 2. LGD will be as applicable for the quarter 3. EAD will be point in time outstanding of the corporate
Stage 3	Rating of corporate downgraded to C/D category or, Public news of default or fraud by the corporate	1. Provisioning will be 100% of point in time outstanding of the corporate

The normal ECL model for provisioning will not apply to corporates, where specific reserves are being held.

In the event where above stated conditions show improvement and corporate no longer falls under any of triggers for consistently 3 months, provision is restated basis Collective measurement model.

Management overlay on ECL model due to COVID-19

The current ECL model does not cater to future economic deterioration expected due to COVID-19 fall out and is not forward looking as it is based on past historical data. Accordingly, in anticipation of the expected economic fallout, we have now identified specific segments prone to stress in the current situation. These have been identified on the basis of behaviour in the last 12 months as well as the efforts required to collect on these segments. The stress segments identified are erstwhile SC Stand still accounts and customers who opted for RBI resolution package as per RBI circular dated August 6, 2020 and are in stage 2 or stage 3 on the reporting date. We have created additional management overlay on these segments. We are closely monitoring our asset quality and taking suitable actions to manage our exposures. These segments and strategies are being actively monitored and will be refined as more data becomes available.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

The incremental provision created as management overlay is as follows:

Stage	Management Overlay
Stage 1	-
Stage 2	143.73
Stage 3	153.27
Total	297.00

Below table shows stage wise portfolio gross exposure and loss allowance on Loans

Portfolio Segment	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	22.04	3.22	-	29.14	-	-
Corporate - Unsecured	40.82	0.10	-	52.11	62.70	0.38
Retail - Secured	278.34	6.77	5.88	231.57	44.60	1.08
Retail - Unsecured	20,379.39	3,128.87	1,248.40	18,750.54	4,485.57	482.93
Gross Exposure	20,720.59	3,138.96	1,254.28	19,063.35	4,592.87	484.39
Less : Impairment loss	331.71	346.35	976.63	653.06	350.37	325.53
Carrying Amount	20,388.88	2,792.61	277.66	18,410.29	4,242.50	158.86

Below table shows the breakup of Impairment loss provision

Portfolio Segment	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	-	-	-	-	-	-
Corporate - Unsecured	0.22	-	-	0.57	9.45	0.38
Retail - Secured	0.90	0.05	0.54	0.59	1.06	0.07
Retail - Unsecured	330.59	346.30	976.09	651.90	339.86	325.07
Total Impairment loss	331.71	346.35	976.63	653.06	350.37	325.53

As of March 31, 2021, there is NIL specific loss provision for Corporate unsecured customers (March 31, 2020, loss provision includes, specific impairment loss provision for ₹ 4.37 Crores for Corporate unsecured customers (₹ 3.98 Crores and 0.38 Crores for Stage 2 and Stage 3 respectively) and management overlay for COVID-19 as per details mentioned above

ECL % as per collective measurement model

ECL percentage Segment wise exposure	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.53%	1.67%	57.92%	1.10%	8.72%	100.00%
Retail - Secured	0.32%	0.75%	9.19%	0.25%	0.46%	6.94%
Retail - Unsecured	1.63%	4.05%	65.90%	1.69%	4.29%	65.63%

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

ECL % including individual measurement and management overlay

ECL percentage	As at March 31, 2021			As at March 31, 2020		
Segment wise exposure	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.54%	0.00%	0.00%	1.10%	15.07%	100.00%
Retail - Secured	0.32%	0.74%	9.18%	0.25%	2.37%	6.94%
Retail - Unsecured	1.62%	11.07%	78.19%	3.48%	7.58%	67.31%

Movement of Impairment loss allowance:

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2020	653.06	350.37	325.53
Movements during the year			
Addition / Reduction during the year	(392.28)	(238.04)	2,009.41
Provision movement on account of derecognise during the year	-	-	(152.93)
Provision movement due to Write-offs during the year	-	-	(1,411.23)
New Addition during the year*	70.93	234.02	205.85
Impairment Loss Allowance as at March 31, 2021	331.71	346.35	976.63

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2019	259.99	56.45	301.13
Movements during the year			
Addition / Reduction during the year	(35.48)	84.34	783.15
Provision movement due to Write-offs during the year	-	-	(862.92)
New Addition during the year *	428.55	209.59	104.17
Impairment Loss Allowance as at March 31, 2020	653.06	350.37	325.53

* Includes management overlay due to COVID -19 of ₹ 297.00 Crores (₹ 489.26 Crores as of March 31, 2020)

(d) Movement of Impairment Loss on assets other than Loans

For the year ended March 31, 2021

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	0.16	3.69	114.20
Addition / Reduction during the year	0.18	(1.79)	(0.46)
Closing Balance	0.34	1.91	113.74

For the year ended March 31, 2020

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	-	2.15	119.68
Addition / Reduction during the year	0.16	1.63	(5.47)
Closing Balance	0.16	3.69	114.20

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.2. Credit Risk (Contd..)

(e) Credit risk mitigation

The below table shows the cover ratio of total NPA for the portfolio segment

As at March 31, 2021

Non-Performing Loans	Corporate Unsecured	Retail Secured	Retail Unsecured
Loans	-	5.88	1,248.40
Loss reserve (ECL)	-	0.54	976.09
Coverage	0.00%	9.18%	78.19%

As at March 31, 2020

Non-Performing Loans	Corporate Unsecured	Retail Secured	Retail Unsecured
Loans	0.38	1.08	482.93
Loss reserve (ECL)	0.38	0.07	325.07
Coverage	100.00%	6.94%	67.31%

37.2.3. Liquidity risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due or will have to do so at an excessive cost. This risk arises from the mismatches in the timing of the cash flows which is inherent in all financing operations and can be affected by a range of company specific and market wide events. Therefore, Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Managing Director & CEO of the Company.

The Company manages its liquidity risk through a mix of strategies, including forwardlooking resource mobilization based on projected disbursements and maturing obligations. ALCO is responsible for managing the Company's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Company's borrowing program is rated by CRISIL & ICRA. Short term rating is A1+ and long-term rating is AAA/Stable by both the agencies. There has been no change in ratings from last 10 years.

The maturity pattern of items of non-derivative financial assets and liabilities at undiscounted principal and interest cash flows are as under:

Maturity Analysis of Non Derivative financial assets & liabilities : As at Mar'21

Description	Upto 30/31	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Debt securities	-	613.66	416.43	449.84	918.00	2,785.00	750.00	-	5,932.93
Borrowings other than debt securities	5,006.20	2,915.48	1,706.14	814.70	278.34	92.12	23.25	0.55	10,836.78
Subordinated liabilities	-	-	6.46	28.56	113.31	800.00	-	350.00	1,298.33

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.3. Liquidity risk (Contd..)

Maturity Analysis of Non Derivative financial assets & liabilities : As at Mar'21

Description	Upto 30/31	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Other Financial Liabilities	569.31	81.44	72.61	243.66	425.77	0.63	-	69.57	1,462.99
Financial Liabilities Total	5,575.51	3,610.58	2,201.64	1,536.76	1,735.42	3,677.75	773.25	420.12	19,531.03
Financial Assets									
Cash and cash equivalents	641.18	-	2.02	-	-	-	-	-	643.20
Banks Balances	5.25	0.01	-	0.03	0.50	-	-	69.11	74.90
Loans & Advances	7,288.07	3,440.15	2,263.43	3,823.37	2,800.29	3,566.18	-	277.65	23,459.14
Investments	-	281.53	1.69	281.68	63.11	86.84	231.51	11.20	957.56
Other Financial Assets	35.13	24.05	10.64	24.49	159.75	19.12	1.31	3.89	278.39
Financial Assets Total	7,969.63	3,745.74	2,277.78	4,129.57	3,023.65	3,672.14	232.82	361.85	25,413.19

Maturity Analysis of Non Derivative financial assets & liabilities : As at Mar'20

Description	Upto 30/31	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Debt securities	199.34	637.26	860.94	1,266.82	1,091.36	1,443.90	299.66	-	5,799.28
Borrowings other than debt securities	5,776.99	2,479.11	1,829.11	237.32	24.63	89.85	36.61	1.00	10,474.62
Subordinated liabilities	-	-	7.22	29.37	15.57	199.77	699.12	347.79	1,298.85
Other Financial Liabilities	371.28	132.65	135.55	385.36	109.99	-	-	61.37	1,196.21
Financial Liabilities Total	6,347.60	3,249.01	2,832.81	1,918.87	1,241.56	1,733.52	1,035.40	410.17	18,768.95
Financial Assets									
Cash and cash equivalents	377.33	138.58	-	-	-	-	-	-	515.91
Banks Balances	-	0.01	0.02	1.03	101.54	-	-	58.85	161.45
Loans & Advances	6,243.28	3,286.55	3,061.65	4,988.60	2,657.73	2,414.98	-	158.85	22,811.64
Investments	-	-	-	-	-	-	-	1.46	1.46
Other Financial Assets	33.66	67.59	9.85	48.36	98.88	15.37	3.68	0.15	277.54
Financial Assets Total	6,654.27	3,492.73	3,071.52	5,037.99	2,858.15	2,430.34	3.68	219.31	23,768.00

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd.)

37.2.3. Liquidity risk (Contd.)

Maturity Analysis of Derivative financial assets & liabilities :

Description	Upto 30/31	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at									
March 31, 2021									
Foreign exchange forward contract Liabilities (Assets)					(0.10)				(0.10)
As at									
March 31, 2020									
Foreign exchange forward contract Liabilities (Assets)				0.43					0.43

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

37. Financial Instruments (Contd..)

37.2.3. Liquidity risk (Contd..)

Maturity Analysis of Derivative financial assets & liabilities :

The table above details the Company's expected maturities for its non-derivative and derivative financial instruments drawn up based on the undiscounted contractual maturities including interest. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Following is the position of company's undrawn limits as on respective year end dates:

Funding Facility	Total Facility	Drawn *	Undrawn
March 31, 2021			
Less than 1 year	19,000.00	12,875.66	6,124.34
March 31, 2020			
Less than 1 year	16,500.00	12,839.86	3,660.14

* does not include lease liability

Other price risks

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

If equity prices had been 10% higher/lower other comprehensive income for the year ended March 31, 2021 would increase/decrease by ₹ 1.12 crores (for the year ended March 31, 2020 increase/decrease by ₹ 0.15 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

Decription	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
10% Value	1.12	-1.12	0.15	-0.15

38. Auditors' remuneration (excluding GST/Service tax)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit fee	0.30	0.30
Quarterly Limited Review fee	0.06	0.13
Tax audit fee	0.03	0.03
Fee for other services	0.07	0.05
Reimbursement of expenses	0.02	0.02
Total	0.49	0.53

For year ended March 31, 2020, the Company has also paid an amount of ₹ 0.33 Crores to the auditors in relation to IPO assignment and the proportionate expenses (Company's share) ₹ 0.02 Crores is netted off from 'securities premium account'.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

39. Movement of provision for reward points redemption and legal cases in accordance with Ind AS 37; Provisions, contingent liabilities and contingent assets is as under:

Reward Points Movement*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Provision at the beginning of the year	405.88	438.84
b. Net addition during the year	333.22	547.18
c. Value of points redeemed during the year	(358.79)	(439.13)
d. Adjustment for change in estimate during the year	-	(155.41)
e. Movement on account of unpaid vendors liability	6.68	14.39
f. Provision at the end of the year* (a+b-c-d+e)	386.98	405.88

* Provision for reward points as at March 31, 2021 includes provision as per actuarial valuation of ₹ 342.11 Crores (previous period ₹ 367.69 Crores) and provision for unpaid claims of ₹ 44.87 Crores (previous period ₹ 38.19 Crores)

Legal Claims:

The below table provide the movement of the provision for cases filed against the Company in the ordinary course of business.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Provision at the beginning of the year	0.18	0.15
b. Additions / (Reduction) made during the year	(0.00)	0.09
c. Amount Paid during the year	0.02	0.06
d Provision at the end of the year (a+b-c)	0.16	0.18

40. Income and expenditure in foreign currency

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure in foreign currency (on accrual basis)		
Network and other service charges	253.57	405.35
Professional fees	7.45	8.89
Travel & Conveyance	-	0.92
Others	9.97	11.57
Finance Cost	42.55	56.51
Income in foreign currency (on accrual basis)		
Business development incentive & Interchange income	292.72	385.17

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

41. Related party disclosures

List of parties who have controlling interest or with whom transactions have taken place during the year.

List of related parties

i. Holding Entity

State Bank of India

ii. Entity having significant influence

CA Rover Holdings

iii. Fellow subsidiaries

SBI Capital Markets Ltd.

SBICAP Securities Ltd.

SBICAP Trustee Company Ltd.

SBICAP Ventures Ltd.

SBICAP (Singapore) Ltd.

SBICAP (UK) Ltd.

SBI DFHI Ltd.

SBI Global Factors Ltd.

SBI Infra Management Solutions Private Limited

SBI Mutual Fund Trustee Company Pvt Ltd.

SBI Payment Services Pvt. Ltd.

SBI Pension Funds Pvt Ltd.

SBI General Insurance Company Ltd.

SBI Life Insurance Company Ltd.

SBI-SG Global Securities Services Pvt. Ltd.

SBI Funds Management Pvt. Ltd.

SBI Funds Management (International) Private Ltd.

Commercial Indo Bank Llc , Moscow

Bank SBI Botswana Limited

SBI Canada Bank

State Bank of India (California)

State Bank of India (UK) Limited

State Bank of India Servicos Limitada (Brazil)

SBI (Mauritius) Ltd.

PT Bank SBI Indonesia

Nepal SBI Bank Ltd.

Nepal SBI Merchant Banking Ltd.

SBI Foundation (not for Profit Company)

SBI Card employee's gratuity fund

iv. Key managerial personnel

Mr. Dinesh Kumar Khara, Director

Mr. Rama Mohan Rao Amara, MD and CEO
(from January 30, 2021)

Mr. Ashwini Kumar Tewari, MD and CEO
(from August 01, 2020 to January 27, 2021)

Mr. Hardayal Prasad, MD and CEO (till July 31, 2020)

Mr. Nalin Negi, CFO

Ms. Payal Mittal Chhabra, Company Secretary

Mr. Sunil Kaul, Director

Dr. Tejendra Mohan Bhasin, Director (from June 28, 2019)

Mr. Rajendra Kumar Saraf, Director (from August 14, 2019)

Mr. Dinesh Kumar Mehrotra, Director
(from November 14, 2019)

Ms. Anuradha Shripad Nadkarni, Director
(from November 14, 2019)

Mr. Shree Prakash Singh, Director (till July 31, 2020)

Mr. Devendra Kumar, Director (from August 21, 2020)

Mr. Shriniwas Yeshwant Joshi, Director
(from December 04, 2020)

Mr. Rajnish Kumar, Director (till October 6, 2020)

Mr. Nilesh Shivji Vikamsey, Director (from August 14, 2019 till November 5, 2020)

Mr. Ashwini Kumar Sharma, Director (till August 05, 2019)

Ms. Saraswathy Athmanathan, Director
(till August 03, 2019)

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

41. Related party disclosures (Contd..)

41.1. Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2021

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
	For the year ended March 31, 2021			
a. Transactions during the period				
Advertisement, sales promotion & Collection	13.36	-	-	-
Cost allocations received*	2.84	-	-	-
Fees and Commission, bank charges	124.24	-	-	-
Commission Received	-	-	0.60	-
Personnel Cost (Managerial remuneration- Salaries & other Allowances)	-	-	-	4.30
Personnel Cost (Managerial remuneration- Post Employment Benifits)	-	-	-	0.03
Personnel Cost (Managerial remuneration- Share based payments)	-	-	-	0.90
Gratuity fund contribution	-	-	3.64	-
Interest Income on fixed deposit	0.36	-	-	-
Finance charges	563.89	-	25.06	-
Borrowings taken	51,461.48	-	-	-
Borrowings repaid	51,365.75	-	-	-
Fixed Deposit made	1.94	-	-	-
Fixed deposit matured	4.61	-	-	-
Royalty expenses	19.69	-	-	-
Loans and Advances given and other adjustments	0.51	-	2.31	0.24
Loans and Advances Repaid	0.51	-	2.24	0.24
Insurance Expenses	-	-	0.60	-
Contribution to Other Fund	0.89	-	-	-
CSR Contribution	-	-	8.87	-
Dividend Paid	65.26	14.92	0.02	-

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
	As at March 31, 2021			
b. Balances Outstanding at Period End				
Trade Payables and Other liabilities	45.73	-	0.81	-
Trade receivables	-	-	0.16	-
Borrowings Including Interest Payable	9,951.06	-	319.89	-
Cash and Bank Balances**	91.63	-	-	-
Loans and Advances***	8.92	-	0.18	0.02
Fixed deposit including Interest Accrued	2.54	-	-	-
Investments	-	-	0.001	-
Contribution to other fund	0.08	-	-	-

All transactions with the related parties are at Arm's length.

*The amounts are included/ adjusted in the respective expense line items of operating and other expenses.

** These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2021.

*** These amounts represent year-end balances outstanding as at March 31, 2021 on credit cards issued.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

41. Related party disclosures (Contd..)

41.2. Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2020

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
For the year ended March 31, 2020				
a. Transactions during the year				
Advertisement, sales promotion & Collection	24.79	-	-	-
Cost allocations received*	2.47	-	-	-
Fees and Commission, bank charges	172.80	-	-	-
Commission Received	-	-	0.04	-
Personnel Cost (Managerial remuneration- Salaries & other Allowances)	-	-	-	3.34
Personnel Cost (Managerial remuneration- Post Employment Benefits)	-	-	-	0.12
Personnel Cost (Managerial remuneration- Share based payments)	-	-	-	0.53
Gratuity fund contribution	-	-	11.49	-
Interest Income on fixed deposit	0.82	-	-	-
Income on Investment	-	-	0.02	-
Finance charges	662.82	-	7.98	-
Borrowings taken	74,120.64	-	825.00	-
Borrowings repaid	73,206.38	-	-	-
Investment Purchased	-	-	60.00	-
Investment Sold	-	-	60.00	-
Fixed Deposit made	367.91	-	-	-
Fixed deposit matured	365.24	-	-	-
Royalty expenses	24.90	-	-	-
Loans and Advances given and other adjustments	2.65	-	3.99	0.37
Loans and Advances Repaid	2.70	-	4.10	0.42
Insurance Expenses	-	-	1.53	-
Contribution to Other Fund	0.74	-	-	-
CSR Contribution	-	-	2.04	-
IPO Expenses (our share)	-	-	0.30	-

IPO expenses related to the selling shareholders have not been considered above as they are not expense of the Company and the same are borne by the Selling Shareholders.

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
For the year ended March 31, 2020				
b. Balances Outstanding at year End				
Trade Payables and Other liabilities	32.24	4.01	10.41	-
Trade receivables	0.60	-	-	-
Borrowings	9,804.95	-	315.00	-
Interest and other Payable	112.37	-	4.93	-
Cash and Bank Balances**	395.90	-	-	-
Loans and Advances***	8.85	-	0.12	0.01
Fixed deposit	5.09	-	-	-
Investments	-	-	0.001	-
Other Recoverable	-	-	0.02	-
Contribution to other fund	0.07	-	-	-
Interest Accrued	0.17	-	-	-

All transactions with the related parties are at Arm's length.

* The amounts are included/ adjusted in the respective expense line items of operating and other expenses.

** These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2020.

*** These amounts represent year-end balances outstanding as at March 31, 2020 on credit cards issued.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

42. Share based payments

a. SBI Card Employee Stock Option Plan 2019 (the Plan):

On February 22, 2019 pursuant to approval by the shareholders in the Extraordinary General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company under the Plan. The maximum number of shares under the plan shall not exceed 3% of the paid-up share capital of the Company as on date when the Scheme become effective. The Plan shall be administered by the Nomination and Remuneration Committee of the Board working under the powers delegated by the Board. Options granted under the plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator.

Under the plan, two types of employee stock options are granted, performance-based options & goodwill options. During the year ended March 31, 2021, Performance based options (Performance Option-2) are granted as on June 17, 2020. During the year ended March 31, 2020, Performance based options ((Performance Option-1) were granted as on September 17, 2019 and Goodwill options were granted as on September 18, 2019.

Performance based options shall vest with the participants in 4 tranches: – 10%, 20%, 30%, 40% at the end of year 1, 2, 3 and 4 of continued service respectively. However, No options shall vest before 3 months from IPO and the vesting of options shall be contingent upon the Participant being employed with the company and few other defined annual performance parameters. The Goodwill Options shall vest upon completion of 12 months from the Grant Date or 180 days after the date of listing of the Shares of the Company, whichever is later.

i) Summary of options granted under plan:

Option movement	As at March 31, 2021									
	Goodwill Options	Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)				Total
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Opening balance										
Number of Options	1,334,500	1,200,920	2,401,840	3,602,760	4,803,680	-	-	-	-	13,343,700
Avg. Exercise price per share option (in ₹)	152.10	152.10	152.10	152.10	152.10	-	-	-	-	152.10
Vesting Period	1 year	1 year	2 year	3 year	4 year	-	-	-	-	-
Options Granted during the year										
Number of Options	-	-	-	-	-	13,195	26,390	39,585	52,780	131,950
Avg. Exercise price per share option (in ₹)	-	-	-	-	-	152.10	152.10	152.10	152.10	152.10
Vesting Period	-	-	-	-	-	1 year	2 year	3 year	4 year	-
Options Exercised during the year										
Number of Options	1,031,500	728,932	-	-	-	-	-	-	-	1,760,432
Avg. Exercise price per share option (in ₹)	152.10	152.10	-	-	-	-	-	-	-	152.10
Options Forfeited during the year										
Number of Options	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

i) Summary of options granted under plan: (Contd..)

Option movement	As at March 31, 2021							
	Type of arrangement				Performance Options-2 (given on June 17, 2020)			
	Goodwill Options	Performance Options-1 (given on September 17, 2019)			Tranche 1	Tranche 2	Tranche 3	Tranche 4
Options Expired during the year	-							
Number of Options	127,000	3,185	12,740	19,110	25,480	-	-	187,515
Options Vested but not exercised during the year								
Number of Options	176,000	468,803	-	-	-	-	-	644,803
Options Outstanding at the year end								
Number of Options	-	-	2,389,100	3,583,650	4,778,200	13,195	26,390	52,780
Avg. Exercise price per share option (in ₹)	-	-	152.10	152.10	152.10	152.10	152.10	152.10

Option movement	As at March 31, 2020							
	Type of arrangement				Performance Options-2 (given on June 17, 2020)			
	Goodwill Options	Performance Options-1 (given on September 17, 2019)			Tranche 1	Tranche 2	Tranche 3	Tranche 4
Opening balance								
Options Granted during the year	1,334,500	1,200,920	2,401,840	3,602,760	4,803,680	-	-	13,343,700
Number of Options	152.10	152.10	152.10	152.10	152.10	-	-	152.10
Avg. Exercise price per share option (in ₹)	1 year	1 year	2 year	3 year	4 year	-	-	-
Options Exercised during the year								
Options Forfeited during the year	-	-	-	-	-	-	-	-
Options Expired during the year	-	-	-	-	-	-	-	-
Options Vested during the year								
Options Outstanding at the year end	1,334,500	1,200,920	2,401,840	3,602,760	4,803,680	-	-	13,343,700
Number of Options	152.10	152.10	152.10	152.10	152.10	-	-	152.10
Avg. Exercise price per share option (in ₹)								

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

ii) Share options outstanding at the end of period have following expiry date and exercise prices.

Particulars	Grant date	Expiry date	Exercise price (in ₹)	Share options March 31, 2021
Performance Option-1	Tranche 2 - September 17, 2019	16 September 2021	152.10	2,389,100
	Tranche 3 - September 17, 2019	16 September 2022	152.10	3,583,650
	Tranche 4 - September 17, 2019	16 September 2023	152.10	4,778,200
	Tranche 1 - June 17, 2020	16 June 2021	152.10	13,195
Performance Option-2	Tranche 2 - June 17, 2020	16 June 2022	152.10	26,390
	Tranche 3 - June 17, 2020	16 June 2023	152.10	39,585
	Tranche 4 - June 17, 2020	16 June 2024	152.10	52,780
				10,882,900
Total				1.73
Weighted average remaining contractual life of options outstanding (In years)				

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

42. Share based payments (Contd..)

a. SBI Card Employee Stock Option Plan 2019 (the Plan): (Contd..)

iii) Fair value at the grant date of options granted during the year ended March 31, 2021

Type of Option	Tranche	Fair value (in ₹)
Performance Option-2	Tranche 1	604.9
	Tranche 2	613.1
	Tranche 3	620.9
	Tranche 4	628.3

Fair value at the grant date of options granted during the period ended March 31, 2020

Type of Option	Tranche	Fair value (in ₹)
Goodwill options	NA	49.0
	Tranche 1 options	50.5
Performance Option-1	Tranche 2 options	56.9
	Tranche 3 options	64.5
	Tranche 4 options	71.2

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	Goodwill Options	Performance Options-1				Performance Options-2			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
years to expiration	3.5	3.5 to 3.9	4.5	5.5	6.5	3.5	4.5	5.5	6.5
Risk free rates	6.5%	6.5% to 6.6%	6.6%	6.7%	6.8%	5.9%	6.1%	6.2%	6.3%
Expected volatility	31.1%	30.9% to 31.1%	30.8%	31.1%	31.2%	34.4%	33.4%	33.1%	32.8%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instant case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

b. Expense arising from share-based payment transactions

Particulars	March 31, 2021	March 31, 2020
Employee option plan	30.18	18.18
Total expense	30.18	18.18

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

43. Leases

The Company has leases of various offices and equipment. Rental contracts are typically made for fixed periods of 3 to 9 years but may have extension options as described in (II) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable wherever applicable.
- Variable lease payment that are based on an index or a rate if applicable.
- Amounts expected to be payable by the lessee under residual value guarantees if applicable.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option if applicable, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received if applicable, and
- any initial direct costs if applicable.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

I. Variable lease payments

Estimation uncertainty arising from variable lease payments

Under certain contracts, payments are variable in nature as it depends on number of man hours worked by non-full-time employee in a particular month. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

II. Extension and termination options

Extension and termination options are included in a number of lease contracts. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

43. Leases (Contd..)

II. Extension and termination options (Contd..)

The company has classified computer server used in data center management services as lease. Contractual maturities of lease liabilities on as undiscounted basis are as given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	57.34	49.26
Later than one year and not later than five years	115.36	126.46
Later than five years	0.56	1.00
Total minimum lease payments	173.26	176.72

44. Employee benefits

Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident Fund	18.02	17.80
Employee State Insurance Corporation (ESIC)	0.36	0.62
Contribution to National Pension Scheme	0.89	0.74
Labour Welfare Fund	0.14	0.14
Total	19.41	19.30

Defined benefit plans

The Company has a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is unfunded.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Future Salary Increase/Salary escalation	9.00%	10.00%
Expected return on plan assets	0.00%	0.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012 - 14	2012 - 14
Employee turnover From 21 to 30 years	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	0.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion & Other relevant factors, such as supply & demand in the employment market.

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

44. Employee benefits (Contd..)

Defined contribution plans (Contd..)

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Statement of profit and loss

Net employee benefits expense recognized in the employee cost:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	8.16	6.43
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	0.08	0.15
(Gains) / losses on settlement	-	-
Components of defined benefit costs recognised in profit or loss	8.24	6.59
Remeasurement on the net defined benefit liability:		
Changes in financial assumptions	(1.75)	2.98
Changes in demographic assumptions	(1.56)	0.00
Experience adjustments	(4.24)	2.14
Return on plan assets (excluding amounts included in net interest expense)	0.13	(1.11)
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(7.42)	4.01

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows;

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of funded defined benefit obligation	56.28	53.85
Fair value of plan assets	(55.47)	(50.22)
Net unfunded obligation status	0.81	3.63
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	0.81	3.63

Movements in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	53.85	41.75
Current service cost	8.16	6.43
Past service cost	-	-
Interest cost	3.59	3.02
Remeasurement (gains)/losses due to:		
Actuarial gains and losses arising from changes in financial assumptions	(1.75)	2.98
Actuarial gains and losses arising from changes in demographic assumptions	(1.56)	-

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

44. Employee benefits (Contd..)

Statement of profit and loss (Contd..)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial gains and losses arising from experience adjustments	(4.24)	2.14
Benefits paid	(1.77)	(2.47)
Liabilities assumed/(settled)	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Closing defined benefit obligation	56.28	53.85

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate		
Impact of increase 50 bps on Defined benefit obligation	-4.52%	-5.04%
Impact of Decrease 50 bps on Defined benefit obligation	4.88%	5.48%
Salary Escalation rate		
Impact of increase 50 bps on Defined benefit obligation	4.73%	5.29%
Impact of Decrease 50 bps on Defined benefit obligation	-4.43%	-4.93%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profile	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected Benefits for 1 year	5.19	4.34
Expected Benefits for 2 year	5.07	4.30
Expected Benefits for 3 year	4.87	4.17
Expected Benefits for 4 year	4.79	4.05
Expected Benefits for 5 year	4.38	3.95
Expected Benefits for 6 year	4.73	3.63
Expected Benefits for 7 year	3.70	4.18
Expected Benefits for 8 year	4.15	3.19
Expected Benefits for 9 year	4.00	3.91
Expected Benefits for 10 year and Above	74.36	96.43
weighted average duration to the payment of these cash flows (in Years)	9.39	10.51

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

44. Employee benefits (Contd..)

Compensated absences

An actuarial valuation of compensated absences has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Future Salary Increase/Salary escalation	9.00%	10.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	0.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion & Other relevant factors, such as supply & demand in the employment market.

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Defined Benefit Obligation of compensated absence in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	16.94	15.12
Closing defined benefit obligation	16.94	15.12

Long service award

An actuarial valuation for Long Service Awards to employee has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Increase in Cost of Award	0.00%	0.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	0.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion & Other relevant factors, such as supply & demand in the employment market.

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

44. Employee benefits (Contd..)

Long service award (Contd..)

Defined Benefit Obligation of long service award in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	8.83	7.84
Closing defined benefit obligation	8.83	7.84

45. Contingent liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Claims against the Company not acknowledged as debt		
(a) Demand notices from Service tax department	53.74	39.53
(b) Claims against the company in the ordinary course of business	19.36	15.19
(c) Guarantees	110.13	110.18
(d) Demand notice from Income tax department	5.45	5.45
(e) Contribution notice from ESIC & EPFO	7.08	2.53
Total	195.76	172.88
Pre-deposit against claims	2.47	2.06

Certain show cause notices relating to indirect taxes matters amounting to ₹ 4.72 Crores (previous period ₹ 4.72 Crores) and interest as applicable, have neither been acknowledged as claims nor acknowledged as contingent liabilities. Based on internal assessment and discussion with tax advisors, the Company is of the view that the possibility of any of these tax demands materializing is remote.

In absence of any specific entry in the Indian Stamp Act, 1899 for amalgamation, which is open to interpretation of the stamp collector, the Company has filed an application dated June 30, 2019 for adjudication of the stamp duty. During the pendency of the adjudication application, it is difficult to provide an estimate of the actual stamp duty that would be leviable on the Company and therefore no provision has been made in the financial statements for the year ended March 31, 2021.

46. SEGMENT INFORMATION

The Segment reporting disclosed by the Company in this section is presented in accordance with the disclosure's requirements of Ind AS 108 "Operating Segment".

Definition of the operating segments of the Company is based on the identification of the various activities performed which generate revenues and expenses, while also taking into consideration the organizational structure approved by the Board of Directors for business management purposes. Based on these segments, management analyses the main operating and financial metrics for the purpose of taking resource allocation decisions and assessing the Company's performance. The Company has not aggregated any operating segments for presentation purposes.

There is only reportable segment ("Credit cards") as envisaged by Ind AS 108 Segment reporting, specified under section 133 of the Companies act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards.

Accordingly, as the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary disclosures prescribed by Ind AS 108 are not required to be given.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

47. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to ₹ 22.07 crores as at March 31, 2021, (₹ 23.08 crores as at March 31, 2020).

48. In respect of accounts receivables, the Company is regularly generating and dispatching customer statements on periodic interval wherever transactions or outstanding are there. In case of disputes with regard to billing, there is a process of resolution and adjustments are carried out on regular basis. Moreover, in respect of accounts payable, the Company has a process of receiving regular balance confirmation from its vendors. The balances are reconciled with the balance confirmation received and discrepancies, if any are accounted on regular basis. For the year end balances of Account Receivables, Account Payables and Loans, the management is of the opinion that adjustments, if any required through the abovementioned process, will not have any material impact on the financials of the Company.

49. The Company deposited GST on Interchange received by it in respect of VISA International transactions. However, in February 2019, Company has received a declaration from VISA that Settlement of International Interchange is being done in INR as per approval of RBI obtained by VISA in 1995. On the basis of said declaration, the Company has obtained opinion from legal firm confirming that the same can be treated as receipt of consideration in convertible foreign exchange and consequently as export of service and therefore not chargeable to GST. The Company has accordingly decided to stop paying GST on International Interchange henceforth and decided to file a refund application for ₹ 11.06 Crores for the GST paid from July, 2017 to February 2019 with GST authorities.

The said refund is subject to interpretation of law for which there is no precedence in the form of judgements/ departmental clarifications. In view of the above, the Company has provided for 100% provision against the refund claim to mitigate the uncertainty risk.

Further, on July 16, 2019, the Company has withdrawn refund application for ₹ 6.54 Crores for the period April, 2018 - February, 2019 and have adjusted this amount from tax payable of the subsequent period basis opinion from legal firm and accordingly provision to the extent of ₹ 6.54 Crores have been reduced/ reversed.

50. The Company deposited GST on Interchange Income for the period April, 2018 to December, 2018 considering them as intra-state supplies for the year ended March 31, 2019. However, post receiving bank wise details of such Interchange Income from network partners, such supplies are held as Inter-state transaction for which IGST is applicable. Consequently, company had filed a refund claim under Section 77 of the CGST Act of ₹ 108.41 Crores which has been rejected by the adjudicating authority as well as the first Appellate Commissioner. As GST Tribunals have not been set up as of now, Company has filed a Writ Petition before Hon'ble Punjab & Haryana High Court against such rejection order. The Company has created 100% provision against the refund claim as at March 31, 2021 to mitigate the uncertainty risk considering that the said refund is subject to interpretation of law in view of the above.

51. All financial information presented in INR has been rounded off to the nearest crores (up to two decimals), except as stated otherwise. Till previous year, all financial information was rounded off to the nearest lakhs (up to two decimals), except as stated otherwise.

52. During the year ended March 31, 2021, the Company has sold a portion of Stage 3 assets to an Asset Restructuring Company. Details of such transaction is as below,

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of accounts	31671	NIL
Aggregate value (net of provisions) of accounts sold to ARC	₹ 79.88 Crores	NIL
Aggregate consideration	₹ 18.43 Crores	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
Aggregate gain / (loss) over net book value	(₹ 61.45 Crores)	NIL

The consideration on sales of asset [Stage 3] has been settled in cash as of March 31, 2021.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

53. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all categories of eligible borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions and IBA notification bearing reference No. CIB/ADV/MBR/9833 dated April 19, 2021 on methodology for calculation of the amount of such 'interest on interest', Company has formulated a Board- approved policy for such refund and also recognised a charge of ₹ 4.17 Crores in its Statement of Profit and Loss for the year ended March 31, 2021, and the same shall be credited to customer's account in due course of time.

54. During the financial year ended March 31, 2021, the Company has reclassified following comparative figures which do not have material impact on the Financial Statements

Note No.	Note Description	Previously reported Amount	Revised Amount	Change
Asset				
Note 5	Cash and cash equivalents	515.13	515.91	0.78
Note 6	Bank Balance	160.90	161.45	0.55
Note 9	Other receivables	180.17	-	(180.17)
Note 12	Other financial assets	40.34	223.10	182.76
Total				3.92
Liabilities				
Note 18	Debt securities	5,685.44	5,799.28	113.84
Note 19	Borrowings (other than Debt Securities) & lease liabilities	10,432.82	10,474.62	41.80
Note 20	Subordinated liabilities	1,246.68	1,298.85	52.17
Note 21	Other financial liabilities	671.26	467.37	(203.89)
Total				3.92

55. SEBI Initial Disclosure requirement (circular No HO/DDHS/CIR/P/2018/144 dt Nov'18)

Sr. No.	Particulars	DETAILS
1	Name of the company	SBI Cards and Payment Services Limited
2	CIN	L65999DL1998PLC093849
3	Outstanding borrowing of company as on March 31, 2021 (in ₹ cr)	₹ 18,068.04 Crores
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	AAA/Stable by CRISIL & ICRA
5	Name of Stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

56. SEBI Annual Disclosure requirement (circular No HO/DDHS/CIR/P/2018/144 dt Nov'18)

Sr. No.	Particulars	DETAILS
1	Incremental borrowing done in FY (a)	₹ 1,900.00 Cr
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	₹ 475.00 Cr
3	Actual borrowings done through debt securities in FY (c)	₹ 1,900.00 Cr
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

57. Disclosure in terms of RBI Circular (RBI/2019-20/88) No: DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

57.1.1. Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Quarter ended	Number of Significant Counterparties	Amount (₹ crore)	% of Total deposits	% of Total Liabilities
1	Jun'20	9 (Nine)	13,420.38	N.A.	72.12%
2	Sep'20	8 (Eight)	13,504.25	N.A.	73.25%
3	Dec'20	10 (Ten)	15,523.37	N.A.	73.35%
4	Mar'21	8 (Eight)	15,274.68	N.A.	72.18%

ii) Top 20 large deposits (amount in ₹ crore and % of total deposits)

Company is registered as Non-Deposit taking Systemically Important NBFC, hence this clause is not applicable

iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Sr. No.	Quarter ended	Amount (₹ crore)	% of Total Borrowings
1	Jun'20	13,466.07	84.29%
2	Sep'20	13,678.77	87.75%
3	Dec'20	15,427.00	85.39%
4	Mar'21	15,559.24	87.37%

iv) Funding Concentration based on significant instrument/product

Sr. No.	Quarter ended	Bank Lines		Debentures		Commercial Papers	
		Total Amount (₹ crore)	% of Total Liabilities	Total Amount (₹ crore)	% of Total Liabilities	Total Amount (₹ crore)	% of Total Liabilities
1	Jun'20	9,105.33	48.93%	4,390.15	23.59%	2,416.35	12.98%
2	Sep'20	8,843.07	47.97%	4,390.45	23.81%	2,294.96	12.45%
3	Dec'20	10,047.50	47.48%	4,340.74	20.51%	3,604.31	17.03%
4	Mar'21	10,663.52	51.49%	5,019.12	24.23%	2,212.14	10.68%

v) Stock Ratios :

Sr. No.	Quarter ended	Name of the instrument/product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
a	Jun'20	Commercial Papers	N.A.	12.98%	9.96%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	68.13%	52.26%
		Commercial Papers	N.A.	12.45%	9.44%
b	Sep'20	Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.75%	49.85%
		Commercial Papers	N.A.	17.03%	13.21%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
c	Dec'20	Other short-term liabilities	N.A.	62.36%	48.38%

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

57. Disclosure in terms of RBI Circular (RBI/2019-20/88) No: DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. (Contd..)

57.1.1. Public disclosure on liquidity risk: (Contd..)

v) Stock Ratios : (Contd..)

Sr. No.	Quarter ended	Name of the instrument/product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
d	Mar'21	Commercial Papers	N.A.	10.68%	8.19%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.51%	50.23%

vi) Institutional set-up for liquidity risk management

Refer note no 37.2.3 for details

57.1.2. Disclosure on Liquidity Coverage Ratio

Reserve Bank of India, through the Liquidity Risk Management Framework for Non-Banking Financial Companies, introduced Liquidity Coverage Ratio (LCR) with the objective that NBFC shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

Liquidity management in the Company is driven by the Board approved Asset Liability Management (ALM) Policy. The Asset Liability Committee (ALCO) is a decision-making unit responsible for implementing the liquidity risk management strategy of the Company, formulating the Company's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Company and also ensures adherence to the risk tolerance/limits set by the Board.

The LCR requirement were effective December 1, 2020, with the minimum HQLAs to be held being 50% of the LCR, progressively increase it by 10% annually, to reach up to the required level of 100% by December 1, 2024. The LCR is calculated by dividing stock of HQLA by total net cash outflows over the next 30 calendar days. Total net cash outflows over the next 30 days is equal to stressed outflows minus Minimum of (stressed inflows or 75% of stressed outflows), wherein stressed outflows are 115% of outflows and stressed inflows are 75% of inflows.

The following table sets out the average of unweighted and weighted value of the LCR components of the Company calculated in accordance with RBI circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. The average weighted and unweighted amounts are calculated taking simple averages of monthly observations over the previous/reporting quarter.

Sr. No.	Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Asset					
1	Total High Quality Liquid Assets (HQLA)		961.09		1,113.18
Cash Outflows					
2	Deposits (For Deposit taking Companies)	-	-	-	-
3	Unsecured Wholesale Funding	395.41	454.72	362.21	416.54
4	Secured Wholesale Funding	3,908.10	4,494.32	4,363.41	5,017.92

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

57. Disclosure in terms of RBI Circular (RBI/2019-20/88) No: DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. (Contd..)

57.1.2. Disclosure on Liquidity Coverage Ratio (Contd..)

Sr. No.	Particulars	Quarter ended March 31, 2021		Quarter ended December 31, 2020	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
5	Additional Requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	1,128.07	1,297.28	1,157.93	1,331.61
7	Other contingent funding obligations	-	-	-	-
8	Total Cash Outflows	5,431.58	6,246.32	5,883.55	6,766.08
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	7,479.60	5,609.70	7,627.07	5,720.30
11	Other Cash Inflows	118.05	88.54	127.43	95.58
12	Total Cash Inflows	7,597.65	5,698.24	7,754.50	5,815.88
			Total Adjusted Value		Total Adjusted Value
13	Total HQLA		961.09		1,113.18
14	Total Net Cash Outflows		1,561.58		1,691.52
15	Liquidity Coverage Ratio (%)		61.55%		65.81%

* For December quarter, Total weighted value (average) HQLA is for the month of December 2020 only, as LCR was applicable from December 01, 2020.

The main drivers of the LCR calculation in outflow over 30 days period is contractual borrowing obligations of the company in the form of commercial papers, bank lines, debentures. Other contractual funding obligations consist of liabilities towards network partners, vendor payments, other liabilities. Further company has used the behavioural study to take the impact of unused credit and liquidity facilities that Company has provided to its cardholders. Main driver of inflows is the repayments from the cardholders which are taken basis the past behavioural pattern observed. Other cash inflows consist majorly incomes accruals which company expects to receive in next 30 days.

The average LCR of the Company for the three months ended March 31, 2021 was 61.55% as against 65.81% for the quarter ended December 31, 2020. The LCR remains above the regulatory minimum requirement of 50%. The average HQLA for the quarter ended March 31, 2021 was ₹ 961.09 crores as against ₹ 1,113.18 crores for the quarter ended December 31, 2020. The net cash outflow position has gone down by ₹ 129.94 crores and HQLA level has gone down by ₹ 152.09 crores as cash outflows in next 30 days has reduced. HQLA comprises of balances in demand deposits with Scheduled Commercial Banks (1.85%), Investments in Treasury Bills (64.67%) and investment in Government Securities (33.48%). The company takes forward cover to hedge the foreign exchange liabilities and do not foresee any material impact of derivative exposure/potential collateral calls/ currency mismatch in the LCR.

Management is of the view that the Company has sufficient liquidity cover to meet its likely future short-term requirements.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

58. Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non- Banking Financial Companies (non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2016:

Particulars	As at		As at	
Liabilities side:	March 31, 2021		March 31, 2020	
1. Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures : Secured : Unsecured (Other than falling within the meaning of public deposits)	5,019.12	-	4,556.16	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-company loans and borrowing				
(e) Commercial Paper	2,212.14	-	2,541.97	-
(f) Other Loans				
- External commercial borrowings	-	-	-	-
- Cash/Credit Loans*	10,663.52	-	10,297.89	-
- Finance lease obligation	-	-	-	-
- lease obligation	173.26	-	176.73	-

* It includes working capital demand loan.

Assets side:	Amount outstanding As at March 31, 2021	Amount outstanding As at March 31, 2020
2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured*	316.25	306.38
(b) Unsecured	24,797.58	23,834.22
3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	Nil	Nil
(b) Operating lease	Nil	Nil
ii) Stock on hire including hire charges under sundry debtors:	Nil	Nil
(a) Assets on hire	Nil	Nil
(b) Repossessed Assets	Nil	Nil
iii) Other loans counting towards AFC activities	Nil	Nil
(a) Loans where assets have been repossessed	Nil	Nil
(b) Loans other than (a) above	Nil	Nil

* It Includes advances to credit card customers to the extent of lien on fixed deposits and financial guarantees.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

58. (Contd..)

Assets side:	Amount outstanding As at March 31, 2021	Amount outstanding As at March 31, 2020
4 Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	623.25	Nil
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
Long Term investments:		
1. Quoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	323.11	Nil
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares: (a) Equity	11.20	1.46
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil

5 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions					
	As at March 31, 2021			As at March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	0.24	0.24	-	0.17	0.17
(c) Other related parties	-	0.02	0.02	-	0.01	0.01
2. Other than related parties	314.76	23,144.13	23,458.89	304.66	22,506.81	22,811.48
Total	314.76	23,144.39	23,459.14	304.66	22,507.00	22,811.66

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

58. (Contd..)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at March 31, 2021		As at March 31, 2020	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group *	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	957.56	957.56	1.46	1.46
Total	957.56	957.56	1.46	1.46

* Refer note 10

7 Other Information

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,254.28	484.39
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	277.65	158.86

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

59. Disclosure of Restructured Accounts

S. No.	Type of Restructuring Asset Classification Details	Under CDR				Under SME Debt				Others			
		A	B	C	D	A	B	C	D	A	B	C	D
		#	#	#	#	#	#	#	#	#	#	#	#
1	Restructured accounts as on April 1, 2020	-	-	-	-	-	-	-	-	-	508	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	1.39	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	0.93	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	3,168	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	37.37	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	24.62	-	-
3	Upgradations to restructured standard category	-	-	-	-	-	-	-	-	-	177	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the	-	-	-	-	-	-	-	-	-	-	-	-
	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
5	Adjustments as on 31st Mar'21 for payment/provision*	-	-	-	-	-	-	-	-	-	-	-	-
	Amount received	-	-	-	-	-	-	-	-	-	4.61	-	-
	Provision adjustments	-	-	-	-	-	-	-	-	-	3.05	-	-
6	Restructured Accounts as on March 31, 2021 (S No 1+2-3-4-5-6-7)	-	-	-	-	-	-	-	-	-	1,635	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	14.42	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	9.50	-	-
7	No. of borrowers	-	-	-	-	-	-	-	-	-	1,843	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	19.53	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	12.87	-	-
8	No. of borrowers	-	-	-	-	-	-	-	-	-	21	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	0.20	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	0.13	-	-
9	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount received	-	-	-	-	-	-	-	-	-	4.61	-	-
	Provision adjustments	-	-	-	-	-	-	-	-	-	3.05	-	-
10	No. of borrowers	-	-	-	-	-	-	-	-	-	1,635	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	14.42	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	9.50	-	-

* The Original format does not contain these particulars details

A: Standard assets B: Sub-standard assets C: Doubtful assets D: Loss assets

Note : Restructured assets are now classified as stage 3 assets and accordingly provision on the same is created as per ECL method prescribed under IND AS 109

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures

60.1. Capital

Particulars	As at March 31, 2021	As at March 31, 2020
i) CRAR (%)	24.75%	22.43%
ii) CRAR - Tier I Capital (%)	20.86%	17.70%
iii) CRAR - Tier II Capital (%)	3.89%	4.72%
iv) Amount of subordinated debt raised as TierII capital*	1,250	1,250
v) Amount raised by issue of Perpetual Debt Instruments	-	-

*Qualifying amount as Tier II Capital as at March 31, 2021 is ₹ 650 crore (Previous Year ₹ 830 crore). Fresh subordinated debt raised as Tier II during Financial Year 2020-21 is Nil (Previous year ₹ 100 crore).

60.2. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	957.56	1.46
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	957.56	1.46
(b) Outside India	-	-
2 Movement of Provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

60.3. Derivatives

Forward Rate Agreement / Interest Rate Swap

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures (Contd..)

60.4 Exchange Traded Interest Rate (IR) Derivatives

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

60.5 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

S. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	Hedged Assets	25.73 (USD 0.35)	Nil	22.62 (USD 0.30)	Nil
	Hedged Liabilities- Loan	Nil	Nil	Nil	Nil
	Hedged Liabilities- Interests	Nil	Nil	Nil	Nil
(ii)	Marked to Market Positions				
	a) Asset (+)	0.10	Nil	Nil	Nil
	b) Liability (-)	Nil	Nil	(0.43)	Nil
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures	110.11	Nil	84.75	Nil

Refer note 37 to the financial statements for details

60.6 Disclosures relating to Securitisation

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
4	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	Nil	Nil
	Others	Nil	Nil

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures (Contd..)

60.6 Disclosures relating to Securitisation

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitisations	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil

60.7 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	No. of accounts	31671	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	₹ 79.88 Crores	Nil
(iii)	Aggregate consideration	₹ 18.43 Crores	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / (loss) over net book value	(₹ 61.45 Crores)	Nil

60.8. Details of Assignment transactions undertaken by NBFCs

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

60.9. Details of non-performing financial assets purchased / sold

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1 (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2 (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

Details of non-performing financial assets sold

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1 (a) No. of accounts sold	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2 (a) Aggregate consideration received	Nil	Nil

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures (Contd..)

60.10. Asset Liability Management

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

Description	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	7,288.07	3,440.15	2,263.43	3,823.37	2,800.29	3,566.18	-	277.65	23,459.14
Investments	-	281.53	1.69	281.68	63.11	86.84	231.51	11.20	957.56
Borrowings *	5,006.20	3,529.14	2,129.03	1,293.10	1,309.65	3,677.12	773.25	350.55	18,068.04
Foreign	-	-	3.98	-	69.13	-	-	-	73.11
Currency assets	-	-	-	-	-	-	-	-	-
Foreign	13.53	49.20	-	-	-	-	-	-	62.73
Currency liabilities	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

Description	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	6,243.28	3,286.55	3,061.65	4,988.60	2,657.73	2,414.98	-	158.85	22,811.63
Investments	-	-	-	-	-	-	-	1.46	1.46
Borrowings *	5,976.33	3,116.36	2,697.27	1,533.50	1,131.56	1,733.52	1,035.40	348.80	17,572.74
Foreign	-	-	15.10	36.05	-	-	-	-	51.15
Currency assets	-	-	-	-	-	-	-	-	-
Foreign	-	56.22	-	-	-	-	-	-	56.22
Currency liabilities	-	-	-	-	-	-	-	-	-

60.11 Exposure to Real Estate Sector

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Direct Exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	Nil	Nil
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	Nil	Nil
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures :-		
a.	Residential	Nil	Nil
b.	Commercial real Estate	Nil	Nil

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures (Contd..)

60.12 Exposure to Capital Market

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		Nil	Nil

60.13. Details of financing of parent company products

The Company has not financed any of the products of its parent company during the financial year 2020-21.

60.14. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the year ended March 31, 2021.

60.15. Miscellaneous

60.15.1. Registration obtained from other financial sector regulators

The Company has also obtained registration from the following Regulators.

Registration Authority	Registration No.
Certificate of Incorporation under Companies Act 2013	L65999DL1998PLC093849
Insurance Regulatory and Development Authority of India	CA0075
NBFC Registration	14.01328

60.15.2. Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by any regulators during financial year 2020-21.

60.15.3. Related Party Transactions

For related party transaction refer note no.42.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

60. Additional Disclosures (Contd..)

60.15. Miscellaneous (Contd..)

60.15.4. Ratings assigned by credit rating agencies and migration of ratings during the year

The short-term debt rating of the Company is A1+ by CRISIL and ICRA. Long-term debt rating is AAA / Stable by CRISIL and ICRA. There is no change in the rating during financial year 2020-21.

60.15.5. Revenue Recognition

There is no circumstance in which revenue recognition has been postponed pending the resolution of significant uncertainties.

61. Additional Disclosures

61.1. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2021	As at March 31, 2020
Provision towards stage 3 assets *	976.63	325.53
Provision for stage 1 and stage 2 assets *	678.06	1,003.43
Provision for Long Service Awards	8.83	7.84
Provision for reward points redemption	386.98	405.87
Provision for Gratuity	0.81	3.63
Provision for Compensated absences	16.94	15.12
Provision on Trade Receivable	0.34	0.16
Provision on Financial assets	1.91	3.69
Provision on Non Financial assets	113.74	114.20
Provision for Bonus & Incentive Payable	40.97	48.83
Provision for Other Expenses**	87.69	121.34

* Includes management overlay.

** Includes accrued expenses for which services/goods received but the invoices are awaited.

61.2. Draw Down from reserves

There is no draw down from the reserves during the financial year ended March 31, 2021.

61.3. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers*	49.95	115.37
Percentage of Advances to twenty largest borrowers to Total	0.20%	0.48%

*In cases of corporate advances the amount of total advances has been taken at group level and not at an individual account level under the same group.

61.4. Concentration of Exposures

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers/customers*	217.08	216.58
Percentage of Exposures to twenty largest borrowers/customers	0.16%	0.17%

*In case of Corporate Cards, the exposure includes all the credit cards exposure to that Corporate in total.

*The exposure here denotes the total credit card limit against the top twenty borrowers.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

61. Additional Disclosures (Contd..)

61.5. Concentration of NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts*	0.75	0.29

*All four NPA accounts has been blocked for transactions. Hence there is an exposure of principal outstanding amount only as the income on this outstanding has already been derecognized as per the accounting policy adopted.

61.6. Sector wise NPAs

S. No.	Sector	% of NPAs to Total Advances in that sector	As at March 31, 2021	As at March 31, 2020
1	Agriculture & allied activities			
2	MSME			
3	Corporate borrowers - Credit Cards*	0.00%	-	0.38
4	Services			
5	Unsecured personal loans			
6	Auto loans			
7	Other personal loans - Credit Cards	4.99%	1,254.28	484.00

* In case of Corporate Cards, the NPA includes all the credit cards exposure to that corporate in total. % of NPA is for FY 2020-21.

61.7 Movement of NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Net NPAs to Net Advances (%)	1.15%	0.67%
Movement of NPAs (Gross)		
(a) Opening balance	484.39	452.95
(b) Additions during the year *	3,162.24	1,257.44
(c) Reductions during the year	(2,159.54)	(1,226.00)
(d) Derecognised during the year	(232.81)	-
(e) Closing balance	1,254.28	484.39
(ii) Movement of NPAs (Net)		
(a) Opening balance	158.86	151.82
(b) Additions during the year	946.98	370.12
(c) Reductions during the year	(828.19)	(363.08)
(d) Closing balance	277.65	158.86
(iii) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	325.53	301.13
(b) Provisions made during the year	2,215.26	887.32
(c) Write-off / write-back of excess	(1,411.23)	(862.92)
(d) Derecognised during the year	(152.93)	-
(e) Closing balance	976.63	325.53

*Addition during the year is net of repayment.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

61. Additional Disclosures (Contd..)

61.8. Disclosure in terms of RBI Circular (RBI/2019-20/170) No: DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions as required under Ind AS 109)	Net Carrying Amount	Provisions required as per IRACP norms *			Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6.1)	(6.2)**	(6) = (6.1)+(6.2)	(7)=(4)-(6)
Performing Assets								
Standard	Stage 1	20,720.59	331.71	20,388.88	95.44	122.06	217.50	460.56
	Stage 2	3,138.96	346.35	2,792.61	-	-	-	-
Subtotal of Performing Assets		23,859.55	678.06	23,181.49	95.44	122.06	217.50	460.56
Non-Performing Assets (NPA)								
Substandard	Stage 3	1,254.01	976.35	277.65	97.81	-	97.81	878.54
Doubtful- up to 1 year	Stage 3	-	-	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-	-	-
Subtotal of doubtful		-	-	-	-	-	-	-
Loss	Stage 3	0.28	0.28	-	0.28	-	0.28	-
Subtotal of NPA		1,254.28	976.63	277.65	98.09	-	98.09	878.54
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Total	Stage 1	20,720.59	331.71	20,388.88	95.44	122.06	217.50	460.56
	Stage 2	3,138.96	346.35	2,792.61	-	-	-	-
	Stage 3	1,254.28	976.63	277.65	98.09	-	98.09	878.54
	Total	25,113.83	1,654.69	23,459.14	193.53	122.06	315.59	1,339.10

* Substandard assets provision as per IRACP norms is based on principal balance. Income which would have been derecognized in IRACP on substandard assets is ₹ 273.40 Crores.

** Represents additional provision created in line RBI Circular, RBI/2019-20/220 DOR.No.BPBC.63/21.04.048/2020-21 dated April 17, 2020.

61.9. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There is no overseas asset as at March 31, 2021.

61.10. Off-balance Sheet SPVs sponsored

There is no off-balance sheet SPVs sponsored by the Company during the year ended March 31, 2021.

Notes forming part of the Financial Statements

(Figure in Rupees Crores, unless otherwise stated)

61. Additional Disclosures (Contd..)

61.11. Disclosure of RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 Dated August 6, 2020

Type of borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan **
	(A)	(B)	(C)	(D)	(E)
Personal Loans *	290,884.00	2,668.03	-	-	75.76
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	290,884.00	2,668.03	-	-	75.76

* Represent Credit Card details

** Represent additional provision created as of March 31, 2021, as mandated by RBI Circular dated August 06, 2021, over and above provision created as per ECL model

61.12. Disclosures of Customers Complaints

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending at the beginning of the year	399	293
(b)	No. of complaints received during the year	14,977	16,051
(c)	No. of complaints redressed during the year	15,296	15,945
(d)	No. of complaints pending at the end of the year	80	399

For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain
Partner
Membership No. : 520928

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Nalin Negi
Chief Financial Officer

Payal Mittal Chhabra
Company Secretary

Place: New Delhi
Date : April 26, 2021

Place: Gurugram/Mumbai
Date : April 26, 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI CARDS AND PAYMENT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of SBI Cards and Payments Services Limited for the year ended March 31, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated April 26, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Cards and Payments Services Limited for the year ended March 31, 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Cash Flow Statement

Cash Flow from Investing Activities:

Capital expenditure on property, plant and equipment:
₹ 56.95 crore

The above includes ₹ 3.46 crore being amount due to capital creditors for purchase of capital goods. As it is a non-cash item, it should not have been considered while calculating net cash outflow from capital expenditure on property, plant and equipment. Inclusion of non-cash item has resulted in overstatement of Net cash used in investing activities by ₹ 3.46 crore and understatement of net cash generated/ (used) in operating activities by same amount.

B. Comments on Disclosure

- The Company has updated the estimation method of the credit risk classification/ staging criteria between

Stage 1, 2 and 3 (e.g. all borrowers' linked accounts are grouped under highest delinquency stage and an account remains in stage 3 till entire overdues are cleared) during 2020-21 to recognize the potential risk, if any, in select segments. Impact due to change in estimation method has resulted in an increase in impairment loss by ₹ 91 crore. However, the Company has neither quantified the financial impact of ₹ 91 crore nor stated that estimating the impact is impracticable in future years which resulted in non-compliance to paras 39 and 40 of Ind AS 8 which stipulate that an entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.

- The Company has provided Expected Credit Loss (ECL) amounting to ₹ 331.71 crore for the Stage I loan. ECL has been calculated by multiplying the Probability of Default (PD), Loss given Default (LGD) and Exposure at Default (EAD). The Company disclosed vide Note 37.2.2 (B)(c) that Credit Conversion Factor (CCF) has been applied while calculating EAD. As per the said formula, EAD for Stage I loan worked out to ₹ 22,328 crore. PD and LGD in respect of Retail-unsecured loan was estimated at 2.28 per cent and 65.90 per cent respectively. However, the Company has adjusted the impact of CCF in the PD which led to increase of PD to 2.47 per cent. This fact has not been disclosed in the said Note. Further, 1.52 percentage adopted as conversion factor has also not been disclosed. Hence, the note is deficient.

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

(Vidhu Sood)

Principal Director of Audit
Industry & Corporate Affairs
New Delhi

Place: New Delhi
Date: 08.07.2021

Notes

[illegible]

[illegible]

Notes

[illegible]



SBI Cards and Payment Services Limited

(formerly known as SBI Cards and Payment Services Private Limited)

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